

## YOUR GROUP POLICY

This is your Group Policy. We feel certain that you will be pleased with this new format.

Your Group Policy consists of:

a policy “shell” containing general provisions relating to policyholder/insurance company matters, and

a certificate (including the Schedule of Benefits) containing the complete plan of benefits.

As changes in the plan occur, new or replacement pages will be issued and, when necessary a new or replacement certificate, Schedule of Benefits (SOB) or amendment which will be attached to a cover rider to the policy.

# Aetna Life Insurance Company



District of Columbia  
Life & Health Insurance Guaranty  
Association Act of 1992

## Summary of General Purposes And Current Limitations of Coverage

Residents of the District of Columbia who purchase health insurance, life insurance, and annuities should know that the insurance companies licensed in the District of Columbia to write these types of insurance are members of the District of Columbia Life and Health Insurance Guaranty Association. The purpose of this Guaranty Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in the District of Columbia and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is limited, however, as noted below.

### **Disclaimer**

*The District of Columbia Life and Health Insurance Guaranty Association provides coverage of claims under some types of policies if the insurer becomes impaired or insolvent. **COVERAGE MAY NOT BE AVAILABLE FOR YOUR POLICY.** Even if coverage is provided, there are significant limits and exclusions. Coverage is generally conditioned on residence in the District of Columbia. Other conditions may also preclude coverage.*

*The District of Columbia Life and Health Insurance Guaranty Association or the District of Columbia Insurance Commissioner will respond to any questions you may have which are not answered by this document. Your insurer and agent are prohibited by law from using the existence of the association or its coverage to sell you an insurance policy.*

*You should not rely on availability of coverage under the Life and Health Insurance Guaranty Association Act of 1992 when selecting an insurer.*

### *Policyholders with additional questions may contact:*

**Executive Director  
District of Columbia Life and Health  
Insurance Guaranty Association  
1200 G Street, N.W.  
Washington, D.C. 20005  
(202) 434-8771  
Fax: (202) 347-2990**

**Commissioner  
District of Columbia Department  
of Insurance Securities and Banking  
810 First Street, N.E.  
Suite 701  
Washington, D.C. 20002  
(202) 727-8000**

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810 First Street, NE, Suite 701 Washington, DC 20002 Tel: (202) 727-8000 <http://www.disb.dc.gov>

The District of Columbia law that provides for this safety-net coverage is called the Life and Health Insurance Guaranty Association Act of 1992. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association. If you have obtained this document from an agent in connection with the purchase of a policy, you should be aware that its delivery to you does not guarantee that your policy is covered by the Guaranty Association.

### **Coverage**

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

### **Exclusions from Coverage**

However, persons holding such policies are not protected by this Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside of that state of incorporation);
- their insurer was not authorized to do business in the District of Columbia; or
- their policy was issued by a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, a non-profit hospital or medical service organization, a health maintenance organization, or a risk retention group.

The Guaranty Association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk;
- any policy of reinsurance (unless an assumption certificate was issued);
- any plan or program of an employer or association that provides life, health, or annuity benefits to its employees or members to the extent the plan is self-funded or uninsured;
- interest rate guarantees which exceed certain statutory limitations;
- dividends, experience rating credits or fees for services in connection with a policy;
- credits given in connection with the administration of a policy by a group contract holder; or for
- unallocated annuity contracts.

### **Limits on Amount of Coverage**

The Act also limits the amount the Guaranty Association is obligated to pay. The benefits for which the Guaranty Association may become liable shall be limited to the lesser of:

- the contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer; or,
- with respect to any one life, regardless of the number of policies, contracts, or certificates;
- \$ 300,000 in life insurance death benefits but not more than \$ 100,000 in net cash surrender or net cash withdrawal values for life insurance; or
- \$ 100,000 in health insurance benefits, including net cash surrender or net cash withdrawal values; or
- \$ 300,000 in the present value of annuity benefits, including net cash surrender or net cash withdrawal values.

Finally, in no event is the Guaranty Association liable for more than \$ 300,000 with respect to any one individual.

# Aetna Life Insurance Company



## Notice Of Protection Provided By Maryland Life And Health Insurance Guaranty Corporation

This notice provides a brief summary of the Maryland Life and Health Insurance Guaranty Corporation (the Corporation) and the protection it provides for policyholders. This safety net was created under Maryland law, which determines who and what is covered and the amounts of coverage.

The Corporation is not a department or unit of the State of Maryland and the liabilities or debts of the Life and Health Insurance Guaranty Corporation are not liabilities or debts of the State of Maryland.

The Corporation was established to provide protection in the unlikely event that your life, annuity, or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Corporation will typically arrange to continue coverage and pay claims, in accordance with Maryland law, with funding from assessments paid by other insurance companies.

The basic protections provided by the Corporation are:

### Life Insurance

- \$300,000 in death benefits
- \$100,000 in cash surrender or withdrawal values

### Health Insurance

- \$500,000 for basic hospital, medical, and surgical insurance or major medical insurance provided by health benefit plans
- \$300,000 for disability insurance
- \$300,000 for long-term insurance
- \$100,000 for a type of health insurance not listed above, including any net cash surrender and net cash withdrawal values under the types of health insurance listed above

### Annuities

- \$250,000 in the present value of annuity benefits, including net cash withdrawal values and net cash surrender values
- With respect to each payee under a structured settlement annuity, or beneficiary of the payee, \$250,000 in present value annuity benefits, in the aggregate, including any net cash surrender and net cash withdrawal values

The maximum amount of protection for each individual, regardless of the number of policies or contracts is:

- \$300,000 in aggregate for all types of coverage listed above, with the exception of basic hospital, medical, and surgical insurance or major medical insurance
- \$500,000 in aggregate for basic hospital, medical, and surgical insurance or major medical insurance

Note: Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Maryland law.

*Insurance companies and agents are not allowed by Maryland law to use the existence of the Corporation or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Corporation coverage. If there is any inconsistency between this notice and Maryland law, then Maryland law will control.*

*To learn more about the above protections, please visit the Corporation's website at [www.mdlifega.org](http://www.mdlifega.org) or contact:*

*The Maryland Life and Health  
Insurance Guaranty Corporation  
9199 Reisterstown Road  
P.O. Box 671, Suite 216C  
Owings Mills, Maryland 21117  
(410) 998-3907*

*Maryland Insurance Administration  
200 St. Paul Place, Suite 2700  
Baltimore, Maryland 21202  
1-800-492-6116, ext. 2170*

# Aetna Life Insurance Company



Important Information Regarding Your Insurance

**To:** Policyholders with Group Policies Issued in the State of Virginia

**Subject:** Insurance Contact Notice

In the event you need to contact someone about this insurance for any reason please contact your agent. If no agent was involved in the sale of this insurance, or if you have additional questions you may contact the insurance company issuing this insurance at the following address and telephone number:

Aetna Life Insurance Company  
151 Farmington Avenue  
Hartford, CT 06156  
1-800-872-3862

If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Virginia State Corporation Commission's Bureau of Insurance at the following address and telephone number:

Virginia Bureau of Insurance  
P.O. Box 1157  
Richmond, Virginia 23218  
Consumer Service Hotline (Toll Free and Nationwide):  
877-310-6560

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.



(GR-29N-01-01-01)

## Group Life and Accident and Health Insurance Policy

This Policy is entered into by and between

**Aetna Life Insurance Company**  
(Aetna, We, Us, or Our)

and

**County Commissioners Of Charles County MD**  
(the Policyholder)

Policy Number: GP-866348-GI  
Date of Issue: July 29, 2014  
Effective Date: July 1, 2014

This Policy shall be effective on the Effective Date and shall continue in force until terminated as provided herein.

In consideration of the mutual promises hereunder and the payment of Premiums and fees when due, We will pay benefits in accordance with the terms, conditions, limitations and exclusions set forth in this Policy. Benefits will be paid in accordance with the reasonable exercise of Our business judgment, consistent with applicable law. The duties and the rights of all persons will be based solely on the terms of this Policy.

Upon receipt of the Policyholder's signed Group Application, and upon receipt of the required initial Premium, this Policy shall be considered to be agreed to by the Policyholder and Us, and is fully enforceable in all respects against the Policyholder and Us.

Term of Policy: The Initial Term shall be:  
The 12 consecutive month period beginning on the Effective Date.

Thereafter, Subsequent Terms shall be:  
The 12 consecutive month period beginning on July 1 of each year.

Premium Due Dates: The Effective Date and the first day of each succeeding calendar month.

This Policy is non-participating.

This Policy is governed by applicable federal law and the laws of Maryland.

Signed at **Aetna's** Home Office 151 Farmington Avenue Hartford, Connecticut 06156 on the date of issue.

A handwritten signature in black ink, appearing to read 'Mark T. Bertolini', with a stylized flourish at the end.

Mark T. Bertolini  
Chairman, Chief Executive Officer and President

Aetna Life Insurance Company  
(A Stock Company)

# **Aetna Life Insurance Company**

## **Index**

**Cover Page – Group Life and Accident and Health Insurance Policy**

**Index**

**Special Notice**

**Definitions**

**Policy Contents**

**Premiums and Fees**

**Responsibilities of the Policyholder**

**Termination**

**General Provisions**

# Special Notice (GR-29N-02-01-05 MD)

## Important Information Regarding Your Insurance

### Insurance Contact Notice

In the event you need to contact someone about this insurance for any reason please contact your sales agent or broker. If no sales agent or broker was involved in the sale of this insurance, or if you have additional questions you may contact Us at the following address and telephone number:

**Aetna** Life Insurance Company  
151 Farmington Avenue  
Hartford, CT 06156  
1-800-872-3862

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your sales agent, broker or Us, have your policy number available.

### Fraud Notice

Any person who knowingly and with intent to injure; defraud; or deceive; any insurer files a statement of claim or an application containing any:

- false;
- incomplete; or
- misleading;
- information is guilty of a crime.

## Definitions (GR-29N-03-01-01)

Defined terms as used throughout this Policy appear in bolded print. Some of the terms are defined in this section while others are defined in the *Glossary* section of the Booklet-Certificate.

**Associated Companies.** This term means any company which is a subsidiary to or affiliated with the Policyholder for the purpose of providing benefits under This Policy.

**Employee.** This term is defined in the *Eligibility, Enrollment and Effective Date of Your Coverage* Section of the Certificate.

If the Policyholder is a partnership or proprietorship, each of its natural-person partners, or the proprietor, will be deemed to be an employee.

If an eligible person is covered under any other group health plan issued to the Policyholder by Us, or any other health benefit plan established and maintained by the Policyholder, they will not be considered eligible for health coverage under this Policy.

An employee is eligible only for the coverages shown in the Certificate which applies to his or her class.

# Policy Contents

This Policy consists of all provisions set forth in this document as well as the provisions found in the Certificate, including the *Schedule of Benefits*, issued to covered employees under the group plan. Any amendment changing the provisions of the Certificate is also made part of this Policy as of the effective date of the amendment.

Certificate means each certificate included in the Policy as follows:

<b>Identification</b>	<b>Issue Date</b>	<b>Effective Date</b>	<b>Eligible Group and/or Type of Coverage</b>
Booklet-cert 1	July 29, 2014	July 1, 2014	Life & AD&PL (BA&SA)
SOB 1A	July 29, 2014	July 1, 2014	Life & AD&PL
Booklet-cert 2	July 29, 2014	July 1, 2014	LTD (DA)
SOB 2A	July 29, 2014	July 1, 2014	LTD
Complaint & Appeals Health Rider	July 29, 2014	July 1, 2014	Life & AD&PL
Complaint & Appeals Health Rider	July 29, 2014	July 1, 2014	LTD

## Premiums and Fees (GR-29N-05-01-01)

**Premiums Rates.** The premium charges will be determined in accordance with the Premium Rates in effect on the Premium Due Date. The initial monthly Premium Rates are set forth in the Schedule of Premiums and Fees.

However, any other method may be used which: (a) yields about the same total amount; and (b) is agreeable to both the Policyholder and Us.

If the Policyholder so agrees, We may determine the Premium Rates:

- On the basis of an examination of the experience of the risk assumed; and
- On reasonable assumptions as to interest, mortality and expense.

The rate is subject to change as provided in this Policy. The Premium Rate is for a period of one month.

**Premiums Due – Experience Rating.** The Premium due under this policy on any Premium Due Date will be the sum of the premium charges for the coverages provided under this Policy. Covered employees and dependents as of each Premium Due Date will be determined by Us in accordance with Our records. A check does not constitute payment until it is honored by a bank. We may return a check issued against insufficient funds without making a second deposit attempt. We may accept a partial payment of Premium without waiving our right to collect the entire amount due.

If premiums are payable monthly, any insurance becoming effective will be charged for from the first day of the policy month on or right after the date the insurance takes effect. Premium charges for insurance which terminates will cease as of the first day of the policy month on or right after the date the insurance terminates. If premiums are payable less often than monthly, premium charges or credits for a fraction of a premium-paying period will be made on a pro rata basis for the number of policy months between the date premium charges start or cease and the end of the premium-paying period. If this Policy is changed to provide more coverage to take effect on a date other than the first day of a premium-paying period, a pro rata premium for the coverage will be due and payable on that date. It will cover the period then starting and ending right before the start of the next premium-paying period.

We may change premiums due to experience or a change in factors bearing on the risk assumed. Each change shall be made by written notice to the Policyholder by Us pursuant to the *Changes in Premium* section.

Except as otherwise provided in the *Changes in Premium* provision, no experience reduction or increase in Premium Rates shall become effective less than 12 months after the effective date of this Policy.

At the end of a policy year, We may declare an experience credit. We do not have a duty to declare any experience credit. We will return the amount of that credit to the Policyholder. We may return such credited funds by check, by application against future premium in the current or succeeding policy period, or in any other manner as agreed to by the Policyholder and Us. We may require the Policyholder to share the credit with employees as a condition of Our returning the credited funds to the Policyholder.

If the sum of employee contributions which have been made for group insurance exceeds the sum of premiums which have been paid for group insurance, (after giving effect to any experience credits), the excess will be applied by the Policyholder for the sole benefit of employees. We will not have to see to the use of such excess.

Instead of figuring premiums as described above, premiums may be figured in any way approved by Us that comes up with about the same amount of premiums.

Once a new plan year begins, **Aetna** will not refund any prior period premiums until:

- **Aetna** receives proof that a refund should be made; and
- the current plan year has ended and a reconciliation has been completed.

**Aetna** will make any eligible prior period refunds in the subsequent period.

**Aetna** will not refund to the group any insured's premium beyond 90 days prior to the date **Aetna** receives proof that a refund should be made. If the plan sponsor provides additional information satisfactory to **Aetna**, **Aetna** will consider new information in determining the amount of the refund due.

**Fees.** In addition to the Premium, We may charge the following fees:

- An installation fee may be charged upon initial installation of coverage or any significant change in installation (e.g., a significant change in the number of employees or a change in the method of reporting employee eligibility to Us). A fee may also be charged upon initial installation for any custom plan set-ups.
- A billing fee may be added to each monthly Premium bill. The billing fee may include a fee for the recovery of any surcharges for amounts paid through credit card, debit card or other similar means.
- A reinstatement fee pursuant to the Termination provision.
- A conversion fee may be charged in connection with each employee or dependent electing conversion coverage. The conversion fee may be charged monthly based upon the number of covered persons electing conversion coverage during the previous month.
- A fee may be charged in connection with a check returned due to insufficient funds.

**Grace Period.** The Grace Period is the 31 consecutive day period immediately following the Premium Due Date granted for the payment of Premium and applicable fees, unless **Aetna** does not intend to renew the policy beyond the period for which premium has been accepted and notice of the intention not to renew is delivered to the policyholder at least 45 days before the premium is due. During the grace period the Policy will remain in force. If all Premiums and fees are not received before the end of the Grace Period, this Policy will be automatically terminated on the date the Grace Period expires.

**Aetna** may only collect the premium for the first 30 days the policy is in force during the Grace Period. If **Aetna** receives a notice of intention to terminate the policy during the Grace Period, **Aetna** may collect the premium for the period beginning on the first day of the Grace Period until the date which notice is received or the date of termination stated in the notice, whichever is later.

**Payment of Premiums and Fees.** The Policyholder will pay premiums and fees in advance. They must be paid at Our home office or its authorized agent.

If the premiums and any fees are not paid by the Premium Due Date or before the end of the Grace Period, this policy will automatically terminate when the Grace Period ends. We will require the Policyholder to pay interest on the total premium amount and any fees overdue after the Premium Due Date including the premiums due for the first 30 days of the Grace Period. The interest rate will be up to 1/2% per month for each month; or partial month; the balance remains unpaid. We may recover from the Policyholder: costs of collecting any unpaid premiums or fees, including reasonable attorney's fees; and costs of suit.

**Changes in Premium.** We may also change the Premium rates effective as of any Premium Due Date upon 45 days prior written notice to the Policyholder. However, no such adjustment will be made during the Initial Term except to reflect changes in applicable law or regulation or a judicial decision having a material impact on the cost of providing Coverage.

**Retroactive Adjustments.** We may, at Our discretion, make retroactive adjustments to the Policyholder's billings for the termination of employees not posted to previous billings. However, the Policyholder may only receive a maximum

of 2 month's credit for employee terminations that occurred more than 60 days before the date the Policyholder notified Us of the termination. We may reduce any such credits by the amount of any payments We may have made on behalf of such employees before We were informed their coverage had been terminated. Retroactive additions will be made at Our discretion based upon eligibility guidelines stated in the Certificate, and are subject to the payment of all applicable premiums.

# Premiums and Fees (Continued)

**Schedule of Premiums and Fees.** The initial monthly Premium Rates are as follows:

Life Insurance	Unit Benefit	
Basic	Per \$1,000 Of Insurance	\$0.076

# Premiums and Fees (Continued)

**Schedule of Premiums and Fees.** The initial monthly Premium Rates are as follows:

Accidental	Per \$1,000 of	\$0.020
Death and	Coverage	
Personal Loss		

# Premiums and Fees (Continued)

**Schedule of Premiums and Fees.** The initial monthly Premium Rates are as follows:

Long Term Disability Income	Per \$100 of Covered Monthly Payroll	\$0.45
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## Premiums and Fees (Continued)

### Employee Supplemental Life Insurance and Dependent Spouse Life Insurance - Table of Premium Rates

Age Last Birthday	Monthly Premium Per \$1,000 of Insurance
under 29	\$0.040
30-34	\$0.052
35-39	\$0.058
40-44	\$0.087
45-49	\$0.145
50-54	\$0.256
55-59	\$0.407
60-64	\$0.599
65-69	\$0.843
70+	\$1.912

### Spouse and Dependent Child Supplemental Life Insurance:

Premium per \$1,000 of Life Insurance - \$2.50

# Responsibilities of the Policyholder

**Records.** The Policyholder will furnish to Us, on a monthly basis (or as otherwise required), such information as We may reasonably require to administer this Policy. This information may be on our form (or such other form as We may reasonably approve) by facsimile (or such other means as We may reasonably approve). This includes, but is not limited to, information needed to enroll employees of the Policyholder, process terminations, and effect changes in family status and transfer of employment of employees.

The Policyholder represents that all enrollment and eligibility information that has been or will be supplied to Us is accurate. The Policyholder acknowledges that We can and will rely on such enrollment and eligibility information in determining whether a person is eligible for coverage under this Policy. To the extent such information is supplied to Us by the Policyholder (in electronic or hard copy format), the Policyholder agrees to:

- Maintain a reasonably complete record of such information (in electronic or hard copy format, including evidence of coverage elections, evidence of eligibility, changes to such elections and terminations) for at least seven years or until the final rights and duties under this Policy have been resolved, and to make such information available to Us upon request.
- If applicable, obtain from all employees a “Disclosure of Healthcare Information” authorization in the form currently being used by Us in the enrollment process (or such other form as We may reasonably approve).

We will not be liable to employees for the fulfillment of any obligation prior to information being received in a form satisfactory to Us. The Policyholder must notify Us of the date in which an employee’s employment ceases for the purpose of termination of coverage under this Policy. Subject to applicable law, unless otherwise provided in the Certificate, We will consider an employee’s employment to continue until stopped by the Policyholder.

The Policyholder must notify employees of the termination of the Policy in compliance with all applicable laws. However, We reserve the right to notify employees of termination of the Policy for any reason, including non-payment of premium. The Policyholder shall provide written notice to employees of their rights upon termination of coverage.

**Access.** Make payroll and other records directly related to an employee’s coverage under this Policy available to Us for inspection, at Our expense, at the Policyholder’s office, during regular business hours, upon reasonable advance request. This provision shall survive termination of this Policy.

**Forms.** Distribute materials to employees regarding enrollment and coverage features. This includes coverage Certificates as described in the Certificates provision of the Policy section *General Provisions*.

**Policies and Procedures; Compliance Verification.** Comply with all policies and procedures established by Us in administering and interpreting this Policy. The Policyholder shall, upon request, provide a certification of its compliance with Our participation and contribution requirements. The Policyholder shall, upon request, submit proof that it continues to meet the definition of an eligible group as provided under applicable law or regulation.

**Continuation Rights and Conversion for Medical Expense Insurance.** Notify all eligible employees and dependents of their right to continue coverage pursuant to the continuation provisions in the Certificate and applicable law; and provide notification to each employee on or before the date of termination of coverage, but not more than 61 days before, of their conversion right, including a description of plans available, premium rates, and application forms.

# Termination

**Termination by Policyholder.** This Policy, or any coverage included may be terminated by the Policyholder. The Policyholder may terminate this Policy as to all or any class of its employees. **Aetna** must be given written notice. The notice must state when such termination shall occur. It must be a date after the notice. It shall not be effective during a period for which a premium has been paid to Us for the coverage.

**Termination by Us.** This Policy will terminate as of the last day of the Grace Period if the Premium remains unpaid at the end of the Grace Period as described in the *Grace Period* provision under the *Premiums and Fees* section and is subject to the terms of any laws or regulations.

In addition, We may terminate this Policy as to any or all coverage, other than the Health Expense Coverage, of all or any class of employees or dependents of any one or more member employers by giving prior written notice to the Policyholder of when it will terminate. The date shall not be earlier than 31 days after the date of the notice unless it is agreed to by the Policyholder and Us.

As used in this section: "Health Expense Coverage" means:

- Comprehensive Medical Plan;
- Major Medical Plan;
- Prescription Drug Plan;
- Basic Hospital Plan;
- Basic Medical Plan;
- Limited Medical Plan; and
- Comprehensive Hearing Benefits

But does not include:

- Basic Dental Plan;
- Comprehensive Dental Plan;
- Comprehensive Vision Benefits; and
- DMO Dental

**This Policy may also be terminated by Us as follows:**

- Immediately upon notice to Policyholder if the Policyholder has performed any act or practice that constitutes fraud or made any intentional misrepresentation of a material fact relevant to the coverage provided under this Policy;
- Upon 30 days written notice to the Policyholder if the Policyholder breaches a provision of this Policy and such breach remains uncured at the end of the notice period;
- Upon 30 days written notice to the Policyholder if the Policyholder ceases to meet Our requirements for an employer group as defined under applicable state law or regulation;
- Upon 30 days written notice to the Policyholder if the Policyholder: (i) fails to meet Our contribution or participation requirements applicable to this Policy (which contribution and participation requirements are available upon request); (ii) fails to provide the certification required by the Policies and Procedures; *Compliance Verification* provision under Section 4 within a reasonable period of time specified by Us; or (iii) changes its eligibility or participation requirements without Our consent;
- Upon 90 days written notice to the Policyholder (or such shorter notice as may be permitted by applicable law, but in no event less than 30 days) if We cease to offer the product line to which the Policy relates;

## Termination By Us. (Continued)

- Upon 180 days written notice to the Policyholder (or such shorter notice as may be permitted by applicable law, but in no event less than 30 days) if We cease to offer coverage in a market in which persons covered under this Policy reside; or

If the Policy terminates for any reason, the Policyholder will continue to be held liable for all Premiums and fees due and unpaid before the termination, including, but not limited to, Premium payments for any period of time Policy is in force during the Grace Period. Covered persons shall also remain liable for their cost sharing and other required contributions to coverage for any period of time Policy is in force during the Grace Period. We may recover from the Policyholder Our costs of collecting any unpaid Premiums or fees, including reasonable attorneys' fees and costs of suit.

**Non-Renewal.** We may request from the Policyholder, a written indication of their intention to renew or non-renew a Policy at any time during the final three months of any policy year. If the Policyholder fails to reply to such request within two weeks of their receipt of the request; or 15 days prior to the renewal date, whichever is later; then upon **Aetna's** written notice to the Policyholder, all or a part of the Policy shall be deemed to terminate automatically as of the end of the policy year. Similarly, upon Our written confirmation to the Policyholder, We may accept an oral indication by the Policyholder; or its agent or broker of intent to non-renew as the Policyholder's notice of termination of all or a part of the Policy effective as of the end of the policy year.

**Effect of Termination.** No termination of this Policy will relieve either party from any obligation incurred before the date of termination. When terminated, this Policy and all coverage provided hereunder will end at 12:00 midnight on the effective date of termination. Upon termination, We will provide employees and their dependents with Certificates of Creditable Coverage which will show evidence of their prior health coverage under this Policy for a period of up to 18 months prior to the loss of coverage.

We may, at Our sole discretion, reinstate terminated coverage provided any past due premium and reinstatement fees are paid.

**Notice to employees.** It is the responsibility of the Policyholder to notify employees of the termination of the Policy in compliance with all applicable laws. However, We reserve the right to notify employees of termination of the Policy for any reason, including non-payment of Premium. In accordance with the Certificate, the Policyholder shall provide written notice to employees of their rights upon termination of coverage.

**Life Insurance Portability.** Unless otherwise stated: Termination of this Policy by the Policyholder or Us will not terminate Life Insurance then in force for any covered person under the terms of the Group Life Insurance Portability section in the Certificate. This Policy will be deemed to remain in force solely for the purpose of continuing such Life Insurance, but without further obligation of the Policyholder hereunder. Any Life Insurance continued by the terms of this paragraph will remain in force until terminated under the terms of the Group Life Insurance Portability section in the Certificate. A person may only elect coverage according to the terms of the Group Life Insurance Portability section in the Certificate on or after the date of termination by the Policyholder or Us.

# General Provisions

**Policy.** The entire Policy consists of:

- This Policy;
- The application, copy attached;
- The current rates on file with the Policyholder;
- The attached Certificate(s); and
- Any riders, endorsements, inserts, attachments or amendments to this Policy or Certificate(s).

**Certificates.** Our method of providing the Policyholder with Certificates will be electronic. But We will provide a supply of paper copies to the Policyholder upon request. The Policyholder shall make available or distribute the Certificates to each insured employee. The insurance in force will be set forth in the Certificate. Statements as to whom benefits are payable will appear. Any applicable Conversion Privilege will also be described.

**Policies and Procedures.** We have the right to adopt reasonable policies, procedures, rules, and interpretations of this Policy and the Certificate in order to promote orderly and efficient administration.

**Policy Changes.** This Policy shall be deemed to be automatically amended to conform with the provisions of applicable laws and regulations. This Policy may also be amended by Us:

- With 30 days written notice to the Policyholder; or
- By written agreement between Us and the Policyholder.

The consent of any employee or other person is not needed. All agreements made by Us are signed by one of Our executive officers. No other person can change or waive any of the policy terms or make any agreement binding Us. Any change in the Policy will not be valid until approved by an executive officer of **Aetna**, and unless the approval is endorsed on, or attached to, the Policy.

The Policyholder will not have to give written agreement of a change in the Policy if:

- The Policyholder has asked for the change and We have agreed to it.
- The change is needed to correct an error in the Policy, including any Certificate issued to anyone.
- The change is needed so that the Policy will conform to any law, regulation or ruling of a jurisdiction that affects a person covered under this Policy; or the federal government.
- The change has been initiated by Us and is not resulting in either: a reduction or elimination in benefits or coverage; or an increase in premium.

The Policyholder will have to give written agreement of a change in the Policy:

- That reduces or eliminates benefits or coverage; or
- That increases benefits or coverage with a concurrent increase in premium during the Policy term, except if the increased benefits or coverage is required by law.

*(GR-29N-09-02-01)*

**Delegation and Subcontracting.** The Policyholder acknowledges and agrees that We may enter into arrangements with third parties to delegate functions hereunder such as utilization management, quality assurance and provider credentialing, as We deem appropriate in Our sole discretion and as consistent with applicable laws and regulations. The Policyholder also acknowledges that Our arrangements with third party vendors (e.g. pharmacy, behavioral health) are subject to change in accordance with applicable laws and regulations.

**Prior Agreements; Severability.** As of the Effective Date, this Policy replaces and supersedes all other prior agreements between the Parties as well as any other prior written or oral understandings, negotiations, discussions or arrangements between the Parties related to matters covered by this Policy or the documents incorporated herein. If

any provision of this Policy is deemed to be invalid or illegal, that provision shall be fully severable and the remaining provisions of this Policy shall continue in full force and effect.

**Clerical Errors.** A clerical error in keeping records; or a delay in making an entry; will not alone decide if insurance is valid. An equitable adjustment in premiums will be made when the error or delay is found. If the clerical error affects the existence or amount of insurance, the facts as determined by Us will be used to decide if insurance is in force and its amount. We may also modify or replace a Policy, Certificate or other document issued in error.

**Administrative Matters.** We have complete discretionary authority to review all denied claims for benefits under this Policy. This includes, but is not limited to, the denial of certification of the **medical necessity** of hospital or medical treatment. In performing its review, We shall have discretionary authority to determine whether and to what extent employees and beneficiaries are entitled to benefits; and construe any disputed or doubtful terms of this Policy.

We shall be deemed to have properly exercised such authority unless We abuse our discretion by acting arbitrarily and capriciously. We have the right to adopt reasonable policies, procedures, rules; and interpretations of this Policy to promote orderly and efficient administration.

The Policyholder shall be responsible for making reports and disclosures required by law or regulation. This includes the distribution of Certificates and disclosures prepared by Us.

**Misstatements of Age.** If any fact as to the Policyholder or any employee or dependent is found to have misstated the insured's age, a fair change in premiums may be made. If the misstatement affects the existence or amount of coverage, the true facts will be used in determining whether coverage is or remains in force and its amount.

Our failure to implement or insist upon compliance with any provision of this Policy at any given time or times, shall not constitute a waiver of Our right to implement or insist upon compliance with that provision at any other time or times. This includes, but is not limited to, the payment of premiums. This applies whether or not the circumstances are the same.

(GR-29N-09-03-01)

**Administrative Matters.** We have complete discretionary authority to review all denied claims for benefits under this Policy. This includes, but is not limited to, the denial of certification of the **medical necessity** of hospital or medical treatment. In performing its review, We shall have discretionary authority to determine whether and to what extent employees and beneficiaries are entitled to benefits; and construe any disputed or doubtful terms of this Policy.

We shall be deemed to have properly exercised such authority unless We abuse our discretion by acting arbitrarily and capriciously. We have the right to adopt reasonable policies, procedures, rules; and interpretations of this Policy to promote orderly and efficient administration.

The Policyholder shall be responsible for making reports and disclosures required by law or regulation. This includes the distribution of Certificates and disclosures prepared by Us.

**Misstatements.** If any fact as to the Policyholder or any employee or dependent is found to have been misstated, a fair change in premiums may be made. If the misstatement affects the existence or amount of coverage, the true facts will be used in determining whether coverage is or remains in force and its amount.

All statements made by the Policyholder or an employee shall be deemed representations and not warranties. No written statement made by an employee shall be used by Us in a contest unless a copy of the statement is or has been furnished to the employee or his beneficiary, or the person making the claim.

Our failure to implement or insist upon compliance with any provision of this Policy at any given time or times, shall not constitute a waiver of Our right to implement or insist upon compliance with that provision at any other time or times. This includes, but is not limited to, the payment of premiums. This applies whether or not the circumstances are the same.

**Incontestability.** (GR-29N-09-03-01)

**As to Life Insurance.** The validity of this Policy shall not be contested, except for non-payment of premiums, after it has been in force for 2 years. No statement made by an employee about his insurability shall be used by Us in contesting the validity of the insurance as to which such statement was made if the insurance has been in force prior to the contest for 2 years during the employee's lifetime; or if the insurance under the Policy may be increased upon the application of the employee and the production of evidence of good health if the increase have been in force prior to the contest for 2 years during the employee's lifetime; nor unless such statement is contained in a written form signed by him or her.

**As to Accident and Health Benefits.** Except as to a fraudulent misstatement, or issues concerning Premiums due:

- No statement made by the Policyholder or any employee or dependent shall be the basis for voiding coverage or denying coverage or be used in defense of a claim unless it is in writing.
- No statement made by the Policyholder shall be the basis for voiding this Policy after it has been in force for 2 years from its effective date.
- No statement made by an eligible employee or dependent shall be used in defense of a claim for loss incurred or starting after coverage as to which claim is made has been in effect for 2 years.

**Assignability.** No rights or benefits under this Policy are assignable by the Policyholder to any other party unless approved by Us.

**Waiver.** Our failure to implement, or insist upon compliance with, any provision of this Policy or the terms of the Certificate incorporated hereunder, at any given time or times, shall not constitute a waiver of Our right to implement or insist upon compliance with that provision at any other time or times. This includes, but is not limited to, the payment of Premiums or benefits. This applies whether or not the circumstances are the same.

**Notices.** Any notice required or permitted under this Policy shall be in writing and shall be deemed to have been given on the date when delivered in person; or, if delivered by first-class United States mail, on the date mailed, proper postage prepaid, and properly addressed to the address set forth in the face page of the Policy, or to any more recent address of which the sending party has received written notice or, if delivered by facsimile or other electronic means, on the date sent by facsimile or other electronic means.

**Third Parties.** This Policy shall not confer any rights or obligations on third parties except as specifically provided herein.

**Non-Discrimination.** In the management of this Policy, the Policyholder and the Member Employers:

- Will make no attempt, whether through differential contributions or otherwise, to encourage or discourage enrollment in the coverages provided by the Policy based on health status or health risk; and
- Will act so as not to discriminate unfairly between persons in like situations at the time of the action.

We can rely on such action and will not have to probe into the details.

**Use of Our Name and all Symbols, Trademarks, and Service Marks.** We reserve the right to control the use of Our name and all symbols, trademarks, and service marks presently existing or subsequently established. The Policyholder agrees that it will not use such name, symbols, trademarks, or service marks in advertising or promotional materials or otherwise without Our prior written consent and will cease any and all usage immediately upon Our request or upon termination of this Policy.

**Workers' Compensation.** The Policyholder is responsible for protecting Our interests in any Workers' Compensation claims or settlements with any eligible individual. We shall be reimbursed for all paid medical expenses which have occurred as a result of any work related **injury** that is compensable or settled in any manner.

On or before the Effective Date of this Policy and upon renewal, the Policyholder shall submit proof of their Workers' Compensation coverage or an exclusion form which has been accepted by the applicable regulatory authority governing Workers' Compensation. Upon Our request, the Policyholder shall also submit a monthly report to Us listing all Workers' Compensation cases. Such list will contain the name, social security number, date of loss and diagnosis of all applicable eligible individuals.

## **Additional Plan Administration Provisions** (GR-29N-10-POL-05)

For Disability Products

**FICA Taxes.** **Aetna** will calculate and withhold the Policyholder's portion of FICA taxes under this disability plan. **Aetna** will pay the Policyholder's portion of FICA taxes due on behalf of the Policyholder.