



1112337

09/22/2020

**GROUP POLICY FOR:**

**STATE OF IDAHO**

**ALL MEMBERS**

**Group Voluntary Term Life**

**Print Date: 09/23/2020**

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**CHANGE NO. --2-- AMENDMENT TO BE ATTACHED TO  
AND MADE A PART OF  
PRINCIPAL LIFE INSURANCE COMPANY GROUP  
POLICY NO. GL 1112337 ISSUED TO**

**STATE OF IDAHO**

It is agreed that the above Group Policy be amended effective as of September 22, 2020, by striking all pages and replacing such pages with the following updated Group Policy.

The effect of this change is to completely replace the documentation of the contract between the above-named Policyholder and The Principal. Therefore, as of the effective date of this change, all prior versions of that documentation are null and void. This change is not intended to renew the contract between the Policyholder and The Principal in any way which affects the time limits of the coverages or limitations as stated in the original documentation.

The provisions and conditions set forth on any attached page are part of this Amendment the same as if set forth above.

This Amendment will become effective as a Written agreement between The Principal and the Policyholder on the first premium due date following the effective date shown above for which premium due under this Group Policy is received by The Principal.

Executed by The Principal as of September 23, 2020.

  
Executive Vice President,  
General Counsel and Secretary

  
Chairman, President and  
Chief Executive Officer

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**POLICY RIDER**  
**GROUP INSURANCE**

**POLICY NO: 1112337**

**COVERAGE: Life**

**EMPLOYER: STATE OF IDAHO**

Effective on the later of the Date of Issue of this Group Policy or March 1, 2005, the following will apply to your Policy:

From time to time The Principal may offer or provide certain employer groups who apply for coverage with The Principal a Financial Services Hotline and Grief Support Services or any other value added service for the employees of that employer group. In addition, The Principal may arrange for third party service providers (i.e., optometrists, health clubs), to provide discounted goods and services to those employer groups who apply for coverage with The Principal or who become insureds/enrollees of The Principal. While The Principal has arranged these goods, services and/or third party provider discounts, the third party service providers are liable to the applicants/insureds/enrollees for the provision of such goods and/or services. The Principal is not responsible for the provision of such goods and/or services nor is it liable for the failure of the provision of the same. Further, The Principal is not liable to the applicants/insureds/enrollees for the negligent provision of such goods and/or services by the third party service providers.

EXCEPT AS SPECIFICALLY DESCRIBED IN THIS RIDER, ALL OTHER BENEFITS AND PROVISIONS WILL BE AS DESCRIBED IN THE GROUP POLICY.

  
Executive Vice President,  
General Counsel and Secretary

  
Chairman, President and  
Chief Executive Officer

PRINCIPAL LIFE INSURANCE COMPANY  
DES MOINES, IOWA 50392-0002

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**PRINCIPAL LIFE INSURANCE COMPANY**  
**(called The Principal in this Group Policy)**  
**Des Moines, Iowa 50392-0002**

This group insurance policy is issued to:

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STATE OF IDAHO  
(called the Policyholder in this Group Policy)

The Date of Issue is July 1, 2019.

In return for the Policyholder's application and payment of all premiums when due, The Principal agrees to provide:

**GROUP VOLUNTARY TERM LIFE INSURANCE**  
**MEMBER LIFE INSURANCE**  
**DEPENDENT LIFE INSURANCE**

subject to the terms and conditions described in this Group Policy.

  
Executive Vice President,  
General Counsel and Secretary

  
Chairman, President and  
Chief Executive Officer

GROUP POLICY NO. GL 1112337  
RENEWABLE TERM  
CONTRACT STATE OF ISSUE: IDAHO

**This policy has been updated effective September 22, 2020**

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## **PART I - DEFINITIONS**

When used in this Group Policy the terms listed below will mean:

### **Active Status**

An eligible Member who is actively employed by the Policyholder. The Policyholder expects that such employment will exceed five consecutive months and will average at least twenty hours per week during the five consecutive month period.

### **Active Work; Actively at Work**

A Member will be considered Actively at Work if he or she is able and available for active performance of all of his or her regular duties. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided the Member is able and available for active performance of all of his or her regular duties and was working the day immediately prior to the date of his or her absence.

### **Annual Compensation**

a. For Members paid on a biweekly payroll system:

- (1) Full-time Employees: Annual Compensation equals the Member's hourly rate of pay as of the date of death or commencement of Total Disability or Residual Disability times 2080, rounded to the next higher \$1,000 if not a multiple of \$1,000.
- (2) Part-time Employees: Annual Compensation equals the Member's hourly rate of pay as of the date of death or commencement of Total Disability or Residual Disability times 2080, times the actual full-time equivalent months worked, rounded to the next higher \$1,000 if not a multiple of \$1,000.

b. For Members paid on a monthly payroll system:

- (1) Full-time Salaried Employees: Annual Compensation equals the Member's monthly salary as of the date of death or commencement of Total Disability or Residual Disability times 12, rounded to the next higher \$1,000 if not a multiple of \$1,000.
- (2) Full-time Hourly Employees: Annual Compensation equals 173.3 times the Member's hourly rate of pay as of the date of death or commencement of Total Disability or Residual Disability times 12, rounded to the next higher \$1,000 if not a multiple of \$1,000.
- (3) Part-time Employees: Annual Compensation equals the Member's monthly rate of pay at the date of death or commencement of Total Disability or Residual Disability times 12, times the actual full-time equivalent hours worked, times the actual full-time

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equivalent months worked, rounded to the next higher \$1,000 if not a multiple of \$1,000.

- c. Annual Compensation does not include overtime pay or bonuses.

### **Certified Employee**

An officer or employee of an agency, department, or institution of the State of Idaho who is in Active Status with the Policyholder.

### **Date of Issue**

The date this Group Policy is placed in force: July 1, 2019.

### **Dependent**

- a. A Member's spouse, if that spouse:
  - (1) is legally married to the Member; and
  - (2) is not insured under this Group Policy as a Member.
- b. A Member's Dependent Child (or Children) as defined below.

### **Dependent Child; Dependent Children**

- a. A Member's natural child or stepchild, if that child is less than 26 years of age.
- b. A Member's foster child, if that child:
  - (1) meets the requirements above; and
  - (2) has been placed with the Member or spouse insured under this Group Policy by an authorized state placement agency or by order of a court; and
  - (3) required documentation has been provided and the child is approved in Writing by The Principal as a Dependent Child.
- c. A Member's adopted child, if that child meets the requirements in a. above and the Member:
  - (1) is a party in a law suit in which the Member is seeking the adoption of the child; or
  - (2) has custody of the child under a court order that grants custody of the child to the Member.

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An adopted child will be considered a Dependent Child on the earlier of: the date the petition for adoption is filed; or the date of entry of an order granting the adoptive parent custody of the child for the purpose of adoption.

### **Developmental Disability**

A Dependent Child's substantial handicap, as determined by The Principal, which:

- a. results from mental retardation, cerebral palsy, epilepsy, or other neurological disorder; and
- b. is diagnosed by a Physician as a permanent or long-term continuing condition.

### **Eligible Class**

<b>Class</b>	<b>Description</b>
A	All Certified Officials who are in Active Status and who are elected Members of Legislature.
B	All other Certified Officials, not included in Class A, and Certified Employees in Active Status except for those individuals included in Class C below.
C	All police officer members of the Idaho Department of Law Enforcement as defined in Section 59-1303(3) Idaho Code.

### **Full-Time Student**

A Member's Dependent Child attending a school that has a regular teaching staff, curriculum and student body and who:

- a. attends school on a full-time basis, as determined by the school's criteria; and
- b. is dependent on the Member for principal support.

### **Group Policy**

The policy of group insurance issued to the Policyholder by The Principal, which describes benefits and provisions for insured Members and Dependents.

### **Hospital**

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, Skilled Nursing Facility, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

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## **Insurance Month**

Calendar month.

## **Member**

Officers or employees of state agencies, departments, or institutions, including state officials, elected officials, or employees of other governmental entities which have contracted with the State of Idaho for life and disability coverage who are working 20 hours or more per week and are not classified as a Seasonal Employee or a Part-Time Temporary Employee.

## **Part-Time Temporary Employee**

An employee who is expected, at the time of hire to work 20 hours or more per week but less than 30 hours per week and whose term of employment is not expected to exceed five consecutive months.

## **Period of Limited Activity**

Any period of time during which a person is:

- a. confined in a Hospital for any cause or confined in a Skilled Nursing Facility; or
- b. Home Confined. "Home Confined" means that, due to sickness or injury, the person is unable to carry on the regular and usual activities of a healthy person of the same age and sex and unable to leave his or her home except to receive medical treatment.

## **Physical Handicap**

A Dependent Child's substantial physical or mental impairment, as determined by The Principal, which:

- a. results from injury, accident, congenital defect, or sickness; and
- b. is diagnosed by a Physician as a permanent or long-term dysfunction or malformation of the body.

## **Physician**

- a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under this Group Policy.

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The term Physician does not include the Member, an employee of the Member, a business or professional partner or associate of the Member, any person who has a financial affiliation or business interest with the Member, anyone related to the Member by blood or marriage, or anyone living in the Member's household.

### **Policy Anniversary**

January 1, 2021 and the same day of each following year.

### **Policyholder**

The entity to whom this Group Policy is issued (see Title Page).

### **Prior Policy**

The Group Voluntary Term Life coverage of either:

- a. the Policyholder; or
- b. a business entity which has been obtained by the Policyholder through a merger or acquisition;

for which this Group Policy is a replacement.

### **Proof of Good Health**

Written evidence that a person is insurable under the underwriting standards of The Principal. This proof must be provided in a form satisfactory to The Principal.

### **Qualifying Event**

A Qualifying Event for Accelerated Benefits is a medical condition, which would, in the absence of extensive or extraordinary medical treatment; result in a drastically limited life span. Such conditions may include, BUT ARE NOT LIMITED TO, one or more of the following:

- a. coronary artery disease resulting in an acute infarction or requiring surgery;
- b. permanent neurological deficit resulting from cerebral vascular accident;
- c. end stage renal failure; or
- d. acquired immune deficiency syndrome (AIDS).

**This policy has been updated effective September 22, 2020**

## **Residual Disability**

A Member who is working on a limited or part-time basis and solely and directly because of sickness or injury will be considered to have a Residual Disability if:

- a. during the first 30 months after becoming disabled, including the waiting period, the Member is:
  - (1) unable to perform the essential functions of the Member's regular occupation; and
  - (2) unable to earn more than 70% of the Member's monthly salary; and
- b. after completing the first 30 months of disability, including the waiting period, the Member is:
  - (1) unable to perform the essential functions of any occupation for which the Member is or may reasonably become qualified based on education, training or experience; and
  - (2) unable to earn more than 60% of the Member's monthly salary.

## **Scheduled Benefits Summary**

The page, which is issued as part of the insured's certificate that contains benefit and other information pertaining to the Member's coverage under this Group Policy.

## **Seasonal Employee**

An employee in a position for which the customary annual employment is six months or less.

## **Signed or Signature**

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by The Principal.

## **Skilled Nursing Facility**

An institution (including one providing sub-acute care), or distinct part thereof, that is licensed by the proper authority of the state in which it is located to provide skilled nursing care and that:

- a. is supervised on a full-time basis by a Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) or a licensed registered nurse (R.N.); and
- b. has transfer arrangements with one or more Hospitals, a utilization review plan, and operating policies developed and monitored by a professional group that includes at least one M.D. or D.O.; and

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- c. has an existing contract for the services of an M.D. or D.O., maintains daily records on each patient, and is equipped to dispense and administer drugs; and
- d. provides 24-hour nursing care and other medical treatment.

Not included are rest homes, homes for the aged, nursing homes, or places for treatment of mental disease, drug addiction, or alcoholism.

### **Terminally Ill**

A Member will be considered Terminally Ill, for Accelerated Benefits, if he or she has experienced a Qualifying Event and is expected to die within twelve months of the date he or she requests payment of Accelerated Benefits.

### **Total Disability; Totally Disabled**

A Member's inability, as determined by The Principal, due to sickness or injury, to perform the majority of the material duties of any occupation for which he or she is or may reasonably become qualified based on education, training or experience.

### **Written or Writing**

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

**This policy has been updated effective September 22, 2020**

## **PART II - POLICY ADMINISTRATION**

### **Section A - Contract**

#### **Article 1 - Entire Contract**

This Group Policy, the current Certificate, the attached Policyholder application, and any Member applications make up the entire contract. The Principal is obligated only as provided in this Group Policy and is not bound by any trust or plan to which it is not a signatory party.

#### **Article 2 - Policy Changes**

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated. No agent, employee, or person other than an officer of The Principal has authority to change this Group Policy, and, to be effective, all such changes must be in Writing and Signed by an officer of The Principal.

The Principal reserves the right to change this Group Policy as follows:

- a. Any or all provisions of this Group Policy may be amended or changed at any time, including retroactive changes, to the extent necessary to meet the requirements of any law or any regulation issued by any governmental agency to which this Group Policy is subject.
- b. Any or all provisions of this Group Policy may be amended or changed at any time when The Principal determines that such amendment is required for consistent application of policy provisions.
- c. By Written agreement between The Principal and the Policyholder, this Group Policy may be amended or changed at any time as to any of its provisions.

Any change to this Group Policy, including, but not limited to, those in regard to coverage, benefits, and participation privileges, may be made without the consent of any Member or Dependent.

Payment of premium beyond the effective date of the change constitutes the Policyholder's consent to the change.

#### **Article 3 - Policyholder Eligibility Requirements**

To be an eligible group and to remain an eligible group, the Policyholder must:

**This policy has been updated effective September 22, 2020**

- a. be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; and
- b. maintain the greater of 20% participation or five participants with respect to eligible employees.

If the number of employees insured under this Group Policy has decreased by more than 15% since the last Policy Anniversary, The Principal may nonrenew this Group Policy as described in this PART II, Section C.

#### **Article 4 - Policy Incontestability**

In the absence of fraud, after this Group Policy has been in force two years, The Principal may not contest its validity except for nonpayment of premium.

#### **Article 5 - Individual Incontestability**

All statements made by any individual under this Group Policy will be representations and not warranties. In the absence of fraud, these statements may not be used to contest an insured person's insurance unless:

- a. the insured person's insurance has been in force for less than two years during the insured's lifetime; and
- b. the statement is in Written form Signed by the insured person; and
- c. a copy of the form, which contains the statement, is given to the insured or the insured's beneficiary at the time insurance is contested.

However, these provisions will not preclude the assertion at any time of defenses based upon the person's ineligibility for insurance under this Group Policy or upon the provisions of this Group Policy.

In addition, if an individual's age is misstated, The Principal may at any time adjust premium and benefits to reflect the correct age.

#### **Article 6 - Information to be Furnished**

The Policyholder must, upon request, give The Principal all information needed to administer this Group Policy. If a clerical error is found in this information, The Principal may at any time

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adjust premium to reflect the facts. An error will not invalidate insurance that would otherwise be in force. Neither will an error continue insurance that would otherwise be terminated.

The Principal may inspect, at any reasonable time, all Policyholder records, which relate to this Group Policy.

#### **Article 7 - Certificates**

The Principal will give the Policyholder Certificates for delivery to insured Members. The delivery of such Certificates will be in either paper or electronic format. The Certificates will be evidence of insurance and will describe the basic features of the coverage. They will not be considered a part of this Group Policy.

#### **Article 8 - Assignments**

No assignments of Member Life Insurance will be allowed under this Group Policy.

#### **Article 9 - Dependent Rights**

A Dependent will have no rights under this Group Policy except as set forth in PART III, Section F, Article 2.

#### **Article 10 - Policy Interpretation**

The Principal has complete discretion to construe or interpret the provisions of this Group Policy, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The decisions of The Principal in such matters shall be controlling, binding and final as between The Principal and persons covered by this Group Policy, subject to the Claims Procedures in PART IV, Section D.

#### **Article 11 - Electronic Transactions**

Any transaction relating to this Group Policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law.

Any notice required by the provisions of this Group Policy given by electronic means will have the same force and effect as notice given in writing.

**This policy has been updated effective September 22, 2020**

## Section B - Premiums

### Article 1 - Payment Responsibility; Due Dates; Grace Period

The Policyholder is responsible for collection and payment of all premium due while this Group Policy is in force. Payments must be sent to the home office of The Principal in Des Moines, Iowa.

The first premium is due on the Date of Issue of this Group Policy. Each premium thereafter will be due on the first of each Insurance Month. Except for the first premium, a Grace Period of 90 days will be allowed for payment of premium. "Grace Period" means the first 90-day period following a premium due date. The Group Policy will remain in force until the end of the Grace Period, unless the Group Policy has been terminated by notice as described in PART II, Section C. The Policyholder will be liable for payment of the premium for the time this Group Policy remains in force during the Grace Period.

### Article 2 - Premium Rates

The premium rate(s) for each Member insured for Life Insurance will be:

a. Member Life Insurance

(Rate for each \$1,000 of  
insurance in force)

Smoking Status

(Member Age)	Unismoker
35 and Under	\$0.070
36-40	\$0.110
41-45	\$0.160
46-50	\$0.260
51-55	\$0.410
56-60	\$0.750
61-65	\$1.010
66-70	\$1.550
71-75	\$2.230
76-80	\$3.350
81 and over	\$5.000

b. Dependent Life Insurance - \$10,000

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## PART II - POLICY ADMINISTRATION

\$2.00 for each Member insured for Dependent Life Insurance for the Member's Dependent Child.

For the Member's Dependent spouse:

(Rate for each \$1,000 of  
insurance in force)

Smoking Status

(Person's Age)	Unismoker
35 and Under	\$0.070
36-40	\$0.110
41-45	\$0.160
46-50	\$0.260
51-55	\$0.410
56-60	\$0.750
61-65	\$1.010
66-70	\$1.550
71-75	\$2.230
76-80	\$3.350
81 and over	\$5.000

**Article 3 - Premium Rate Changes**

The Principal may change a premium rate:

- a. on any premium due date, if the initial premium rate has then been in force 3 year(s) or more and if Written notice is given to the Policyholder at least 31 days before the date of change; or
- b. on any date the definition of Member or Dependent is changed; and
- c. on any date the Policyholder's business, as specified on the Policyholder application, is changed; and
- d. on any date that a schedule of insurance or class of insured Members is changed; and
- e. on any date the premium contribution required of Members is changed; and

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**PART II - POLICY ADMINISTRATION**

- f. on any Policy Anniversary, if the age for then insured Members or Dependent spouse has changed since the last Policy Anniversary.

If the Policyholder has other group insurance with The Principal, and if life coverage is initially added on a date other than the Policy Anniversary and it is more than six months before the next Policy Anniversary, The Principal reserves the right to change the premium rate on the next Policy Anniversary. Written notice will be given to the Policyholder at least 31 days before the date of change.

If the Policyholder agrees to participate in the electronic services program of The Principal and, at a later date elects to withdraw from participation, such withdrawal may result in certain administrative fees being charged to the Policyholder.

#### **Article 4 - Premium Amount**

The amount of premium to be paid on each due date will be determined in these ways:

- a. **Member Life Insurance**

The total volume of insurance in force for Members in each age bracket will be divided by 1,000. Each result will then be multiplied by the premium rate then in effect for that age bracket.

- b. **Dependent Life Insurance**

The number of Members insured for Dependent Life Insurance for the Member's Dependent Child will be multiplied by the premium rate then in effect.

The total volume of insurance in force for the Member's Dependent spouse in each age bracket will be divided by 1,000. Each result will then be multiplied by the premium rate then in effect for that age bracket.

To ensure accurate premium calculations, the Policyholder is responsible for reporting to The Principal, the following information during the stated time periods:

- a. Members who are eligible to become insured are to be reported during the month prior to or during the month that coverage becomes effective.
- b. Members whose coverage has terminated are to be reported within a month of the date coverage terminated.
- c. Changes in Annual Compensation are to be reported within a month of the date that the change in Annual Compensation took place.

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## **PART II - POLICY ADMINISTRATION**

- d. Changes in Member insurance class are to be reported within a month of the date that the change in insurance class took place.

If a Member is added or a present Member's insurance is increased or terminated on other than the first of an Insurance Month, premium for that Member will be adjusted and applied as if the change were to take place on the first of the next following Insurance Month.

#### **Article 5 - Contributions from Members**

Members are required to contribute all of the premium for their Member insurance under this Group Policy.

Members are required to contribute all of the premium for their Dependent's insurance under this Group Policy.

**This policy has been updated effective September 22, 2020**



## **Section C - Policy Termination**

### **Article 1 - Failure to Pay Premium**

This Group Policy will terminate at the end of the Grace Period if total premium due has not been received by The Principal before the end of the Grace Period. Failure by the Policyholder to pay the premium within the Grace Period will be deemed notice by the Policyholder to The Principal to discontinue this Group Policy at the end of the Grace Period.

### **Article 2 - Termination Rights of the Policyholder**

The Policyholder may terminate this Group Policy effective on the day before any premium due date by giving Written notice to The Principal prior to that premium due date. The Policyholder's issuance of a stop-payment order for any amounts used to pay premiums for the Policyholder's coverage will be considered Written notice from the Policyholder.

### **Article 3 - Termination Rights of The Principal**

The Principal may nonrenew or terminate this Group Policy by giving the Policyholder 31 days advance notice in Writing, if the Policyholder:

- a. ceases to be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; or
- b. fails to maintain the participation percentages requirements of PART II, Section A with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal; or
- c. fails to maintain five or more insured employees under this Group Policy; or
- d. fails to pay premium in accordance with the requirements of PART II, Section B; or
- e. has performed an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of this Group Policy; or
- f. does not promptly provide The Principal with information that is reasonably required; or
- g. fails to perform any of its obligations that relate to this Group Policy.

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The Principal may terminate the Policyholder's coverage on any premium due date if the Policyholder relocates to a state where this Group Policy is not marketed, by giving the Policyholder 31 days advanced notice in Writing.

#### **Article 4 - Policyholder Responsibility to Members**

If this Group Policy terminates for any reason, the Policyholder must:

- a. notify each Member of the effective date of the termination; and
- b. refund or otherwise account to each Member all contributions received or withheld from Members for premiums not actually paid to The Principal.

**This policy has been updated effective September 22, 2020**

## **Section D - Policy Renewal**

### **Article 1 - Renewal**

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated.

While this Group Policy is in force, and subject to the provisions in PART II, Section C, the Policyholder may renew at the applicable premium rates in effect on the Policy Anniversary.

**This policy has been updated effective September 22, 2020**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section A - Eligibility**

#### **Article 1 - Member Life Insurance**

A person will be eligible for Member Life Insurance on the first of the Insurance Month coinciding with or next following the date the person becomes a Member as defined in PART I.

In no circumstance will a person be eligible for Member Life Insurance under this Group Policy if the person is eligible under any other Group Voluntary Term Life Insurance policy underwritten by The Principal.

#### **Article 2 - Dependent Life Insurance**

A person will be eligible for Dependent Life Insurance on the latest of:

- a. the date the person is eligible for Member Life Insurance; or
- b. the date the person first acquires a Dependent; or
- c. the date the person enters a class for which Dependent Life Insurance is provided under this Group Policy; or
- d. the date Dependent Life Insurance is added to this Group Policy.

**This policy has been updated effective September 22, 2020**

## **Section B - Effective Dates**

### **Article 1 - Member Life Insurance**

#### **a. Actively at Work**

A Member's effective date for Member Life Insurance will be as explained in this article, if the Member is Actively at Work on that date. If the Member is not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

However, this Actively at Work requirement will be waived for Members who:

- (1) are absent from Active Work because of a regularly scheduled day off, holiday, or vacation day; and
- (2) were Actively at Work on their last scheduled work day before the date of their absence; and
- (3) were capable of Active Work on the day before the scheduled effective date of their insurance or change in their insurance, whichever is applicable.

This Actively at Work requirement may also be waived as described below.

When insurance under this Group Policy replaces coverage under a Prior Policy, the Active Work requirement may be waived for those Members who:

- (1) are eligible and enrolled under this Group Policy on its Date of Issue; and
- (2) were covered under the Prior Policy on the date of its termination.

In no event will the Active Work requirement be waived for those Members who, on the date of termination of the Prior Policy, either:

- (1) had the option, under the terms of the Prior Policy, to convert their coverage under the Prior Policy to an individual policy; or
- (2) were eligible under the terms of the Prior Policy, to have their premiums waived due to Total Disability.

NOTE: When insurance under this Group Policy replaces coverage under a Prior Policy and the Active Work requirement is waived, any benefits payable will be the lesser of the Scheduled Benefit of this Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

#### **b. Effective Date for Initial Insurance When Proof of Good Health is not Required**

**This policy has been updated effective September 22, 2020**

Insurance must be requested in a form provided by The Principal. Unless Proof of Good Health is required (see c. and d. below), the requested insurance will be in force on:

- (1) the date the Member is eligible, if the request is made on or before that date; or
- (2) the first of the Insurance Month coinciding with or next following the date of the Member's request, if the request is made within 31 days after the date the Member is eligible.

If the request is made more than 31 days after the date the Member is eligible, Proof of Good Health will be required before insurance can be in force (see c. and d. below).

**c. Effective Date for Initial Insurance When Proof of Good Health is Required**

Insurance for which Proof of Good Health is required (see d. below) will be in force on the later of:

- (1) the date insurance would have been effective if Proof of Good Health had not been required; or
- (2) the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**d. Proof of Good Health Requirements**

The type and form of required Proof of Good Health will be determined by The Principal. A Member must submit Proof of Good Health:

- (1) If insurance is requested more than 31 days after the date the Member is eligible including any insurance the Member refuses and later requests.
- (2) If a Member has failed to provide required Proof of Good Health or has been refused insurance under this Group Policy at any prior time.
- (3) If a Member elects to terminate insurance and, more than 31 days later, requests to be insured again.
- (4) If less than 20% of the eligible employees participate or less than five Members are insured to make effective any Scheduled Benefit amount for the Member or the Member's Dependents.
- (5) To make effective any request for a Scheduled Benefit amount increase.
- (6) To make effective any Scheduled Benefit amount increase in excess of 10% due to change in Member's Annual Compensation.
- (7) To make effective any Scheduled Benefit amount increase if any previous Scheduled Benefit increase has been declined.
- (8) To make effective any Scheduled Benefit amount for a Member who again becomes eligible for insurance under this Group Policy following the termination of their prior coverage under this Group Policy, if the Member was issued an individual policy under the Individual Purchase Rights as described in PART III, Section F of this

**This policy has been updated effective September 22, 2020**

Group Policy or under any other group policy or contract issued by The Principal to the Policyholder, and such individual policy is still in effect at the time the Member becomes eligible for insurance again under this Group Policy.

**e. Effective Date for Benefit Changes Due to Change in Annual Compensation**

- (1) A change in the Member's Scheduled Benefit amount because of a change in the Member's Annual Compensation for which Proof of Good Health is not required (see b. above) will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a change in a Member's Annual Compensation will be effective on the date of the change, whether or not the Member is Actively at Work.

Any termination of Scheduled Benefit amounts due to a change in the Member's Annual Compensation will be effective on the date of the change, whether or not the Member is Actively at Work.

- (2) A change in a Member's Scheduled Benefit amount because of a change in the Member's Annual Compensation for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the date Proof of Good Health is approved by The Principal.

**f. Effective Date for Benefit Changes Due to Change in Insurance Class**

- (1) A change in the Member's Scheduled Benefit amount because of a change in the Member's insurance class for which Proof of Good Health is not required (see b. above) will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a change in a Member's insurance class will be effective on the date of the change, whether or not the Member is Actively at Work.

Any termination of Scheduled Benefit amounts due to a change in the Member's insurance class will be effective on the date of the change, whether or not the Member is Actively at Work.

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- (2) A change in a Member's Scheduled Benefit amount because of a change in the Member's insurance class for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**g. Effective Date for Benefit Changes Due to Changes by Policy Amendment**

- (1) A change in the Member's Scheduled Benefit amount because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is not required (see b. above) will be effective on the date of change. However, if the Member is not Actively at Work on the date an increase in the Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the Member before the change will continue to apply to the Member until the day of return to Active Work. When the Member returns to Active Work, the Scheduled Benefit increase will then be in force for the Member. Any decrease in Scheduled Benefit amounts due to a change by amendment to this Group Policy will be effective on the date of the change, whether or not the Member is Actively at Work.
- (2) A change in the Member's Scheduled Benefit amount because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**h. Effective Date for Benefit Changes Due to Changes Requested by the Member**

- (1) A change in a Member's Scheduled Benefit amount because of a request by the Member for which Proof of Good Health is not required (see d. above) will normally be effective on the date of the request. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a request by the Member will be effective on the date of the change, whether or not the Member is Actively at Work.

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- (2) A change in a Member's Scheduled Benefit amount because of a request by the Member for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**i. Effective Date for Benefit Changes Due to a Change in the Member's Family Status**

A Member may request an increase in Scheduled Benefits, a decrease in Scheduled Benefits, or the addition of Scheduled Benefits for which he or she was not previously insured if a change in the Member's family status as described below has occurred, provided a request for such increase, decrease, or addition is made in Writing within 31 days after the date of the change in family status:

- (1) marriage or divorce;
- (2) death of a spouse or child;
- (3) birth or adoption of a child;
- (4) termination of employment by the Member's spouse or a change in the spouse's employment that causes loss of group coverage;
- (5) the Member's employment or the Member's spouse's employment changes from part-time to full-time or from full-time to part-time;
- (6) the Member or the Member's spouse takes an unpaid leave of absence.

A change in the Scheduled Benefits because of a request by the Member when a change in family status has occurred for which Proof of Good Health is not required (see b. above) will normally be effective on the first of the Insurance Month coinciding with or next following the date of the request. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a request by the Member will be effective on the date of the change, whether or not the Member is Actively at Work.

A change in the Scheduled Benefits because of a request by the Member when a change in family status has occurred for which Proof of Good Health is required (see d. above) will be effective on the later of:

- (1) the date the change would have been effective if Proof of Good Health had not been required; or
- (2) the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**This policy has been updated effective September 22, 2020**

## **Article 2 - Dependent Life Insurance**

Dependent Life Insurance is available only with respect to Dependents of Members currently insured for Member Life Insurance. If a Member is eligible for Dependent Life Insurance, such insurance will be effective under the same terms as set forth for Member Life Insurance in this Section B, Article 1, except as described below.

- a. In no event will Dependent Life Insurance be in force for a Member who is not insured for Member Life Insurance.
- b. If a Dependent spouse is in a Period of Limited Activity on the date Dependent Life Insurance would otherwise be effective, such insurance will not be in force for that Dependent spouse until the Period of Limited Activity ends.

However, this Period of Limited Activity requirement may be waived as described below.

When insurance under this Group Policy replaces coverage under a Prior Policy, the Period of Limited Activity requirement may be waived for those Dependent spouses' who:

- (1) are eligible and enrolled under this Group Policy on its Date of Issue; and
- (2) were covered under the Prior Policy on the date of its termination.

In no event will the Period of Limited Activity requirement be waived for those Dependent spouses' who, on the date of termination of the Prior Policy had the option, under the terms of the Prior Policy, to convert their coverage, under the Prior Policy, to an individual policy.

NOTE: When insurance under this Group Policy replaces coverage under a Prior Policy and the Period of Limited Activity requirement is waived, any benefits payable will be the lesser of the Scheduled Benefit of this Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

- c. To make effective any Scheduled Benefit amounts for the Member's Dependent spouse that are, initially, in excess of:
  - (1) \$50,000 for a person who is under age 70; and
  - (2) \$10,000 for a person who is age 70 or over.
- d. If a Dependent is confined in a Hospital or Skilled Nursing Facility on the date an increase in the Dependent Life Insurance Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the Dependent will continue to apply to the Dependent until such confinement ends. When the Hospital or Skilled Nursing Facility confinement ends, the Scheduled Benefit increase will then be in force for the Dependent.

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- e. Any required Proof of Good Health will be with respect to the health of the Member's Dependents.
- f. If Dependent Life Insurance is in force for a Dependent of the Member, a Member will be insured with respect to a new Dependent (other than a newborn child) on the date the new Dependent is acquired, provided the new Dependent is not then confined in a Hospital or Skilled Nursing Facility. Requests for insurance and Proof of Good Health are not required provided The Principal has been notified of the new Dependent within 31 days after the date the Dependent is acquired.
- g. If Dependent Life Insurance is in force for a Dependent of the Member, a newly born child will be covered under this Group Policy from the moment of live birth, provided the child meets the definition of a Dependent Child as defined in PART I.

**This policy has been updated effective September 22, 2020**

## **Section C - Individual Terminations**

### **Article 1 - Member Life Insurance**

A Member's insurance under this Group Policy will terminate on the earliest of:

- a. the date this Group Policy is terminated; or
- b. the end of the Insurance Month for which the last premium is paid for the Member's insurance; or
- c. the end of any Insurance Month, if requested by the Member before that date; or
- d. the end of the Insurance Month in which the Member ceases to be a Member as defined in PART I; or
- e. the date the Member ceases to be in an Eligible Class for which Member Life Insurance is provided; or
- f. the date the Member retires; or
- g. the last day of the Insurance Month in which the Member's employment ends, if employment terminates prior to the 15th of that Insurance Month; or
- h. the last day of the Insurance Month next following the month in which the Member's employment ends, if employment terminates on or after the 15th of that Insurance Month; or
- i. the date the Member is no longer in Active Status, subject to b., e., g., and h. above; or
- j. the end of compensatory time subject to b., e., g., h., and i. above.

Any termination of insurance as described above shall be without prejudice to any claim originating prior to the effective date of such termination.

### **Article 2 - Dependent Life Insurance**

A Member's insurance under this Group Policy for a Dependent will terminate on the earliest of:

- a. the date his or her Member Life Insurance ceases; or
- b. the date Dependent Life Insurance is removed from this Group Policy; or

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- c. the end of the Insurance Month for which the last premium is paid for the Member's Dependent Life Insurance; or
- d. the end of any Insurance Month, if requested by the Member before that date; or
- e. the end of the Insurance Month in which the Member ceases to be in a class for which Dependent Life Insurance is provided; or
- f. for a Dependent spouse, on the last day of the Insurance Month in which that Dependent spouse ceases to be a Dependent as defined in PART I; or
- g. for each Dependent Child, on the last day of the Insurance Month in which that Dependent Child ceases to be a Dependent as defined in PART I; or
- h. for a Dependent spouse or each Dependent Child, on the date the Member retires; or
- i. the date the Member dies.

### **Article 3 - Termination for Fraud**

The Principal may at any time terminate a Member's or Dependent's eligibility under the Group Policy:

- a. in Writing and with 31-day notice, if the individual submits any claim that contains false or fraudulent elements under state or federal law; or
- b. in Writing and with 31-day notice, upon finding in a civil or criminal case that a Member or Dependent has submitted claims that contain false or fraudulent elements under state or federal law; or
- c. in Writing and with 31-day notice, when a Member or Dependent has submitted a claim which, in good faith judgment and investigation, a Member or Dependent knew or should have known, contains false or fraudulent elements under state or federal law.

### **Article 4 - Coverage While Outside of the United States**

If a Member or Dependent is temporarily outside the United States, the Member or Dependent may choose to continue his or her insurance, subject to premium payment for a period of six months or less for one of the following reasons:

- a. travel; or

**This policy has been updated effective September 22, 2020**

- b. a business assignment; or
- c. full-time student status, provided the Member or Dependent is either:
  - (1) enrolled and attending an accredited school in a foreign country; or
  - (2) is participating in an academic program in a foreign country, for which the institution of higher learning at which the student is enrolled in the U.S. grants academic credit;

The six-month period will not be reduced for any time covered under a Prior Policy.

If a Member or Dependent are outside the United States for any other reason than those listed above, coverage for the person concerned will automatically terminate.

Exception: Any Member or Dependent who is on full-time active duty with the Idaho Army or Idaho Air National Guard will continue to be insured under this Group Policy if they are outside the United States while on active duty.

**This policy has been updated effective September 22, 2020**

## **Section D - Continuation**

### **Article 1 - Member Life Insurance**

#### **a. Sickness or Injury (Other than Total Disability)**

If Active Work ends because a Member is sick or injured but not Totally Disabled, insurance for that Member may be continued until the earlier of:

- (1) the date insurance would otherwise cease as provided in PART III, Section C; or
- (2) the end of the Insurance Month in which the Member recovers.

#### **b. Layoff or Approved Leave of Absence**

If Active Work ends because a Member is on layoff or approved leave of absence, insurance for that Member may be continued until the earliest of:

- (1) the date insurance would otherwise cease as provided in PART III, Section C, Article 1 a. through g.; or
- (2) the end of the Insurance Month in which the layoff or approved leave of absence ends; or
- (3) the date the Member becomes eligible for any other group life coverage; or
- (4) the date one month after the end of the Insurance Month in which Active Work ends.

#### **c. Family and Medical Leave Act (FMLA)**

If a Member ceases Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue the Member's insurance, subject to premium payment.

A Member may qualify to have his or her insurance continued under one or more of the continuation provisions described in a., b. and c. above. If a Member qualifies for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

### **Article 2 - Dependent Insurance - Developmentally Disabled or Physically Handicapped Children**

#### **a. Qualification**

**This policy has been updated effective September 22, 2020**

Dependent Life Insurance for a child may be continued after the child reaches the maximum age for Dependent Children as defined in PART I of this Group Policy, provided that:

- (1) the child is incapable of self-support as the result of a Developmental Disability or Physical Handicap and became so before reaching the maximum age and is dependent on the Member for primary support; and
- (2) except for age, the child continues to be a Dependent Child as defined in PART I; and
- (3) proof of the child's incapacity is sent to The Principal within 31 days after the date the child reaches the maximum age; and
- (4) further proof that the child remains incapable of self-support is provided when The Principal requests, but not more often than once a year after the initial two-year period after reaching the maximum age; and
- (5) the child undergoes examination by a Physician when The Principal requests. The Principal will pay for these examinations and will choose the Physician to perform them.

**b. Period of Continuation**

Insurance for a Dependent Child who qualifies as set forth above may be continued until the earlier of:

- (1) the date insurance would cease for any reason other than the child's attainment of the maximum age; or
- (2) the date the child becomes capable of self-support or otherwise fails to qualify as set forth in a. above.

**This policy has been updated effective September 22, 2020**



## **Section E - Reinstatement**

### **Article 1 - Reinstatement**

A Member's terminated insurance will be reinstated if:

- a. insurance ceased because of layoff or approved leave of absence; and
- b. the Member returns to Active Work for the Policyholder within six months of the date insurance ceased.

A Member whose insurance terminated due to a reduction in work hours will be reinstated on the first day of the Insurance Month following the date the Member returns to Active Status with the Policyholder.

The Member's reinstated insurance will be in force on the date of return to work. However, the Actively at Work and Period of Limited Activity provisions discussed in PART III, Section B, will apply. Also, Proof of Good Health will be required to place in force any Scheduled Benefit that would have been subject to Proof of Good Health had the Member remained continuously insured.

Only the period of time during which a Member is actually insured will be included in determining the length of his or her continuous coverage under this Group Policy. For this purpose the period of time during which a reinstated Member's insurance was not in force:

- a. will not be considered an interruption of continuous coverage; and
- b. will not be used to satisfy any provision of this Group Policy which pertains to a period of continuous coverage.

In addition, a longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

### **Article 2 - Federal Required Family and Medical Leave Act (FMLA)**

A Member's terminated insurance may be reinstated in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA), subject to the Actively at Work and Period of Limited Activity provision discussed in PART III, Section B.

**This policy has been updated effective September 22, 2020**

### **Article 3 - Reinstatement of Coverage for a Member or Dependent When Coverage Ends due to Living Outside of the United States**

If coverage for a Member or Dependent terminates because the person is outside of the United States as discussed in PART III, Section C, Article 4, the Member or Dependent may become eligible again for coverage under this Group Policy, but only if:

- a. the Member or Dependent return to the United States within six months of the date on which coverage terminated because the person is outside of the United States; and
- b. in the case of a Member, the Member returns to Active Work in the United States for the Policyholder for a period of at least 30 consecutive days. The Member will be eligible for coverage on the day immediately following completion of the 30 consecutive days of Active Work; and
- c. in the case of the Dependent, he or she remains in the United States for 30 consecutive days. If the Dependent does so, he or she will be eligible for reinstatement of coverage on the day after completion of the 30 consecutive days of residence.

The reinstated coverage will be on the same basis as that being provided on the date coverage is reinstated. However, any restrictions on this coverage that was in effect before reinstatement will continue to apply. If the Member or Dependent does not complete the 30 consecutive days of residence, the coverage for such person will not be reinstated.

**This policy has been updated effective September 22, 2020**

## **Section F - Individual Purchase Rights**

### **Article 1 - Member Life Insurance**

#### **a. Individual Policy**

If a Member qualifies and makes timely application, he or she may convert the group coverage by purchasing an individual policy of life insurance under these terms:

- (1) The Member will not be required to submit Proof of Good Health.
- (2) The policy will be for life insurance only. No disability or other benefits will be included.
- (3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the Member belongs on the individual policy's effective date.
- (4) Premium will be based on the Member's age and the standard rate of The Principal for the policy form to be issued.

#### **b. Purchase Qualification**

A Member will qualify for individual purchase if insurance under this Group Policy terminates and:

- (1) the Member's total Life Insurance, or any portion of it, terminates because he or she ends Active Work or ceases to be in a class eligible for insurance; or
- (2) after the Member has been continuously insured under this Group Policy for at least five years, his or her total Member Life Insurance terminates because this Group Policy terminates or is amended to exclude the Member's insurance class; or
- (3) the Member's Accelerated Benefits Premium Waiver Period as described in PART IV, Section A, ceases.

#### **c. Application/Effective Date**

Notice of the individual purchase right must be given to the Member by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

A Member must apply for individual purchase and the first premium for the individual policy must be paid to The Principal within 31 days after the date Member Life Insurance terminates under this Group Policy.

Any individual policy issued will then be in force on the 32nd day after such termination date.

**This policy has been updated effective September 22, 2020**

**d. Individual Policy Amount**

The amount of insurance that may be purchased may vary:

- (1) If termination is as described in b. (1) above, the maximum amount will be the Member Life Insurance benefit in force on the date of termination or the portion of Member Life Insurance that has terminated, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.
- (2) If termination is as described in b. (2) above, the maximum amount will be the lesser of:
  - \$2,000; or
  - the Member Life Insurance benefit in force on the date of termination, less any Accelerated Benefit payment as described in PART IV, Section A, Article 6 and less the amount for which the Member becomes eligible under any group policy within 31 days.
- (3) If termination is as described in b. (3) above, the maximum amount will be the Member Life Insurance benefit in force on the date the Member ceases Active Work, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.

**Article 2 - Dependent Life Insurance**

**a. Individual Policy**

If a Dependent qualifies and makes timely application, he or she may purchase an individual policy of life insurance under these terms:

- (1) The Dependent will not be required to submit Proof of Good Health.
- (2) The policy will be for life insurance only. No disability or other benefits will be included.
- (3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the Dependent belongs on the individual policy's effective date.
- (4) Premium will be based on the Dependent's age and the standard rate of The Principal for the policy form to be issued.

**b. Purchase Qualification**

A Dependent will qualify for individual purchase if:

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- (1) Dependent Life Insurance, or any portion of it, terminates because he or she ceases to be a Dependent as defined in PART I; or because the Member dies, ends Active Work, or ceases to be in a class eligible for such insurance; or
- (2) the Dependent spouse's Dependent Life Insurance terminates as described in PART III, Section C; or
- (3) the Dependent spouse's Dependent Life Insurance terminates because of divorce or separation from the Member; or
- (4) after the Dependent has been continuously insured for Dependent Life Insurance for at least five years, such insurance terminates because the Group Policy terminates, or is amended to eliminate Dependent Life Insurance, or the Member's insurance class; or
- (5) the Dependent's Life Insurance terminates because the Member's Accelerated Benefits Premium Waiver Period as described in PART IV, Section A, ceases.

**c. Application/Effective Date**

Notice of the individual purchase right must be given to the Member by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

A Dependent must apply for individual purchase and the first premium for the individual policy must be paid to The Principal within 31 days after the date Dependent Life Insurance for the Dependent terminates under this Group Policy.

Any individual policy issued will then be in force on the 32nd day following such termination date.

**d. Individual Policy Amount**

The amount of insurance that a Dependent may purchase may vary:

- (1) If termination is as described in b. (1) above, the maximum amount will be the Dependent Life Insurance benefit in force for the Dependent on the date of termination or the portion of Dependent Life Insurance that has terminated, less any individual policy amount purchased earlier under this Article 2.
- (2) If termination is as described in b. (2), b. (3) or b. (5) above, the maximum amount will be the Dependent Life Insurance benefit in force for the Dependent on the date of termination, less any individual policy amount purchased earlier under this Article 2.
- (3) If termination is as described in b. (4) above, the maximum amount will be the lesser of:
  - \$2,000; or

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- the Dependent Life Insurance benefit in force for the Dependent on the date of termination, less the amount for which the Dependent becomes eligible under any group policy within 31 days.

**This policy has been updated effective September 22, 2020**

## **Section G - Portability**

### **Article 1 - Portability of Insurance**

When insurance would otherwise end under this Group Policy as described in Article 2 below, the Member may be eligible to continue insurance under a Group Life Portability Insurance Policy underwritten by The Principal. The Group Life Portability Insurance Policy will contain provisions that differ from this Group Policy. A Member electing insurance under this option will receive a certificate outlining the Group Life Portability Insurance Policy provisions.

NOTE: A Member or Dependent may elect to purchase an individual policy of life insurance (see Individual Purchase Rights as described in PART III, Section F) in place of this portability option.

### **Article 2 - Member Life Insurance and Dependent Life Insurance**

#### **a. Eligibility**

If Member Life Insurance and Dependent Life Insurance under this Group Policy ends because the Member ceases to meet the definition of a Member, he or she may be eligible to continue such insurance under the Group Life Portability Insurance Policy without submitting Proof of Good Health.

In order to continue insurance under the Group Life Portability Insurance Policy:

- (1) for Member Life Insurance, the Member must be less than age 70; and
- (2) for Dependent Life Insurance, the Dependent spouse must be less than age 70; and
- (3) for a Dependent Child, Member Life Insurance must be continued.

Insurance may not be continued under the Group Life Portability Insurance Policy if:

- (1) the Member has received a benefit under Accelerated Benefits provisions described in PART IV, Section A of this Group Policy; or
- (2) insurance under this Group Policy ends because this Group Policy terminates, and is replaced by another group voluntary policy; or
- (3) the Member or Dependent spouse has exercised his or her Individual Purchase Rights described in PART III, Section F of this Group Policy; or
- (4) the Dependent spouse ceased to be a Dependent as defined in PART I; or
- (5) the Member dies.

#### **b. Amount of Insurance**

**This policy has been updated effective September 22, 2020**

The insurance amount that is available for continuation will be the Member Life Insurance and Dependent Life Insurance Scheduled Benefit amount (or approved amount, if applicable) in force on the date insurance terminates under this Group Policy.

**c. Termination of Ported Insurance**

Ported insurance under the Group Life Portability Insurance Policy will terminate on the earliest of:

- (1) the date ending the period for which the last premium is paid; or
- (2) for Member insurance, the May 1 next following the Member's 70th birthday; or
- (3) for Dependent insurance for the Member's Dependent spouse, the May 1 next following the Dependent spouse's 70th birthday; or
- (4) for Dependent insurance, the date the insured person no longer qualifies as the Member's Dependent, due to divorce or the Member's death; or
- (5) for Dependent insurance for a Dependent Child, the date the child no longer meets the definition of a Dependent Child; or
- (6) for Dependent insurance for a Dependent Child, the date Member Life Insurance ceases.

NOTE: When insurance under the Group Life Portability Insurance ends, the Member or Dependent may qualify and elect to purchase an individual policy of life insurance.

**Article 3 - Application/Effective Date**

Notice of the Portability option must be given to the Member by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

When notice of eligibility to continue insurance under the Group Life Portability Insurance Policy is not provided to The Principal following the termination of insurance under this Group Policy, a Member must apply for insurance and pay the first premium within 60 days of his or her termination date. Any continued coverage under the Portability option will be in force on the day following termination of insurance under this Group Policy.

Payment of premium constitutes the Member's consent to port his or her coverage.

**This policy has been updated effective September 22, 2020**



**PART IV - BENEFITS**

**Section A - Member Life Insurance**

**Article 1 - Schedule of Insurance**

Subject to the Effective Date provisions of PART III, Section B, and the qualifying provisions of this Section A, the specific Scheduled Benefit for an insured Member will be shown on the Member's Scheduled Benefits Summary and is based on his or her class:

**Class**

**\*Scheduled Benefit**

ALL MEMBERS

The amount that is equal to 1, 2 or 3 times the Member's Annual Compensation (the Member's Annual Compensation will be rounded to the next higher \$1,000, if it is not already an exact multiple of \$1,000). A Member's Maximum Scheduled Benefit amount will not exceed the lesser of 3 times the Member's Annual Compensation or \$500,000 (rounded to the next higher \$1,000), subject to the provisions below. A Member's Minimum Scheduled Benefit amount will be the greater of \$20,000 or 1 times the Member's Annual Compensation (rounded to the next higher \$1,000), subject to the provisions below.

However, if a Member has received any payments under the Accelerated Benefits provision as described in Section A, Article 6, the Scheduled Benefit will be reduced by the amount of such payment.

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

For the age(s) shown below, the amount of a Member's insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

**This policy has been updated effective September 22, 2020**

Age	% of Scheduled Benefit (or approved amount, whichever applies)
Age 70 but less than age 75	75%
Age 75 and Over	50%

The Principal may rely on the Policyholder for certification of the amount of compensation or insurance.

## **Article 2 - Death Benefits Payable**

If a Member dies while insured for Member Life Insurance under this Group Policy, The Principal will pay his or her beneficiary the Scheduled Benefit (or approved amount, if applicable) in force on the date of death, less any unpaid premium and less any Accelerated Benefit payment as described in PART IV of this Section A, Article 6. However, if a beneficiary is suspected or charged with the Member's death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held.

If a Member who was insured dies within the 31-day individual purchase period described in PART III, Section F, The Principal will pay his or her beneficiary the individual policy amount, if any, the Member had the right to purchase.

If a Member who was insured dies within the 60-day portability option period described in PART III, Section G, The Principal will pay his or her beneficiary the Scheduled Benefit amount (or approved amount, if applicable) in force, if any, the Member had the right to continue.

No payment will be made before The Principal receives Written proof of the Member's death.

If a Member dies by suicide within 24 months after the initial coverage effective date of his or her Member Life Insurance, The Principal will pay his or her beneficiary the amount of any premium paid by the Member to The Principal during the period of time his or her insurance was in force in lieu of the Scheduled Benefit (or approved amount, if applicable) in force on the date of death. If a Member who was insured for at least 24 months after the initial coverage effective date dies by suicide within 24 months after an increase in the Scheduled Benefit amount (or approved amount, if applicable), The Principal will pay his or her beneficiary the Scheduled Benefit amount in force immediately prior to the increase plus the amount of any premium paid by the Member to The Principal on such increase in lieu of the Scheduled Benefit (or approved amount, if applicable), in force on the date of death. Any such payment will discharge The Principal to the full extent of such payment.

**This policy has been updated effective September 22, 2020**

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided the Member was insured under the Prior Policy and insurance was effective for the Member on the Date of Issue of this Group Policy.

### **Article 3 - Beneficiary**

A beneficiary should be named at the time a Member applies or enrolls under this Group Policy. A Member may name or later change a named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If The Principal properly pays any benefit before a change request is received, that payment may not be contested. Further:

- a. The naming of a new beneficiary in an application for individual purchase under PART III, Section F, Article 1, will be treated as a beneficiary change request under this Group Policy.
- b. If a Member's terminated insurance is reinstated, his or her beneficiary will be as recorded on the date of termination.

If a Member is insured under this Group Policy on its Date of Issue and this insurance replaces insurance in force on the day immediately before the Date of Issue, the beneficiary named in such replaced insurance and recorded by the Policyholder or The Principal will be the beneficiary under this Group Policy until a new beneficiary is named.

### **Article 4 - Facility of Payment**

If any of the below occur, benefits will be paid as stated. All such payments will discharge The Principal to the full extent of those payments.

- a. If a beneficiary is found guilty of the Member's death, such beneficiary may be disqualified from receiving any benefit due. Payment may then be made to any contingent beneficiary or to the executor or administrator of the Member's estate.
- b. Any benefit due a beneficiary who dies before the Member's death will be paid in equal shares to the Member's surviving beneficiaries.
- c. If a beneficiary dies at the same time or within 15 days after the Member dies, but before The Principal receives Written proof of the Member's death, payment will be made as if the Member survived the beneficiary.
- d. If no beneficiary survives the Member or if the Member has not named a beneficiary, payment will be made in the following order of precedence as numbered:

**This policy has been updated effective September 22, 2020**

## **PART IV - BENEFITS**

- (1) to the Member's spouse;
  - (2) to the Member's children born to or legally adopted by the Member;
  - (3) to the Member's parents;
  - (4) to the Member's brothers and sisters; or
  - (5) if none of the above, to the executor or administrator of the Member's estate.
- e. If The Principal believes a person is not legally able to give a valid receipt, as determined by The Principal, for a payment, and no guardian has been appointed, The Principal may pay whoever has assumed the care and support of the person.

#### **Article 5 - Settlement of Proceeds**

When The Principal receives Written proof of the Member's death, the Scheduled Benefit (or approved amount if applicable) in force for the Member, less any unpaid premium, and less any Accelerated Benefit payment as described in PART IV of this Section A, Article 6 will be in a lump sum. If requested, The Principal may consider other payment options.

Payment of benefits will be subject to the Beneficiary and Facility of Payment provisions of this PART IV, Section A.

#### **Article 6 - Accelerated Benefits**

##### **a. Accelerated Benefits Qualification**

To be qualified for an Accelerated Benefit payment, a Member must:

- (1) be Terminally Ill and insured for a Member Life Insurance benefit of at least \$10,000; and
- (2) send a request for Accelerated Benefit payment to The Principal; and
- (3) provide proof satisfactory to The Principal that he or she is Terminally Ill.

##### **b. Proof of Terminal Illness**

Proof that a Member is Terminally Ill will consist of:

- (1) a statement from the Member's Physician; and
- (2) any other medical information that The Principal believes necessary to confirm the Member's status.

##### **c. Benefit Payable**

The Principal will pay a Member who is qualified for Accelerated Benefits whatever amount he or she requests; except that:

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- (1) only one Accelerated Benefit payment will be made during the Member's lifetime; and
- (2) the amount requested must be at least \$5,000; and
- (3) in no event will payment exceed the lesser of:
  - 75% of the Member Life Insurance benefit in force on the date of the request; or
  - \$250,000.

The Accelerated Benefit payment will be made in a lump sum.

**d. Effect on Member Life Insurance Benefits**

If an Accelerated Benefit is paid, the Member Life Insurance Benefit otherwise payable upon the Member's death will be reduced by any Accelerated Benefit payment.

**e. Premium Waiver Period**

A premium waiver period will be established on the date The Principal pays an Accelerated Benefit to a Member. This period will end on the earlier of the Member's death or the date the Member reaches age 70.

During a premium waiver period:

- (1) there will be no Member Life Insurance and Dependent Life Insurance premium charge for the Member; and
- (2) Member Life Insurance will not be terminated if the Member ceases Active Work because of his or her Terminal Illness.

**This policy has been updated effective September 22, 2020**

## Section C - Dependent Life Insurance

### Article 1 - Schedule of Insurance

Subject to the Effective Date provisions of PART III, Section B, the specific Scheduled Benefit for an insured Dependent will be shown on the Scheduled Benefits Summary and will be based on the status of the Dependent:

#### Class

ALL MEMBERS

#### Dependent

#### \*Scheduled Benefit

Spouse

An amount in increments of \$10,000 as applied for by the Member and approved by The Principal. A Dependent spouse's Scheduled Benefit amount will not exceed \$50,000 or be less than \$10,000, subject to the provisions below.

Dependent Children (age at death)  
0 days and older

\$10,000

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

For the age(s) shown below, the amount of a Member's Dependent spouse's insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

Age	% of Scheduled Benefit (or approved amount, whichever applies)
Age 70 but less than age 75	75%
Age 75 and Over	50%

**This policy has been updated effective September 22, 2020**

In no event will a Dependent's Scheduled Benefit be more than 100% of the Member's Scheduled Benefit amount. If a Member elects a Dependent Life benefit in excess of 100% of the Member's Scheduled Benefit amount, the Dependent will be given the highest amount available, not to exceed 100%.

## **Article 2 - Death Benefits Payable**

If a Dependent dies while insured for Dependent Life Insurance under this Group Policy, The Principal will pay the Scheduled Benefit (or approved amount, if applicable) in force for that Dependent on the date of death, less any unpaid premium.

If a Dependent who was insured dies during the 31-day individual purchase period described in PART III, Section F, Article 2, The Principal will pay the individual policy amount, if any, the Dependent had the right to purchase.

If a Dependent who was insured dies within the 60-day portability option period described in PART III, Section G, The Principal will pay his or her beneficiary the Scheduled Benefit amount (or approved amount, if applicable) in force, if any, the Member had the right to continue for that Dependent.

If a Dependent dies by suicide within 24 months after the effective date of his or her Dependent Life Insurance, The Principal will pay the amount of any premium, attributable to that Dependent, paid by the Member to The Principal during the period of time the Dependent Life Insurance for the Dependent was in force in lieu of the Scheduled Benefit (or approved amount, if applicable) in force on the date of death. Any such payment will discharge The Principal to the full extent of such payment.

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided the Dependent was insured under the Prior Policy and insurance was effective for the Dependent on the Date of Issue of this Group Policy.

Unless a Beneficiary has been designated, payment will be to the Member if he or she survives the Dependent. If the Member does not survive the Dependent and a beneficiary for Dependent Life has not been named, payment will be to the person named as beneficiary for Member Life Insurance. However, if the Member is suspected or charged with the Dependent's death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held. If the Member is found guilty of the Dependent's death, he or she may be disqualified from receiving any benefit due. Payment may then be made to the executor or administrator of the Dependent's estate. Payment will be subject to the Beneficiary provisions in Article 3 and the Facility of Payment and Settlement of Proceeds provisions of PART IV, Section A.

**This policy has been updated effective September 22, 2020**

No payment will be made before The Principal receives Written proof of the Dependent's death.

### **Article 3 - Beneficiary**

A Member may name or later change the named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If The Principal properly pays any benefit before a change request is received, that payment may not be contested.

**This policy has been updated effective September 22, 2020**



## **Section D - Claim Procedures**

### **Article 1 - Notice of Claim**

Written notice must be sent to The Principal by or for a Member or Dependent who wishes to file claim for benefits under this Group Policy. This notice must be sent within 20 days after the date of the loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

### **Article 2 - Claim Forms**

The Principal, when it receives notice of claim, will provide appropriate claim forms for filing proof of loss. If the forms are not provided within 15 days after The Principal receives notice, the person will be considered to have complied with the requirements of this Group Policy upon submitting, within the time specified below for filing proof of loss, Written proof covering the occurrence, character, and extent of the loss.

### **Article 3 - Proof of Loss**

Written proof of loss must be sent to The Principal within 90 days after the date of the loss. Proof required includes the date, nature, and extent of the loss. The Principal may request additional information to substantiate loss or require a Signed unaltered authorization to obtain the information from the provider. Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the appropriate claim form is received by The Principal.

### **Article 4 - Payment, Denial, and Review**

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, The Principal will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed up to 45 days to provide all additional information requested. The Principal is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to the claimant regarding the extension.

In actual practice, benefits under this Group Policy will be payable sooner, provided The Principal receives complete and proper proof of loss. Further, if a claim is not payable or cannot be processed, The Principal will submit a detailed explanation of the basis for its denial.

**This policy has been updated effective September 22, 2020**

A claimant may request an appeal of a claim denial by Written request to The Principal within 180 days of receipt of notice of the denial. The Principal will make a full and fair review of the claim. The Principal may require additional information to make the review. The Principal will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because The Principal did not receive the requested additional information, The Principal is permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means Member, Dependent, or Beneficiary.

#### **Article 5 - Medical Examinations**

The Principal may have the Member or Dependent whose loss is the basis for claim, be examined by a Physician during the course of a claim. The Principal will pay for these examinations and will choose the Physician to perform them.

#### **Article 6 - Autopsy**

If payment for loss of life is claimed, The Principal may require an autopsy. The Principal will pay for any such autopsy.

#### **Article 7 - Legal Action**

Legal action to recover benefits under this Group Policy may not be started earlier than 90 days after required proof of loss has been filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

#### **Article 8 - Time Limits**

Any time limits in this section will be adjusted as required by law.

**This policy has been updated effective September 22, 2020**

## POLICY NOTICE

Questions regarding your policy or coverage should be directed to:

Principal Life Insurance Company  
Attn: Group Benefits Division  
711 High Street  
Des Moines, Iowa 50392-0002

Life claim-related inquiries:  
Attn: Group Claim - Life Info Line Services  
Telephone: 1-800-245-1522

For administration-related inquiries:  
Attn: Group Call Center  
Telephone: 1-800-843-1371

If you need assistance of the governmental agency that regulates insurance or have a complaint that you have been unable to resolve with The Principal, you may contact the Department of Insurance by mail, telephone or e-mail at:

Idaho Department of Insurance  
Consumer Affairs  
700 W. State Street, 3rd Floor  
P. O. Box 83720  
Boise, ID 83720-0043

1-800-721-3272 or [www.DOI.Idaho.gov](http://www.DOI.Idaho.gov)

This Notice is for the Policyholder's information only and does not become a part or condition of this Group Policy.

**This policy has been updated effective September 22, 2020**

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**Principal Life Insurance Company**  
Des Moines, Iowa 50392-0002