



Life and Accident Master Policy

2019

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This Master Policy is the contract between Public Employees Health Program (PEHP) and its Members.

I. Parties and General Contract Terms

1.1 CONTRACT AMENDMENTS

This Group Term Life and Accident Master Policy ("Master Policy") is the contract between PEHP Health & Benefits (PEHP) and its Members regarding the PEHP Group Term Life and Accident Plan ("Life and Accident Plan" or "Plan"). This Life and Accident Plan is created for PEHP's Members, pursuant to the terms and conditions of Title 49, Chapter 20 of the Utah Code. This Master Policy establishes the Coverage and benefits available to Employees and their eligible Dependents and sets forth the rights and obligations of PEHP and its Members.

1.2 SOLE USE

This Master Policy, with a complete description of benefits, is maintained by PEHP solely for use by its Members and Plan administrators. PEHP does not authorize any other use of this Master Policy.

1.3 COMPLIANCE WITH APPLICABLE LAW

This Master Policy is intended to comply with the provisions of Title 49, Chapter 20 of the Utah Code, which creates the Public Employees' Benefit and Insurance Program, also known as PEHP Health & Benefits or PEHP. If any term of this Master Policy is found to be in violation of Title 49, Chapter 20 of the Utah Code or any other state or federal law, or is unenforceable for any reason, that term shall be null and void and severable from the Master Policy and shall not render the Master Policy null and void as a whole. This contract is governed by, and will be interpreted and enforced according to the laws of the State of Utah.

1.4 ENTIRE AGREEMENT

The Master Policy, the application for Coverage, and the most recent Beneficiary designation contain the entire agreement and are binding upon Subscribers, Members and their heirs, successors, assigns, personal representatives and Beneficiaries in regard to their applicable Coverage under PEHP's Life and Accident Plan. Other than those documents listed above, no documents may be incorporated by reference. There are no promises, terms, conditions, or obligations other than those contained herein. This Master Policy supersedes all prior communications, representations, or agreements, either verbal or written, between the parties. In the event there has been a written proposal supplied to the Employer by PEHP, the compliance by the Employer and its Employees with all minimum Enrollment and underwriting factors set forth in the proposal is a condition to the effectiveness of this Contract.

II. Definitions

These definitions shall apply to the entire Master Policy unless specifically indicated otherwise.

ACCELERATED BENEFIT

The amount of group Coverage which will be paid in advance of a Subscriber's death if the Subscriber is determined to be Terminally Ill.

ACT OF TERRORISM

Means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. An Act of Terrorism is a Catastrophic Event under this Master Policy.

ACT OF WAR

War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority. An Act of

War is not a Catastrophic Event under this Master Policy.

CATASTROPHIC EVENT OR OCCURRENCE

Means all individual losses arising out of and directly occasioned by one sudden, unexpected, unusual specific event occurring at an identifiable time and place. However, the duration and extent of any such event shall be limited to 72 consecutive hours and within a 100 mile radius for any such event hereunder, and no individual loss which occurs outside such period and/or radius shall be included in that Catastrophic Event or Occurrence. PEHP may choose the date and time when such period of consecutive hours commences and also the specific 100 mile radius determining an event. If any event is of greater duration than the above period, PEHP may divide that event into two or more events, provided that no two periods overlap and provided no period commences earlier than the date and time of the first recorded individual loss to PEHP arising out of the event.

COVERAGE

The eligibility of a Subscriber and/or Dependent to benefits provided under this Master Policy. Coverage is subject to the terms, conditions, Limitations and Exclusions of this Master Policy. Benefits are only eligible when a loss occurs during a time a) when this Master Policy is in effect; and b) prior to the date that any individual termination condition occurs.

DEPENDENT

1. The Subscriber's lawful spouse.
2. Children or stepchildren of the Subscriber that are not and have never been married up to the age of 26 who have a Parental Relationship with the Subscriber.
3. Unmarried legally adopted children, foster children, and children through legal guardianship up to the age of 26, subject to PEHP receiving adequate legal documentation. (Legal guardianship must be court appointed.)
4. Unmarried children who are incapable of self support because of an ascertainable mental or physical impairment, and who are claimed as a Dependent on the Subscriber's federal tax return, at or above age 26, while remaining totally disabled, subject to the Subscriber's Coverage continuing in effect. Periodic medical documentation is required. Member must furnish written notification of the disability to PEHP no later than 31 days after the date the Coverage would normally terminate. In the notification, the Member shall include the name of the Dependent, date of birth, a statement that the Dependent is unmarried, and details concerning:
 - » The condition which led to the Dependent's physical or mental disability;
 - » Income, if any, earned by the Dependent; and
 - » The capacity of the Dependent to engage in employment, attend school, or engage in normal daily activities.

If proof of disability is approved, the Dependent's Coverage may be continued as long as he/ she remains totally disabled and unable to earn a living, and as long as none of the other causes of termination occur (e.g. marriage). Proof of the Dependent's continued disability may be required periodically by PEHP.

5. Dependent does not include stepchildren who no longer have a Parental Relationship with a Subscriber. Such an individual will no longer be eligible to receive benefits under this Group Plan.
6. Dependent does not include an unborn fetus.

ELIGIBLE EMPLOYEE

An Employer's employee who is in an employment position or classification the Employer has determined is eligible to enroll in the Life and Accident Plan.

EMPLOYER

The State, its educational institutions and political subdivisions that are eligible to participate and have elected to participate in the Life and Accident Plan of the Public Employee's Benefit and Insurance Program of Title 49, Chapter 20 of the Utah Code.

ENROLLMENT

The process whereby an Eligible Employee makes written application for Coverage through PEHP, subject to specified

time periods and policy provisions.

EVIDENCE OF INSURABILITY

Evidence that an Eligible Employee enrolling for Coverage meets the underwriting requirements of the Plan.

GUARANTEED ISSUE

The amount of Term Life Coverage available for a Subscriber and Dependents under the Life and Accident Plan without meeting any underwriting requirements.

LINE-OF-DUTY BENEFIT

The same as defined in Utah Code Section 49-20-406. That section states in subsections (1)(b)(i) and (ii):

(i) "Line-of-duty death" means a death resulting from

(A) external force or violence occasioned by an act of duty as an employee; or

(B) strenuous activity, including a heart attack or stroke, that occurs during strenuous training or another strenuous activity required as an act of duty as an employee.

(ii) "line-of-duty death" does not include a death that:

(A) occurs during an activity that is required as an act of duty as an employee if the activity is not a strenuous activity, including an activity that is clerical, administrative, or of a nonmanual nature contributes to the employee's death;

(B) occurs during the commission of a crime committed by the employee;

(C) the employee's intoxication or use of alcohol or drugs, whether prescribed or nonprescribed, contributes to the employee's death; or

(D) occurs in a manner other than as described in Subsection (1)(b)(i).

MEMBER

An individual enrolled in the Life and Accident Plan, including a Subscriber and his or her Dependents.

PARENTAL RELATIONSHIP

The relationship between a natural child or stepchild and a parent while the child or stepchild is dependent on the parent for Coverage. Stepchildren will no longer be eligible to receive benefits when the marriage between their natural parent and the Subscriber step-parent is terminated for any reason.

PEHP

Means the PEHP Health & Benefits Term Life and Accident Program which creation was authorized by Utah Code Title 49 and which administers the Life and Accident Plan.

STRENUOUS ACTIVITY

The same as defined in Utah Code Section 49-20-406. That section states in relevant part in subsections (1)(c)(i) and (ii):

(i) "Strenuous activity" means engagement involving a difficult, stressful, or vigorous fire suppression, rescue, hazardous material response, emergency medical service, physical law enforcement, prison security, disaster relief, or other emergency response activity.

(ii) "Strenuous activity" includes participating in a participating employer sanctioned and funded training exercise that involves difficult, stressful, or vigorous physical activity.

SUBSCRIBER

An Employer's Eligible Employee who has enrolled for Coverage in this Life and Accident Plan.

TERMINALLY ILL

A diagnosis by a physician, and confirmation by PEHP, as having a medical condition which causes the Subscriber to have a life expectancy of eighteen (18) months or less from the date of the application for an accelerated benefit. The Subscriber must provide PEHP satisfactory proof of the limited life expectancy. Such proof must, at a minimum, include certification by a physician. If the Subscriber survives longer than eighteen (18) months from the date the benefit begins, PEHP shall have the right to reevaluate the medical condition and take appropriate action.

III. General Terms – PEHP and Member Rights and Responsibilities

3.1 CONTRACT AMENDMENTS

PEHP may unilaterally amend this Master Policy upon plan renewal without notice to Subscribers, and upon 30 days written notice to Subscribers. Specifically, PEHP reserves the right to amend premiums, rates, benefits, exclusions, limitations, and/or services at any time. No amendment to this Master Policy shall be valid unless specifically approved in writing by PEHP.

3.2 NON-ASSIGNABILITY

The parties to this contract may not transfer or assign their rights or obligations without the advance written approval of the other party except that PEHP may designate an affiliated company to administer some or all of the Plan.

3.3 AVAILABILITY OF CONTRACT FOR REVIEW

Members are entitled to review a copy of this contract at the offices of the Subscriber's Employer or at www.pehp.org. Members may also request a hard copy of this contract from PEHP at no cost.

3.4 NO VESTED RIGHTS

Members are only entitled to receive benefits from PEHP while this contract is in effect. Members do not have any permanent or vested interest in any benefits under this contract, and benefits may change or terminate as this contract is renewed, modified, or terminated from year to year. Members only have rights to benefits under this contract when they are properly enrolled and recognized by PEHP as Members. Unless otherwise expressly stated in this contract, all benefits end when this contract ends. Members have no right to receive any benefits except in strict compliance with this entire contract.

3.5 ACCEPTANCE OF THIS CONTRACT

As a condition to receiving Coverage from PEHP, Members are presumed and required to accept, comply with, and agree to, the terms of this contract. Subscribers are also presumed to agree to the terms of this contract on behalf of eligible Dependents who enroll as Members.

3.6 AGENCY

Neither the Employer, nor any Member has authority to act as agent for PEHP. PEHP is not the agent of Employer for any purpose. For purposes of this contract, the Employer acts as the agent of its Subscribers (Eligible Employees) and Subscribers act as the agent of their eligible Dependents.

3.7 BENEFITS ARE LIMITED

Coverage under this contract is limited in defined ways. It is the responsibility of each Member to know the requirements, conditions, limitations, and exclusions that apply to their Coverage.

3.8 ADMINISTRATIVE PROVISIONS

PEHP will from time to time adopt and enforce reasonable rules, regulations, policies, procedures, and protocols to help it in the administration of this Master Policy and in providing covered services to Members. Employers and Members are subject to such rules, regulations, policies, procedures, and protocols in connection with obtaining covered services and other matters under this Master Policy.

3.9 COMPLIANCE RESPONSIBILITIES

Each party is responsible for its own compliance with applicable laws, rules and regulations.

3.10 CHANGES IN MEMBER CONTACT INFORMATION

It is the Member's responsibility to keep PEHP informed of any change of address, phone number, and email address of the Subscriber or any eligible Dependent. Members should keep copies of any notices sent to PEHP.

3.11 REQUESTS FOR INFORMATION

As a condition of receiving benefits under this Master Policy, Members (or Beneficiaries if the Member is deceased) shall provide PEHP with all information having a bearing on the proper administration of the Plan at PEHP's request.

including, but not limited to, providing releases for prior Medical Records. Failure by a Member or Beneficiary to provide information to PEHP at PEHP's request under this section within a reasonable time, as determined by PEHP, shall be a breach of this Master Policy and may result in forfeiture of benefits, termination of Coverage, or PEHP having the right to hold payment of claims until the requested information is received by PEHP.

3.12 NOTICES

Any notice required of PEHP under this Master Policy will be sufficient if mailed by first class mail to the Member or Subscriber at the address appearing on the records of PEHP. Notice to an eligible Dependent will be sufficient if given to the Subscriber under whom the Dependent is enrolled. Any notice to PEHP will be sufficient if mailed to the principal office of PEHP in Salt Lake City, Utah. Each Subscriber agrees to promptly notify his/her Dependents of all benefit and other Plan changes.

3.13 PEHP EMPLOYEE RESPONSES

Without the consent of PEHP Administration, individual Employees of PEHP do not have the authority to:

1. Modify the terms and conditions of this Master Policy;
2. Extend or modify the benefits available under this Master Policy, either intentionally or unintentionally;
3. Waive or modify any exclusion or limitation; or
4. Waive compliance with PEHP requirements.

Benefits under this Master Policy are determined by and limited to provisions stated in this Master Policy. In the event that PEHP chooses to honor any Coverage or pay for any service mistakenly authorized or provided, and if Coverage is for an ongoing benefit, such Coverage or payment will be limited to a maximum period of not more than thirty (30) days.

3.14 CLERICAL ERROR

Clerical error in keeping records shall not invalidate Coverage otherwise in force nor continue Coverage otherwise terminated. Premium adjustments shall be made by PEHP through agreement with the Employer if a clerical error has caused an incorrect amount of premium to be collected or paid. PEHP shall solely determine whether a clerical error has been made.

3.15 AUTHORIZATION TO OBTAIN/RETAIN/SHARE INFORMATION

By enrolling with PEHP and accepting or receiving services and/or benefits through PEHP, all Members agree that PEHP is authorized to obtain, retain, and share information (including but not limited to sensitive medical information contained in medical records) necessary or reasonably believed to be necessary to process and evaluate claims. PEHP will maintain the confidentiality of such information in its possession as regulated by Utah Code Annotated § 49-11-618 and applicable Utah State Retirement Board resolution(s). Upon receiving appropriate documentation, PEHP may provide a custodial parent information regarding claims payment and benefit information for the covered Dependent.

3.16 REINSURANCE REQUIREMENT

Benefits under this Master Policy shall be subject to all of the limitations, exclusions and terms of any reinsurance coverage in place to reinsure the benefits and Coverage available under this Master Policy. Such limitations and exclusions are hereby incorporated by reference and are available upon request to PEHP.

IV. Eligibility, Enrollment, and Termination

4.1 ELIGIBILITY FOR COVERAGE

Only an Eligible Employee of an Employer and that Eligible Employee's Dependents are eligible for Coverage.

4.2 ELIGIBILITY

Employers shall adopt nondiscriminatory rules to determine which of its employees are eligible for Coverage. An Eligible Employee enrolls in Coverage by completing all necessary information on the online PEHP enrollment portal or by providing all written documentation required by PEHP to enroll.

Only Eligible Employees and Dependents of Eligible Employees are eligible for Coverage. It is the Eligible Employee's

responsibility to inform PEHP if Dependents are not eligible for Coverage.

4.3 EFFECTIVE DATE OF COVERAGE

For newly hired Eligible Employees, the effective date of the Coverage is the day following the end of the payroll or benefit period (as determined by the Employer) for which the first payroll premium deduction is made.

When an Employer first begins Coverage with PEHP or when a Subscriber begins Coverage with PEHP other than when newly hired, the effective date of Coverage shall be the same as if all the Eligible Employees were newly hired employees. However, the covered Subscriber must be actively at work and engaging in and performing his or her normal duties, and not at home or confined in a hospital on the date Coverage would otherwise begin. Otherwise, Coverage will become effective on the day he or she returns to active work, so long as that date is after when a newly hired Eligible Employee would otherwise have been eligible. If the Dependents of a Subscriber are to be covered, and if a Dependent is confined to a hospital on the effective date of the Subscriber's Coverage, the Coverage of the Dependent will not become effective until the day after he or she is discharged from the Hospital, but must also be after the date Coverage would otherwise have been effective for the Dependent.

In all cases, Dependent Coverage is not effective prior to a Subscriber's effective date.

4.4 PAYMENT OF PREMIUMS

Unless otherwise arranged with the Subscriber, all pre-miums due from the Subscriber shall be paid to PEHP by the Employer withholding premiums from the pay checks of the Subscriber and forwarding the amounts to PEHP. Premiums withheld shall be deemed to have been received by PEHP, but shall not constitute payment for Coverage under this Master Policy if Coverage has otherwise terminated or if Premiums are not remitted to PEHP.

4.5 TERMINATION OF COVERAGE

The Coverage on any Subscriber ceases automatically on whichever of the following dates occurs first:

- a. The date this Coverage is canceled or terminated by the Employer;
- b. The date the Subscriber terminates employment with the Employer or becomes ineligible for Coverage;
- c. The end of the Coverage period for which a premium contribution was made if the Subscriber or the Employer fails to pay the subsequently required premium for Coverage;
- d. The date the Subscriber stops active work for the Employer, except: when a Subscriber ceases active work for Employer on an approved leave of absence because of injury or sickness, he or she will remain eligible to continue Coverage for up to twelve (12) months if the Employer approves leave for that time. Premiums must be paid for Coverage to continue. Termination occurs when the Employer discontinues a Subscriber's Coverage by so notifying PEHP or discontinuing premium payment, but in any event no later than twelve (12) months following cessation of active work for the Employer;
- e. The date on which the Subscriber retires with Utah Retirement Systems' defined benefit plan or the date the Subscriber ceases employment and begins drawing a benefit from a defined contribution plan. The provision shall not apply if the Employer has established an early retiree program, with which the Plan has agreed to continue early retiree Coverage beyond retirement; or
- f. The date the Subscriber commits or attempts to commit fraud upon PEHP.

4.2 TERMINATION OF DEPENDENT COVERAGE

The Coverage on any Dependent ceases automatically on whichever of the following dates occurs first:

- a. Six (6) months following the date the Subscriber's Coverage terminates due to the death of the Subscriber. During the six-month period between the death of the Subscriber and the date of the termination of the Dependent Coverage, the premium payment for the Dependent Coverage will be waived;
- b. The end of a Coverage period for which a premium contribution was made if the Subscriber or Employer fails to pay the subsequently required premium for Coverage;
- c. The date the Dependent child becomes eligible for coverage as an Eligible Employee;
- d. The date the Dependent goes on active duty as a full-time member of the military;
- e. The date the Dependent child marries or attains age 26, unless the Dependent child is disabled and able to continue

Coverage;

- f. The date the Dependent spouse is not considered the Subscriber's lawful spouse as indicated in a divorce decree or similar document; or
- g. The date the Subscriber's Coverage terminates for any reason other than death of the Subscriber, including Subscriber's retirement.

The Subscriber maintains the obligation to notify the PEHP Life Program if Dependents are no longer eligible under this section. Refund of overpaid premiums shall be limited to the greater of six (6) months or to the previous plan year start date, not to exceed one year of premiums.

V. Claims Submission, Adjudication, and Appeals

5.1 NOTICE OF CLAIM

A written notice of claim must be given to PEHP within twenty (20) days after the death or qualifying loss of a Subscriber and/or Dependent. PEHP may, at its sole discretion, accept a claim after the twenty (20) days under exceptional circumstances, but in no event longer than one year after the death or qualifying loss. Notice shall be deemed to have been received by PEHP when written notice given by or on behalf of a Subscriber and/or Dependent or his beneficiary, if any, is received by PEHP at its office at 560 East 200 South, Salt Lake City, Utah, 84102, with information sufficient to identify the Subscriber and/or Dependent that incurred the claim.

5.2 VALIDITY OF CLAIM

PEHP reserves the right at its discretion to determine whether a claim is an eligible benefit or to require verification of any claim for benefits. In order to be considered for payment, the event giving rise to a claim must be incurred while the Member is eligible under the Plan. The date of the death or the date of the accident or disability shall be the date the claim is incurred. PEHP shall not be responsible for any amounts that are not eligible benefits.

5.3 CLAIM AND PROOF OF LOSS FORMS

When PEHP receives a notice of a claim, it will furnish to the claimant a form it uses to establish proof of loss. Once supplied, the written proof of loss together with all supporting materials necessary to establish proof of loss must be returned to PEHP at its office within ninety (90) days after the date of the death or qualifying loss causing the loss under this Plan. Unless otherwise allowed by this Master Policy, failure to complete and return the form to PEHP may result in a reduction or denial of benefits.

5.4 SUPPORTING INFORMATION

PEHP may require a claimant to provide a copy of any autopsy report, medical records (including operative reports, pathology reports, x-rays, photos, etc.) or other supporting materials to PEHP as part of the written proof of loss. PEHP may review the medical records or have records reviewed by qualified healthcare providers or other qualified entities to investigate and audit claims for eligibility and appropriateness. Failure to furnish such proof of loss within the time required may, at the sole discretion of PEHP, invalidate or reduce any claim unless it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible. However, no interest shall be paid on the claim if supporting materials are not provided to PEHP in a timely manner under this section.

5.5 LOCATION OF BENEFICIARY(IES)

If PEHP has taken reasonable efforts to locate and inform named beneficiary(ies), and beneficiary(ies) fail(s) to supply proof of loss information to PEHP, PEHP shall not pay the claim until proof of loss is received by PEHP and a valid claim is made.

5.6 WAIVER OF CLAIM

Beneficiary(ies) may waive rights to any claim in writing to PEHP. PEHP shall then determine the next named beneficiary(ies) in the order determined by Subscriber, or if no other named or eligible beneficiary, then as determined by the Plan pursuant to the order of succession found in Utah Code Title 75, Utah Uniform Probate Code.

5.7 LIMITATIONS ON ACTIONS

All claims are barred if proof of loss and supporting materials have not been received by PEHP within three (3) years from the date of the notice of claim.

5.8 TIME OF PAYMENT OF BENEFITS

Benefits payable hereunder will be paid as soon as reasonably possible after receipt of an acceptable written proof of loss together with all supporting materials.

If benefits are not paid within thirty (30) days, interest will begin to accrue thirty (30) days following PEHP's receipt of proof of loss form and supporting materials. The interest rate will be based on the current yield on the ninety (90) day US Treasury Bill and will be fixed on the date that interest begins to accrue. Interest shall never be compounded. PEHP may pay, at its sole discretion, up to \$5,000 in benefits following a death, even if PEHP's investigation has not fully concluded, if the named beneficiary makes a claim for benefits and agrees in writing to repay PEHP if later determined not to be the actual beneficiary, and the member had PEHP coverage for more than two years immediately prior to the death.

5.9 PAYMENT OF BENEFITS

All benefits will be payable to the most recent properly designated beneficiary. If no properly designated beneficiary exists, benefits will be payable pursuant to the order of succession found in Utah Code Title 75, Utah Uniform Probate Code. Any payment made in good faith under this Master Policy fully discharges PEHP for any and all liability regarding such payment. In no event shall PEHP be required to pay any amount beyond the specific amounts of Coverage.

5.10 DESIGNATED BENEFICIARY

PEHP shall encourage a Subscriber to designate a valid primary beneficiary and a contingent beneficiary at the time of application for Coverage. Beneficiaries are limited to living persons or legal entities prior to the date of the Subscriber's death and cannot include the estate of the Subscriber or any non-human being or a person that is not alive at the time of the designation. A forbidden beneficiary designation may be voidable by PEHP at any time. A Subscriber may change his or her beneficiary(ies) at any time by filing a written notice of the beneficiary designation change with PEHP either electronically through PEHP's online enrollment process or on a form provided by PEHP. No beneficiary designation by a Subscriber shall be considered irrevocable.

The beneficiary designation change shall take effect as of the date the Subscriber signed the notice of change so long as the notice of change is received by PEHP prior to PEHP adjudicating the claim and paying the benefit. PEHP is hereby relieved from all liability for paying a benefit to the last designated beneficiary received by PEHP on the date of death.

A divorce or annulment of a marriage revokes any beneficiary designation of the former spouse as a beneficiary. A Subscriber may redesignate a former spouse as beneficiary following divorce. However, if the former spouse was not redesignated, PEHP shall be relieved from all liability for paying a benefit to the next available beneficiary in accordance with Section 5.11.4 after learning of a divorce, where the former spouse would otherwise have been the beneficiary. PEHP shall be relieved from all liability for paying a claim to a former divorced spouse if PEHP did not have notice of the divorce prior to paying the claim. A revocation of a beneficiary designation under this section is canceled by the divorced individual's remarriage to the former spouse or by a nullification of the divorce or annulment.

5.11 CLAIM INVESTIGATION, ADJUDICATION, AND PAYMENT

5.11.1 CLAIM INVESTIGATION

Unless otherwise limited by this Master Policy, if a Subscriber and/or Dependent makes a claim for benefits, PEHP will investigate and adjudicate the claim.

5.11.2 PHYSICAL EXAMINATION, AUTOPSY

As part of that investigation, PEHP, at its own expense, shall have the right to require any Subscriber and/or Dependent to undergo and report the findings of a physical examination(s) when and as often as it may reasonably require. Additionally, PEHP, at its own discretion and expense, may require that an autopsy be performed on the body of a deceased Subscriber and/or Dependent during the pendency of a claim hereunder. If already performed, PEHP may require a claimant to provide a copy of any autopsy report to PEHP. At the time of the claim, PEHP has the right and opportunity to examine and receive medical reports, medical records, and hospital records relating to the care, treatment, and relevant medical history of the person who is the basis for a claim.

5.11.3 COOPERATION WITH PEHP

Failure of a claimant to cooperate with PEHP to provide any relevant documents which allow PEHP to properly investigate and adjudicate the claim may result in claim payments being delayed or denied as determined by PEHP.

5.11.4 PAYMENT OF BENEFITS

Upon adjudication of the claim, if approved, PEHP will pay to the Subscriber's most recent designated beneficiary, subject to the provisions set forth here-in, the amount of Coverage for which the Subscriber is covered. If there is no beneficiary designated by the Subscriber or if the designated beneficiary is not alive at the death of the Subscriber, PEHP will pay the benefits of this Coverage to the contingent beneficiary. If there is no contingent beneficiary alive at the death of the Subscriber, PEHP shall pay the benefits to the Subscriber's legal surviving spouse.

For Dependent life Coverage, unless otherwise requested in writing by the Subscriber, benefits payable as a result of the death of a Dependent shall be paid to the Subscriber. If the Subscriber is deceased, the Dependent benefit shall be paid to the Subscriber's legal surviving spouse.

All Coverage paid where the Subscriber has not deceased, such as accident claims, will be paid to the Subscriber.

If the determined payable beneficiary survives the deceased Subscriber/Dependent but dies before the benefit is adjudicated and paid by PEHP, the benefit shall be paid to the next eligible named beneficiary or, if no other named beneficiary, to Subscriber's legal surviving spouse.

If no beneficiary can be determined under this section, the benefit will be payable pursuant to the order of preference established in Utah Code Title 75 of the Utah Uniform Probate Code.

5.12 GOOD FAITH PAYMENT

Any payment made by PEHP in good faith pursuant to this Agreement shall fully discharge PEHP from all liability to the extent of such payment. In no event shall PEHP be required to pay amounts above the amounts of Coverage.

PEHP's sole obligation for a valid claim is to pay the named beneficiary. A beneficiary may not assign or otherwise transfer his or her interest to any other party.

5.13 EXCESS PAYMENT OR MISTAKEN PAYMENTS

PEHP will have the right at any time to recover any payment made in excess of PEHP's obligations under this Master Policy whether such payment was made in error or otherwise. Such right will apply to payments made to Members or Beneficiaries. If an excess payment is made by PEHP, the Member or beneficiary that received the payment agrees to promptly refund the amount of the excess. PEHP may, at its sole discretion, offset any future payment against any excess or mistaken payment already made to a Member. The making of a payment in error or under a mistaken understanding of the relevant facts is not recognition by PEHP that the benefit in question is covered under this Master Policy. If a claim incurred due to false pretenses, whether intentional or not, false representation, or actual fraud is discovered, PEHP may deny or seek reimbursement for payment, including associated costs and legal fees made in association with such claim.

5.14 INTERPLEADER RIGHTS

PEHP maintains the right to interplead any dispute over benefits under this Master Policy to the Utah State Retirement Board through the administrative hearing procedure found in Utah Code 49-11-613. If PEHP files an interpleader action before the Board, no interest shall accrue on the amounts owed or to be paid by PEHP beyond the date of filing of the action. No other court or administrative entity maintains jurisdiction to resolve any disputes regarding benefits or Coverage under this Master Policy.

5.15 APPEALS

If a claim is denied, in whole or in part, PEHP will send a written notice specifying the reason(s) to the claimant. If an individual disagrees with the denial or disagrees with any decision made by PEHP which affects them, he or she may request a full review of the claim or submit the grievance in writing to:

PEHP Life Review Committee
560 East 200 South
Salt Lake City, Utah 84102

An appeal must be submitted within sixty (60) days after receiving the notice of an adverse action of PEHP. If the appeal is not received by PEHP within 60 days, the appeal shall be denied. The claimant shall include with the appeal all applicable information necessary to assist PEHP in making a determination on the appeal. Upon receipt of the

appeal, PEHP shall review and investigate the appeal.

If the claimant desires to appeal the decision of the PEHP Life Review Committee, the appeal must be directed to the Executive Director of the Utah Retirement Systems within thirty (30) days from the date of the decision. Further appeal may be made for a formal administrative hearing in accordance with the procedure established under Utah Code Section 49-11-613.

VI. Term Life Insurance

6.1 TERM LIFE INSURANCE AND RATES

PEHP shall provide Term Life Insurance to eligible Subscribers and Dependents in accordance with this section. Employer-funded Coverage shall be at a premium rate established by PEHP. For all Optional Coverage, premium rates for Term Life benefits shall be based on the age of the individual covered. Any premium rates payable may be adjusted annually on the Employer's renewal at an average premium rate per \$1,000 of Coverage then in force.

6.2 EMPLOYER BASIC TERM COVERAGE

PEHP shall provide Employer Basic Term Coverage to Eligible Employees, which is funded solely by the Employer. All Employees must be enrolled in Employer-paid Employee Basic Term Coverage ("Employer Basic Coverage"). Amounts of Coverage are determined by the Employer and will be provided to Employee upon enrollment.

After the activation of Coverage, if the Employer changes the amount of Basic Term Coverage, the Subscriber's Coverage will be changed to conform to the new election effective as of a date determined by the Employer and PEHP. (See Section 4.3, Effective Date of Coverage.)

Employee Basic Term Coverage is subject to an automatic 50% reduction at age seventy-one (71) and again at age seventy-six (76). Please see applicable Employee Brochure for amounts of Employer-elected Basic Term Coverage available to Eligible Employees.

6.3 LINE-OF-DUTY DEATH BENEFIT/ACCIDENTAL BENEFIT RIDER

In accordance with Utah Code Section 49-20-406, if a Subscriber suffers a "Line-of-duty Death," PEHP will pay to the beneficiary, subject to the provisions set forth herein, a lump sum in the amount of fifty thousand dollars (\$50,000). This benefit is only available to active employees and not available through continuation of Coverage as stated in section 6.7.1.

Accident Benefit Rider – A Subscriber who is killed in an accident will be eligible for an additional benefit in an amount to be determined by PEHP [amount listed in Employee Brochure] subject to the exclusions in Section 7.5 of this Master Policy.

6.4 OPTIONAL TERM LIFE COVERAGE

Eligible Subscribers may select Coverage above the Employer Basic Coverage (Coverage above the Employer Basic Coverage is "Optional Coverage") as follows:

6.4.1 LIMITED GUARANTEED ISSUE COVERAGE

If applying within the first sixty (60) days of eligibility, in addition to the Employer Basic Coverage described in Section 6.2, a Guaranteed Issue amount of one hundred fifty thousand dollars (\$150,000) is available and optional for an Eligible Employee to elect to purchase. Guaranteed Issue Coverage does not require Evidence of Insurability.

6.4.2 ADDITIONAL TERM LIFE COVERAGE

Eligible Subscribers may select Additional Coverage amounts ("Additional Coverage") beyond the limited Guaranteed Issue Coverage, subject to providing Evidence of Insurability in accordance with Section 6.5.4 and the limitations described below. The maximum Optional Coverage (Guaranteed Issue combined with Additional Coverage) above the Employer Basic Coverage for any individual employee is five hundred thousand dollars (\$500,000). If a Subscriber covered by PEHP is also covered as a Spouse under Dependent Coverage, Optional Coverage for the same individual is capped at a maximum amount of five hundred thousand (\$500,000).

6.5 PROCEDURES FOR TERM LIFE COVERAGE

6.5.1 BENEFIT AND RATE CHANGES

Rates are set based on the age of the individual covered. Rate tiers are established in five year increments. When an employee and/or spouse reaches an age that moves them into the next rate tier based on their age, the rate increase will become effective the first benefit period following their birthday. At age seventy-one (71), rates remain the same, but the Coverage amount decreases. All Optional Coverage amounts are subject to automatic reduction at age seventy-one (71) and again at age seventy-six (76) in amounts determined by PEHP. Please see applicable Employee Brochure for amounts of Coverage available to Employees.

If a Subscriber's Coverage amount changes due to age, the Subscriber's Coverage will be decreased to the correct Coverage amount as of the beginning of the first full benefit period for which premiums will be deducted after the date the Subscriber's age changes.

If a Subscriber increases or decreases Optional Coverage amounts as allowed by the Plan, any changes in Coverage amounts for Optional Coverage will be effective on the date specified in writing by PEHP and the date of the next full benefit period begins for which payroll deduction for premiums is made.

6.5.2 EMPLOYEES ENTERING LATE

An Eligible Employee who does not apply for Coverage within sixty (60) days from the date of eligibility, or who reapplies for Coverage after his or her Coverage has been canceled at the Eligible Employee's own request or without termination of employment, must furnish satisfactory Evidence of Insurability in order to obtain Coverage. An Eligible Employee who does not apply for Coverage for his or her Dependents within sixty (60) days from the date of eligibility, must furnish, at the Eligible Employee's expense, satisfactory evidence of the Dependent's insurability before the Dependent can obtain Coverage in accordance with Section 6.5.4. PEHP has the right to decline Coverage if the Evidence of Insurability is not satisfactory.

6.5.3 EVIDENCE OF INSURABILITY

Before any Optional Coverage will be issued, Employee must provide PEHP with Evidence of Insurability to receive any Optional Coverage pursuant to Section 6.4: a) for any amount above the Guaranteed Issue, or b) for all amounts requested after the first sixty (60) days of eligibility. PEHP has the right at its sole discretion to decline Coverage to the Subscriber and/or Dependents if the Evidence of Insurability fails to meet PEHP's guidelines for insurability.

6.6 COVERAGE WHEN DISABILITY COVERAGE EXISTS

If a Subscriber is receiving long-term disability benefits pursuant to a policy or plan issued to the Employer and whose disability occurred while the Subscriber was covered under this Coverage, Employer Basic Coverage, as allowed in Section 6.2, will continue as long as the Subscriber receives the long-term disability benefit. Premiums shall be waived for Employer Basic Coverage. A spouse of a disabled Subscriber may also continue Coverage up to the amount of the Guaranteed Issue for a spouse, for so long as the disabled Subscriber remains covered. If a Subscriber who is receiving long-term disability benefits and is eligible under this provision dies, PEHP will pay to the beneficiary the benefit amount of the Basic Coverage for which the Subscriber is covered. PEHP will have the right to require proof that the Subscriber is still receiving long-term disability benefits. Separate rates for this Coverage will be established by PEHP.

A Subscriber may continue Additional Term Life Coverage in the same amount that was in effect on the date of disability [the day after the last day the Subscriber actually worked for Employer] for a maximum of twelve (12) months from the date of disability. For the first twelve (12) months, the premium for this coverage is waived. After twelve (12) months, the Subscriber may elect to continue coverage of Additional Term Life Coverage, but is limited to fifty percent (50%) of the amount of Coverage for which the Subscriber was enrolled at the end of the twelve (12) month period from the date of disability. After the first twelve months, the premiums shall be set by PEHP and paid by the Subscriber. Application for this Coverage must occur within sixty (60) days from the end of the twelve (12) month period referred to above. Eligibility for this Coverage will continue for as long as the Subscriber receives long-term disability benefits. If a Subscriber becomes ineligible to receive long-term disability benefits and the Employer has maintained continuous Additional Term Life Coverage with the Plan, the existing Coverage in effect may be continued under the Continuation of Coverage provision.

6.7 GROUP TERM LIFE CONTINUATION OF COVERAGE AND ROLLOVER

6.7.1 CONTINUATION OF COVERAGE

Because the Plan is a self-insured employer-sponsored plan, individuals do not maintain individual conversion rights.

Therefore, an individual covered under this Plan does not have a right to convert Coverage to an individual policy in the event that the person loses Coverage hereunder for any reason. However, PEHP does allow continuation of partial Coverage for a Subscriber and his or her Dependents as follows:

- » Subscriber Coverage: 25% of the Coverage for which the individual was enrolled on the day preceding the date of loss of eligibility is eligible to continue at the option of the individual. Rates for this Coverage will change from active rates and will be established by PEHP.
- » Dependent Coverage: Dependent continuation Coverage is only available so long as the Subscriber remains enrolled in the Plan. A Dependent may not continue Coverage individually without the Subscriber also continuing Coverage. Application for this continuation Coverage must occur within sixty (60) days from the date of loss of eligibility as an active employee or termination of Coverage under the Plan. A Line-of-Duty Death benefit is not part of the continuation Coverage under this section.

6.7.2 ROLLOVER OF COVERAGE

If a Member is covered under this Plan through an Employer and terminates as an Eligible Employee, then becomes eligible as an employee of another Employer that offers PEHP's Plan, the Member may rollover any Optional Coverage from the previous Employer subject to the maximum amount of Optional Coverage available, provided application for the Optional Coverage is received by PEHP within sixty (60) days of termination with the previous Employer.

6.8 SPOUSE AND DEPENDENT ADDITIONAL TERM LIFE COVERAGE

A Subscriber may enroll Dependents in Optional Dependent Term Coverage as follows:

6.8.1 SPOUSE ADDITIONAL TERM LIFE COVERAGE

A Subscriber may enroll for Dependent Spouse Coverage in amounts up to five hundred thousand dollars (\$500,000) in accordance with the terms below. Spouse Coverage is Guaranteed Issue Coverage up to fifty thousand dollars (\$50,000) if Spouse enrolls in Coverage within the first sixty (60) days of eligibility for Coverage.

A Spouse may also apply for higher levels of Additional Coverage, which requires providing Evidence of Insurability. A Subscriber who does not apply for Coverage for his or her Spouse within sixty (60) days from the date of their eligibility, must furnish, at Subscriber's own expense, Evidence of Insurability on the Spouse before the Spouse can obtain Coverage. If Coverage is not Guaranteed Issue Coverage, PEHP has the right, if the Evidence of Insurability is not satisfactory, to decline Coverage to the Spouse.

Any Coverage amounts above the Guaranteed Issue Coverage amounts must meet the Evidence of Insurability requirements of Section 6.5.4. All Spouse term life Coverage amounts are subject to automatic reduction at age seventy-one (71) and again at age seventy-six (76) in amounts determined by PEHP.

6.8.2 DEPENDENT CHILD TERM LIFE COVERAGE

A Subscriber may apply to enroll for Dependent Child Coverage for up to fifteen thousand dollars (\$15,000) per child. If a Dependent Child is enrolled within the first sixty (60) days of eligibility, such Coverage amounts are Guaranteed Issue Coverage without Evidence of Insurability.

An individual who becomes a Dependent after the Subscriber's effective date (e.g. newborn child) will be eligible for Guaranteed Issue Coverage and shall be eligible for such Coverage on the date he or she becomes a Dependent, provided the Subscriber submits a written application for Coverage within sixty (60) days of that date.

Guaranteed Issue Coverage for prospective adoptive children will become effective on the date the child is placed for purposes of adoption provided a written application for Coverage is received by PEHP within sixty (60) days of that date.

After the first sixty (60) days when a Dependent becomes eligible to enroll in Coverage, a Subscriber may apply for a Dependent to enroll in Coverage only by providing Evidence of Insurability. If required to provide Evidence of Insurability, Dependent child Coverage is not guaranteed, and PEHP reserves the right to determine if the Evidence of Insurability is sufficient to grant Coverage.

6.9 PEHP PLUS TERM LIFE OPTION

An Employee or Dependent Spouse who has been declined Optional Coverage because of a failure to meet PEHP's Evidence of Insurability and underwriting requirements may qualify for other Coverage, if approved, under the PEHP

Plus Term Life option ("PEHP Plus"). Specific Evidence of Insurability and underwriting requirements with higher rates have been established for PEHP Plus Coverage.

6.10 GROUP TERM LIFE ACCELERATED BENEFIT

6.10.1 COVERAGE CLAUSE

If a Subscriber is Terminally Ill, upon application to and approval by PEHP, PEHP will pay an Accelerated Benefit to the Subscriber. The Accelerated Benefit will be a percentage of the total Employee Term Life Coverage in force on the life of the Terminally Ill Subscriber, as selected by the Subscriber. The Accelerated Benefit will not exceed seventy-five percent (75%) of the total Term Life Coverage in force and will be paid to the Subscriber in one lump sum. When the Accelerated Benefit is applied for by the Subscriber and accepted by PEHP, it is considered that the claim has been incurred and the amounts of Coverage cannot be modified after that date.

6.10.2 CONDITIONS AND LIMITATIONS

The Accelerated Benefit will be available to a Subscriber on a voluntary basis only. A Subscriber is not required to use this option to meet the claim of creditors, whether in bankruptcy or otherwise.

If a Subscriber is required by a government agency to use this Accelerated Benefit option in order to qualify for, apply for, or continue a government benefit or entitlement, the Subscriber is not eligible for this benefit.

6.10.3 EFFECT ON COVERAGE

The Accelerated Benefit payment will correspondingly reduce the amount of the Term Life Coverage by the amount paid in the Accelerated Benefit plus interest. Interest shall be charged from the date the Accelerated Benefit payment was made until the date of death not to exceed a period of 12 months, and shall be calculated at the yield on the ninety (90) day U.S. Treasury Bill fixed as of the date the Accelerated Benefit began.

This Accelerated Benefit payment will thus reduce correspondingly the amount to be paid to the beneficiary(ies) upon the death of the Subscriber.

6.11 TERM LIFE LIMITATIONS AND EXCLUSIONS

6.11.1 GROUP TERM LIFE SUICIDE EXCLUSION

For Subscribers, with respect to any amounts in excess of Basic Term Coverage, or for Dependents with respect to all Coverage, benefits will not be paid or payable if the Subscriber and/or Dependent commits suicide within two (2) years of the effective date of Coverage. Any premiums paid for such Coverage where PEHP does not pay the claim due to this exclusion will be refunded to the Subscriber or the Subscriber's estate. PEHP shall determine whether the death is due to suicide.

6.11.2 HOMICIDE EXCLUSION

In accordance with Utah law, including Utah Code Section 75-2-803, no benefit will be paid to a beneficiary if the beneficiary intentionally takes the life of the Subscriber and/or Dependent. Deaths are routinely investigated. Payment of term life benefits shall not be made until any investigation regarding a death is concluded to PEHP's satisfaction, including any potential criminal or civil investigation or legal proceeding related to the death. At PEHP's sole discretion, PEHP may interplead any term life benefit in which PEHP has cause to believe the death may be a homicide.

6.11.3 MISSTATEMENT OF MATERIAL FACT

At PEHP's sole discretion, PEHP may initially deny Coverage for any misstatement of material fact on an application for Coverage or other information provided to PEHP.

After Coverage is in force, PEHP may investigate and review the statements made to obtain Coverage if a death occurs within the first two (2) years of the Coverage date. PEHP maintains the right to rescind Coverage and refund premiums to the Subscriber or the Subscriber's estate if it discovers any misstatement of material fact within the first two (2) years of Coverage that would have resulted in PEHP initially denying Coverage.

After two (2) years of Coverage being in force, in the absence of fraud, the validity of any Coverage for a misstatement of material fact will not be contested. If a misstatement of material fact is discovered after the first two (2) years of

Coverage, the Member will be allowed to maintain the current amounts of Coverage, but will not be eligible for any increase in benefits or additional amounts of Coverage.

If, prior to the Member dying, PEHP learns that the age of any Subscriber and/or Dependent has been misstated, but not intentionally, PEHP will make a premium adjustment so that the Plan shall be fully charged or credited, as the case may be, for the difference in premiums to correct the misstatement of age for the full time any Coverage has been in force.

If the amount of Coverage would have been affected by the misstatement of age, the amount shall be adjusted to the amount to which the Subscriber and/or Dependent would have been entitled at his or her correct age, and the adjustment of premium shall be based on such adjusted amount of Coverage.

Notwithstanding any other provisions of this Master Policy, if a Subscriber or Dependent makes intentionally false statements or if a claim is incurred due to false pretenses, false representation, or actual fraud is discovered, PEHP may deny or seek reimbursement for payment, including associated costs and legal fees made in association with such claim, and shall immediately terminate all such Coverage and notify the Employer.

6.11.4 CATASTROPHIC COVERAGE

Benefits related to a Catastrophic Event under this Agreement are limited to the amounts of Coverage under PEHP's yearly reinsurance contract and as defined as a Catastrophic Event or Occurrence. Aggregate benefits payable for any single Catastrophic Event shall be limited to PEHP's yearly contract reinsurance amount, currently at eighty (\$80) million dollars. If benefits payable due to a Catastrophic Event exceed PEHP's yearly contract reinsurance amount, benefits shall be paid on a pro rata basis based on the amount of Coverage in place.

6.11.5 RADIOACTIVE CONTAMINATION

Claims arising directly or indirectly from radioactive contamination are excluded.

6.11.6 ACT OF WAR

Claims arising directly or indirectly from an Act of War are limited to the amount of Guaranteed Issue Coverage for which the individual was enrolled on the day preceding the date of the death. Aggregate benefits payable in any year for Acts of War shall be limited to five (\$5) million dollars. If benefits payable due to an Act of War exceed three (\$3) million dollars in any one calendar year, additional claims incurred shall be held until the end of the year and paid on a pro rata basis based on the amount of Coverage in place.

VII. Accidental Death & Dismemberment

7.1 DEFINITIONS

These definitions shall only apply to this Section VII of the Master Policy, unless indicated otherwise.

ACCIDENT

A sudden event taking place without expectation, upon the instant, rather than something that continues, progresses, or develops that causes Injury. Accident does not include an Injury resulting in whole or in part from a disease, a physical or mental defect, or some other medical condition that either occurred prior to the Injury, occurred as a result of repetitive motion actions, or is degenerative in nature.

INJURY

A bodily injury sustained solely through an Accidental means and independent of all other causes and that occurs while Coverage is in effect under the policy; except that, with respect to the Accident Weekly Indemnity and Accident Medical Expense Benefit, it also means any such bodily injury for which no benefits are payable under a worker's compensation policy or similar benefits.

LOSS OF HEARING

Loss of hearing that continues without interruption for a period of twelve (12) months and at the end of such period is determined to be continuous, permanent, and irrecoverable by a licensed physician specializing in otolaryngology and certified by the American Board of Otolaryngology.

LOSS OF LIMB

Loss by physical separation of a hand at or above the wrist, or of a foot at or above the ankle.

LOSS OF SIGHT

Loss of sight includes both the loss of one eye or the equivalent loss of vision, or both eyes with total loss of vision, which continues without interruption for a period of twelve (12) months and at the end of such period is determined to be continuous, permanent, and irrecoverable by a licensed physician specializing in ophthalmology and certified by the American Board of Ophthalmology.

LOSS OF SPEECH

Loss of speech that continues without interruption for a period of twelve (12) months and at the end of such period is determined to be continuous, permanent, and irrecoverable by a licensed physician specializing in otolaryngology and certified by the American Board of Otolaryngology.

LOSS OF THUMB AND INDEX FINGERS OR ANY THREE DIGITS

Loss by physical separation through or above the metacarpophalangeal joints of both the thumb and index fingers or any three digits on a hand.

LOSS OF USE

With respect to Arm or Leg, paralysis resulting in total loss of all range of motion and use of such limb that continues without interruption for a period of twelve (12) months and at the end of such period is determined by competent medical authority, as determined by PEHP, to be continuous, permanent, and irrecoverable.

MEDICAL EXPENSE(S)

The actual expenses incurred for medical services, devices or drugs provided to Subscriber; provided the expense has been incurred for medically necessary medical services, devices or drugs within one year of the date of the accident, and the charges therefore are reasonable and customary for the locale.

MONTHLY SALARY

The amount certified by the Employer as the monthly salary, excluding such amounts as overtime, bonuses, discretionary payments, etc., of the Subscriber. If applicable, the rate must match the rate given to Utah Retirement Systems. If there is a discrepancy between the certified amount and the amount actually paid, PEHP shall determine the regular monthly salary.

PARTIAL LOSS OF DIGITS

The loss by physical separation through or above the interphalangeal joint of the thumb, the proximal interphalangeal joint of the index finger or the proximal interphalangeal joint of any two fingers on one hand.

PRINCIPAL SUM

The coverage amount selected by a Subscriber that serves as the basis for accident benefits as outlined under this Section VII.

TOTAL DISABILITY (TOTALLY DISABLED)

The Subscriber is unable to perform the duties of his or her regular occupation and is not engaged in any other employment as solely determined by PEHP. Subscriber shall be required to provide a medical opinion to PEHP from a licensed physician showing total disability that is acceptable to PEHP.

7.2 ACCIDENTAL DEATH, DISMEMBERMENT, LOSS OF USE, AND LOSS OF SIGHT BENEFIT (AD&D)

7.2.1 EMPLOYEE ONLY COVERAGE (INDIVIDUAL ONLY)

A Subscriber may select any amount of Principal Sum ranging from \$25,000 to \$250,000 in \$25,000 increments.

Notwithstanding any other provision of this Master Policy, Subscriber's Coverage under this section shall be terminated at age 70.

7.2.2 SCHEDULE OF BENEFIT PAYMENT

Accident benefits shall be paid based on the Principal Sum elected by the Subscriber in accordance with the following schedule:

AD&D PAYMENT SCHEDULE

FOR LOSS OF	BENEFIT PAYABLE as a percentage of the principal sum
Life	100%
Two Limbs	100%
Sight of Two Eyes	100%
Speech and Hearing (both ears)	100%
Speech or Hearing (both ears)	50%
One Limb or Sight of One Eye	50%
Use of Two Limbs	100%
Use of One Limb	50%
Thumb and Index Finger on Same Hand	25%
FOR PARTIAL LOSS OF DIGITS	
Thumb or Index Finger	12.5%
Any Two Fingers on One Hand	10%

Total benefit for loss of digits on one hand shall not exceed 25%.

Benefits may not be combined upon the loss of multiple digits.

7.2.3 EMPLOYEE AND DEPENDENT PLAN (FAMILY PLAN)

When Family Plan Coverage is elected by a Subscriber, the rate for the family Coverage shall be based on the Subscriber's elected Coverage amount, but shall not vary based on the make-up of the family. The specific amounts of Coverage available to each individual family member shall be determined at the time of a claim based on the make-up of the family at the time of the claim as follows:

- A Subscriber will have Coverage for any amount of the Principal Sum on the same basis as for the Individual Plan.
- If the Subscriber is married with eligible Dependent children at the time of a claim, then the spouse is automatically covered for a principal sum equal to 40% of the Subscriber's Principal Sum and each eligible Dependent child is covered for 15% of Subscriber's Principal Sum.
- If Subscriber is married but has no eligible Dependent children at the time of a claim, then the spouse is covered for a principal sum equal to 50% of Subscriber's Principal Sum.
- If the Subscriber is not married at the time of a claim, but has eligible Dependent children, then each eligible Dependent child's Principal Sum is 20% of the Subscriber's Principal Sum.

7.2.4 NOTICE OF CLAIM

Notwithstanding any other provision of this Master Policy, a written notice of claim must be given to PEHP within 20 days following the death or dismemberment of a covered Subscriber and/or Dependent due to an accident, and within six (6) months after the accident causing loss of use of a Subscriber and/or Dependent. PEHP may, at its sole discretion, accept a claim after the time period under exceptional circumstances. Notice shall be deemed to have been received by PEHP when written notice given by or on behalf of a Subscriber and/or Dependent or their beneficiary, if

any, is received by PEHP at its office at 560 East 200 South, Salt Lake City, Utah, 84102, with information sufficient to identify the Subscriber and/or Dependent that incurred the claim.

7.3 ACCIDENT WEEKLY INDEMNITY BENEFIT (AWI) (OPTIONAL COVERAGE)

7.3.1 EMPLOYEE ONLY COVERAGE (INDIVIDUAL ONLY)

If a Subscriber is enrolled in AD&D Coverage under this Plan, in addition to the AD&D Coverage, he or she may purchase Accident Weekly Indemnity Coverage ("AWI Coverage"), which will pay the Subscriber benefits while he or she is Totally Disabled because of injury resulting from an Accident that was not job related or that did not occur on the job, provided such total disability started within ninety (90) days of the Accident. PEHP maintains the sole discretion to extend the ninety (90) day time period if, following an Accident, the Subscriber starts more conservative treatment to treat the injury or illness during the first ninety (90) days following an Accident in an effort to avoid Total Disability. However, in no event will benefits be paid if Total Disability begins longer than one hundred eighty (180) days following the Accident. Coverage begins on the first day of Total Disability and is payable while such Total Disability continues, but for not more than fifty-two (52) weeks from the date of Total Disability for any one Accident.

7.3.2 AMOUNTS OF COVERAGE AND COST

AWI Coverage shall pay eligible and qualified Subscribers between \$250 and \$500 per week based on the amount of Coverage selected (Coverage may be selected in \$50 increments between \$250 and \$500 per week) and subject to the maximum amount indicated in the Monthly Gross Salary bracket. (Certain Subscribers may be grandfathered in to AWI Coverage at amounts less than \$250 per week. Those Subscribers are able to continue Coverage at the lesser amounts, but are only eligible for the lesser amounts of Coverage in accordance with their election and the applicable rates paid.)

7.4 ACCIDENT MEDICAL EXPENSE BENEFIT (AME) (OPTIONAL COVERAGE)

7.4.1 EMPLOYEE ONLY COVERAGE

If a Subscriber is enrolled as an Employee for AD&D Coverage under this Group Accident Plan, in addition to the AD&D Coverage (and AWI Coverage, if elected) the Subscriber may purchase Accident Medical Expense Coverage ("AME Coverage"), which will pay for the following Medical Expenses which are in excess of the expenses covered by all other Group Medical Plans and by No Fault Automobile Insurance. Such Medical Expenses include those allowed by Section 152 of the Internal Revenue Code, which are related to the Injury resulting from an Accident that was not job related or did not occur on the job, provided the Medical Expense was incurred within one (1) year of the date of the Accident.

7.4.2 AMOUNT OF COVERAGE

A Subscriber may purchase the AME Coverage in an amount of \$2,500.

7.4.3 SUBROGATION AND CONTRACTUAL REIMBURSEMENTS

The Member or beneficiary agrees to seek recovery from any person(s) who may be obligated to pay damages arising from occurrences or conditions caused by the person(s) for which eligible AME benefits are provided or paid for by PEHP and promises to keep PEHP informed of his/her efforts to recover from those person(s). If the Member or beneficiary does not diligently seek such recovery, PEHP, at its sole discretion, reserves the right to pursue any and all claims or rights of recovery on the Member's or beneficiary's behalf.

In the event that eligible benefits are furnished to a Member or beneficiary for bodily injury, or illness, PEHP shall be and is hereby subrogated (substituted) with respect to a Member or beneficiary's right (the Member or beneficiary shall reimburse PEHP with respect to a Member or beneficiary's right to the extent of the value of the AME benefits paid) to any claim for bodily injury, or illness, regardless of whether the Member or beneficiary has been "made whole" or has been fully compensated for the illness or injury. PEHP shall have a lien against any AME amounts advanced or paid by PEHP for the Member's claim for bodily injury or illness, no matter how the amounts are designated, whether received by suit, settlement, or otherwise on account of bodily injury, or illness. PEHP's right to reimbursement is prior and superior to any other person or entity's right to the claim for bodily injury, or illness, including, but not limited to, any attorney fees or costs the Member chooses to incur in securing the amount of the claim.

At the time of PEHP's discovery of a possible Subrogation matter, PEHP will send a Third Party Liability questionnaire to the Member or Beneficiary advising that a response is required within thirty (30) days and that claims related to the

incident will be held until the questionnaire is received. If not received within twelve (12) months of the request, no payment will be made for the claims related to the incident.

7.5 LIMITATIONS AND EXCLUSIONS

The following limitations and exclusions apply to coverage under this Plan. If an exclusion, the Plan does not cover any loss or claim arising out of bodily injury caused by, contributed to or resulting from the following:

1. Operating or learning to operate an aircraft or being a member of an aircraft crew (including medical transport or search and rescue crew) or an aircraft flown for crop-dusting, seeding, skywriting, racing or exploration.
2. An Act of War or engaging in or serving in any branch of any national military, including any army, navy, or air force service or operations, whether foreign or domestic, except as provided in the Reserve National Guard provision found in Section 7.5.1;
3. As a professional or competing in a professional event, and not as recreation, and in PEHP's sole discretion, riding (vehicle or animal) or driving any type of vehicle, including self-powered vehicles (bicycles or similar), skiing (snow or water), snowboarding, or engaging in any other high risk activity;
4. Extreme sports such as paragliding (whether powered or not), skydiving, BASE jumping, cave diving, hang gliding, use of wingsuit, rock or ice climbing, street luge, or other similar activities with a high degree of risk of physical harm.
5. As determined by PEHP, suicide or attempted suicide, or intentional self-inflicted injury or self-harm;
6. Committing or attempting to commit a criminal or felonious act as determined by PEHP. In accordance with Utah law, including Utah Code Section 75-2-803, no benefit will be paid to a beneficiary if the beneficiary intentionally takes the life of the Subscriber and/or Dependent. Accidental deaths or serious injuries are routinely investigated. Payment of benefits shall not be made until any investigation regarding a death is concluded to PEHP's satisfaction, including any potential criminal or civil investigation or legal proceeding related to the death or injury. At PEHP's sole discretion, PEHP may interplead any benefit in which PEHP has cause to believe the death or injury may be due to a criminal act.
7. Medical or surgical treatment to treat any existing disease or illness except where the treatment is rendered necessary by bodily injury caused by an accident within the scope of the policy;
8. Ingestion or injection of any prescription drug or illegal drug or substance. If a prescription drug causes the death of the Member and the drug was prescribed by and taken according to the directions of a licensed physician and drug manufacturer's published guidelines, this exclusion shall not apply. If a Member's death is caused by the accidental ingestion of a drug (whether legal or illegal) or a poisonous substance, and the Member had no knowledge that the drug or poisonous substance was being ingested, this exclusion shall not apply; or
9. Any loss caused by contributed to or resulting from the Member's use of alcohol or other drug intoxication. A Member will be considered to be intoxicated if the level of alcohol in his/her blood when the injury or loss occurs exceeds the amount at which a person is presumed, under Utah law, to be under the influence of alcohol or intoxicating liquor when operating a motor vehicle. If the injury occurs while the Member is intoxicated, the presumption is that the injury was contributed to by the Member's intoxication. At PEHP's sole discretion, PEHP may interplead any benefit in which PEHP has cause to believe the loss may be caused by, contributed to or resulting from the Member's intoxication.
10. Claims arising directly or indirectly from radioactive contamination.
11. Claims related to a Catastrophic Event under this Agreement are limited to the amounts of Coverage under PEHP's yearly reinsurance contract. Aggregate benefits payable for any single Catastrophic Event shall be limited to PEHP's yearly contract reinsurance amount, currently at eighty (\$80) million dollars. If benefits payable due to a Catastrophic Event exceed PEHP's yearly contract reinsurance amounts, benefits shall be paid on a pro rata basis based on the amount of Coverage in place.

7.5.1 RESERVE/NATIONAL GUARD COVERAGE

All of the Accident Coverage elected shall not apply after the first thirty (30) days of Reserve Corps or National Guard active duty. Subject to the terms and conditions of the policy, all the Accident Coverage elected shall apply while the Subscriber hereunder is a member of an organized Reserve Corps or National Guard Unit of the United States and is:

- a. In attendance at annual field training or other active duty or training period of fewer than thirty (30) days (except that while attending a service school as part of reserve training, the Coverage will extend for the duration of the school even though in excess of thirty (30) days), or is enroute to or from such training;
- b. Participating in a properly authorized periodic inactive duty training assembly or any other inactive duty training authorized by appropriate unit orders; or
- c. Participating as a member of his/her unit or detachment in an authorized parade, exhibition or ceremony on official orders.