



# Pacific Health Trust

\$50,000 - Life and AD&D Insurance  
WA 101733-0000



## Your benefit booklet

**LIFEWISE**

**ASSURANCE COMPANY**

Life | Disability | Stop Loss

A member of the Premera family of companies

Effective April 1, 2011



## **INTRODUCTION**

We are pleased to welcome you as an insured of LifeWise Assurance Company. This booklet describes your benefits under this program and replaces any other benefit booklet or certificate issued by us which you may have been given.

The benefits, limitations, exclusions, and other coverage provisions described on the following pages are subject to the terms and conditions of the contract we have issued to the Policyholder. The complete contract is on file in the Policyholder's office and our headquarters in Mountlake Terrace, Washington.

Throughout the booklet, we use many terms that have a specific meaning under this program. These are defined in the "Definitions" section of this booklet. The terms "you" and "your" refer to the employees under this program. The terms "we," "us," and "our" refer to LifeWise Assurance Company. We have the discretionary authority to determine eligibility for benefits and to construe the terms used in this program.

If an electronic version of this benefit booklet is being provided to the policyholder for their intranet site, alterations, additions or deletions to the text of the electronic benefit booklet can only be made, and will only be considered authorized, if done over the signature of an officer of LifeWise Assurance Company. In the event of any discrepancy between this electronic benefit booklet and the printed copy on file with LifeWise Assurance Company, the printed copy will prevail.

**LifeWise Assurance Company**



**Rick Grover**  
Chief Executive Officer

**LifeWise Assurance Company**



**Michael A. Wozny**  
President

<b>Policyholder:</b>	<b>Pacific Health Trust</b>
<b>Policy Number:</b>	<b>WA 101733-0000</b>
<b>Effective Date:</b>	<b>April 1, 2011</b>
<b>Form Number:</b>	<b>Life – GLC1000 WA et al</b>

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## Schedule of Insurance

### Eligible Classes

You are eligible to receive benefits if you are a regular full-time employee of an employer participating in the Pacific Health Trust, and working a minimum of 20 hours per week. The employees are classified as follows:

<b>Class</b>	<b>Designation</b>
1	All Eligible Employees in Tier 1
2	All Eligible Employees in Tier 2

### Service Waiting Period

Participating employers have the choice of one of the following options:

30 days, 60 days, 90 days or 180 days.

Benefits are effective on the first of the month following or coinciding with completion of the waiting period.

Please check with your employer.

### Basic Life Insurance – Non-Contributory

<u>Class</u>	<u>Benefit Amount</u>
1 – 2	\$50,000*

\*Available for employer units with at least 10 eligible employees.

As you age, the benefit amount reduces as follows:

<b>Age</b>	<b>Percent of Initial Benefit Amount</b>
65	65%
70	50%
75	30%
80	20%

If your Basic Life benefit amount is reduced as shown above or your coverage is terminated for any reason, you are eligible for the Conversion Option. See "Your Life Insurance Provisions" for more information.

### Basic AD&D – Non-Contributory

<u>Class</u>	<u>Benefit Amount</u>
1 – 2	An amount equal to your Basic Life Insurance

As you age, the Basic AD&D benefit amount reduces in accordance with the Basic Life Insurance reduction shown above.

## **Your Provisions**

### **Eligible Classes**

Only members of the classes shown in the schedule are eligible.

### **When You Are Eligible**

You will be eligible for coverage on the date you complete the service waiting period stated in the schedule.

### **When You Become Insured**

If evidence of insurability is not required by us, your coverage will be effective on the day determined as follows:

1. If you do not contribute to the cost of your coverage, you will automatically be enrolled on the date you are eligible.
2. If you contribute to the cost of your coverage and you apply for coverage
  - a. within 31 days after the date you are first eligible to apply, then your coverage is effective on the date you are eligible; or
  - b. after 31 days when you are first eligible to apply, then your coverage will be effective on the first of the month following the date we approve your application.

If evidence of insurability is required by us, your coverage will be effective on the first of the month following the date we approve your application. See "Evidence of Insurability" below for details on when it is required by us.

### **Evidence Of Insurability**

You will need to provide evidence of insurability to us, at our expense, with your application if you:

1. apply for coverage more than 31 days after the date you are first eligible to apply;
2. apply for an amount of coverage for which we require proof of insurability;
3. voluntarily terminate your coverage and seek reinstatement of your coverage;
4. fail to make the required premium contribution resulting in your coverage terminating and you later seek reinstatement of your coverage; or
5. were required to submit evidence of insurability to become insured initially, your employment terminates, and you are later re-employed by the policyholder.

You must apply for coverage in writing through your policyholder on a form that is satisfactory to us.

Providing evidence of insurability means that you must complete and sign a health and medical history form provided by us authorizing us to obtain information about your health.

You will be required to provide any additional information about your insurability reasonably required by us.

All required information must be provided to us at our expense. For initial or additional insurance to become effective, the evidence of insurability must be satisfactory to, and approved by, us.

### **Changes In Amount Of Insurance**

Any increases in the amount of your insurance will take effect on the first of the month following

1. the date of change; or, if later,
2. the date we approve evidence of insurability, if required.

Decreases in the amount of your insurance will take effect on the first of the month following the date of change.

### **Delayed Effective Date**

The effective date of any initial, increased or additional insurance will be delayed for you if you are not in active employment because of an injury, a sickness, a temporary layoff or a leave of absence on the date that insurance would otherwise be effective. The initial, increased or additional insurance will start

## Termination Of Your Insurance

Your insurance will end on the earliest date below:

1. the date the employer ceases to participate in the Pacific Health Trust;
2. the date you cease to be in a class eligible for insurance;
3. the date the policy is canceled;
4. the date you fail to make a required premium contribution, if premium contributions are required; or
5. the date you cease to be actively at work, except if you cease active work as a result of:

<b>Result</b>	<b>Coverages</b>	<b>Continuation</b>
Temporary Layoff Leave of Absence Recalled or Deployed for Active Duty for Military Service FMLA	All Life and AD&D Insurance	Three months
Injury or Sickness	All Life and AD&D Insurance	Six months
Labor Dispute	Basic Life Insurance	Six months from the last active day of work.

Premiums must be paid for any period of time when coverage is continued.

## Waiver of Premium Provisions

### Benefit

We will waive the life insurance premium for you if you become disabled. The amount of coverage continued will be the amount in force immediately prior to the date your disability begins.

We must receive due proof that you:

1. were insured for life insurance under this policy;
2. were continuously insured:
  - a. for at least 12 months under this policy prior to becoming disabled; or
  - b. under this policy from the policy effective date.
3. became disabled prior to your 60<sup>th</sup> birthday; and
4. have been continuously disabled for six months.

### Notice of Disability

Notice of disability must be submitted in writing on a form approved by us. It must be received within three months after you have been continuously disabled for six months.

### Payment of Premiums

Premiums must continue to be paid during the waiting period while you are establishing eligibility for the waiver of premium.

### Continuation of Waiver of Premium

The waiver of premium benefit will be extended for additional one-year periods if:

1. you remain disabled; and
2. you submit to us, during the three months before the end of each one year period, proof of continuing disability.

At any time during the waiver of premium period, we may, at our own expense, require you submit to a physical examination as often as reasonably necessary to evaluate your continuing disability.

### Individual Policy Option

You may apply for an individual policy under the Life Conversion Option if the premiums for coverage do not continue during the waiting period and:

1. your employment ends while you are satisfying the waiting period for the waiver of premium; or
2. this policy terminates while you are satisfying the waiting period for the waiver of premium.

### Cancellation of Individual Policy

If you have been issued an individual policy under the Life Conversion Option, we will refund the premiums paid for that policy if we have not paid any benefits under the individual life policy.

## Termination of Waiver of Premium

Waiver of premium will end on the earliest of the following dates:

1. the date you are no longer disabled;
2. the date you do not submit to examination when required by us;
3. the date you fail to give proof of continuing disability; or
4. the date you turn age 65.

## Death Benefit

If you die while your life premiums are being waived, we will pay a death benefit. The amount payable will be your life amount which was approved by us under these provisions.

### Payment of Death Benefit

The Beneficiary Provisions apply to this benefit.

## Continuation Of Insurance

### Continuation under this policy

If you are no longer disabled, life insurance will be continued in force only if:

1. you return to work in an eligible class; and
2. premium payments are resumed on the date you are no longer disabled.

The amount of life insurance that will be continued will be the amount shown in the current schedule.

### Continuation under the Conversion Option

You may convert your life insurance under the Conversion Option if this waiver of premium ends and the insurance doesn't continue in force.

### Effect of Termination of Policy or Coverage

Insurance continued under this provision will not end solely because:

1. this policy ends; or
2. the life insurance under this policy ends.

## Definitions

The following terms are defined for this Waiver of Premium Provision

Disabled or Disability

Any disability which results from a sickness or injury that completely prevents you from engaging in any occupation for wage or profit for which you are or become reasonably qualified by due to education, training, or experience.

Life Insurance

All amounts of life insurance you are insured for under this policy.

## Social Security Normal Retirement Age

The Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by your date of birth as follows:

<b>Year of Birth</b>	<b>Normal Retirement Age</b>
1937 or before	65
1938	65 + 2 mo.
1939	65 + 4 mo.
1940	65 + 6 mo.
1941	65 + 8 mo.
1942	65 + 10 mo.
1943 through 1954	66
1955	66 + 2 mo.
1956	66 + 4 mo.
1957	66 + 6 mo.
1958	66 + 8 mo.
1959	66 + 10 mo.
1960 or after	67

## Your Life Insurance Provisions

### **Benefit and Payment**

Upon receipt of due proof that you died while insured under this policy, we will pay the benefit amount shown in the schedule consistent with the Beneficiary Provisions that apply to this policy.

### **Conversion Option**

#### Conversion upon termination of your eligibility

You may apply for an individual life insurance policy without the Short Term Disability Provisions or other supplementary benefits when:

1. your benefit amount is reduced due to your age or retirement;
2. your employment is terminated for whatever reason, including retirement; or
3. your membership in a class or classes of eligible employees for coverage under this policy terminates.

The benefit amount converted cannot be less than \$1,000 unless a smaller amount of coverage was provided for you under the policy. The benefit amount converted cannot exceed the lesser of:

1. the benefit amount in effect immediately prior to termination; or
2. the benefit amount terminating due to a reduction in benefits.

We will not require you to submit evidence of insurability for this conversion policy.

#### Conversion upon termination or amendment of policy by the policyholder

If this policy terminates or is amended to terminate life insurance for any class of employees, you can apply for an individual life insurance policy without the Short Term Disability Provisions or other supplementary benefits if:

1. you are insured under this policy on the date the policy terminates; and
2. you were continuously insured under this policy for at least five years on the date the policy terminates.

The benefit amount converted cannot be less than \$1,000 unless a smaller amount of coverage was provided for you under the policy. The benefit amount converted cannot exceed the lesser of:

1. the benefit amount in effect immediately prior to the policy termination, less any amount for which you become eligible under any group life policy within 31 days after this insurance ends; or
2. \$2,000.

We will not require you to submit evidence of insurability for this conversion policy.

### Conditions

1. Written application and payment of the first premium is made to us within 31 days after coverage under this policy ends.
2. The individual policy shall be any one of the forms then issued by us, except term insurance.
3. The individual policy effective date shall be 31 days after coverage under this policy ends.
4. The premium will be based on:
  - a. the form of the individual policy;
  - b. the amount of the individual policy;
  - c. the class of risk to which you then belong; and
  - d. your attained age on the date the individual policy takes effect.

#### Insurance Continued Under Group Policy

If you have converted to an individual policy and again become insured under this group policy, we consider your re-enrollment on the group policy as written notice that the individual policy should be terminated. The effective date of termination will be the date you become re-insured under this policy.

#### Death Pending Conversion

If you die during the 31 days in which the application for a conversion individual policy must be made, we will pay to the named beneficiary for this coverage under the group life policy the amount of life insurance that you could have converted to an individual conversion policy. This amount is payable as a claim under the group policy. The death benefit is payable whether or not you had applied for the individual conversion policy. If you had applied for it, the individual conversion policy will not become effective.

#### **Repatriation Benefit**

An additional benefit will be paid for the preparation and transportation of your body to a mortuary near your primary place of residence if you suffer a loss of life at least 100 miles from your primary place of residence.

#### Benefit Amount

The amount paid under this benefit will be the expenses to prepare and transport your remains to a mortuary near your primary place of residence, but not to exceed \$5,000 or 50% of the Basic Life benefit, whichever is less.

## **Accelerated Benefit Disclosure**

This Accelerated Benefit Disclosure statement is applicable to the Accelerated Benefit Provisions under the Basic Life Insurance of your group certificate.

### **What is an Accelerated Benefit?**

Accelerated benefits are benefits payable under the group life insurance policy during your lifetime in anticipation of death where life expectancy is 24 months or less. The benefit payment will be up to 75% of the amount in force under the group policy or \$500,000, whichever is less.

### **Are there any restrictions on the receipt of the Accelerated Benefit?**

Yes, you must be covered under the group life policy at the time the diagnosis for disability is made. In addition, your life expectancy must be 24 months or less from the date of disability and the disability must be incurred prior to your 60<sup>th</sup> birthday.

### **Will the receipt of the Accelerated Benefit affect my eligibility for Medicaid or any government assisted programs?**

If you receive payment of accelerated benefits from a life insurance policy, you may lose the right to receive certain public funds, such as Medicare, Medicaid, Social Security, Supplemental Security Income (SSI), and possibly others. Also, receiving accelerated benefits from a life insurance policy may have tax consequences for you. We cannot give tax advice about this. You may wish to obtain advice from a tax professional or an attorney before deciding to receive accelerated benefits from a life insurance policy.

### **How will the receipt of this benefit affect the life benefit under the group policy?**

We will reduce the life insurance benefit payable under the group policy by the amount paid under the Accelerated Benefit.

### **What section of the Internal Revenue Code of 1986 does the Accelerated Benefit qualify under?**

The Accelerated Benefit is intended to qualify under Section 101 (g) (26 U.S.C. 101 (g)) of the Internal Revenue Code of 1986 as amended by Public Law 104-191.

### **Are there any fees or charges if I apply for the Accelerated Benefit?**

There are no fees or charges if you decide to utilize the Accelerated Benefit.

### **Are there any restrictions on the use of the proceeds?**

The proceeds payable under the Accelerated Benefit may be used for any purpose.

### **How is the benefit paid out?**

The benefit will be paid on your behalf in one lump sum.

## Accelerated Benefit Provisions For Your Basic Life Insurance

### Benefit

An accelerated benefit is a one time lump payment made to you under your group life certificate during your lifetime in anticipation of your death if you meet all of the following requirements:

1. you are insured under the group life policy;
2. a physician certifies to us that you have been diagnosed with a terminal illness. A terminal illness means a medical condition that is reasonably expected to result in your death 24 months or less after the date of certification; and
3. the diagnosis is made prior to your 60<sup>th</sup> birthday.

### Proof Of Diagnosis

You, or your legal representative if you are unable to submit the request, must submit, at your expense, satisfactory proof of diagnosis of your terminal illness. This notice must be in the form of a signed statement from a physician. We may, at our option and expense, require a second opinion from a physician to whom we refer you. Should there be a disagreement between the two physicians, the opinion of the physician appointed by us will not be binding on you. Both parties shall attempt to resolve the matter promptly and amicably.

If the disagreement is not resolved, you have the right to mediation or binding arbitration conducted by a disinterested third party who has no ongoing relationship with either you or us. As part of the final decision, the arbitrator or mediator shall award the costs of arbitration to one party or the other party or may divide the costs equally or otherwise.

### Exclusions

An application for an accelerated benefit will be denied if any of the following circumstances exist:

1. the medical condition was caused by intentionally self-inflicted injuries or suicide attempts;
2. the required group life premium is due but unpaid at the time of the request;
3. your life insurance policy with a benefit amount of less than \$10,000;
4. your life insurance policy is issued without the Waiver of Premium Provisions;
5. if you have irrevocably assigned your life insurance benefits or have named an irrevocable beneficiary, unless notarized permission is received from the assignee or beneficiary; or
6. when all or a portion of your life insurance benefits are paid as part of a divorce settlement.

### Payment

The benefit payment will be up to 75% of the benefit amount in force under the group policy or \$500,000, whichever is less. The benefit amount is stated on the Schedule of Insurance. Payment of the accelerated benefit will reduce the benefit amount of your life insurance policy by the amount of the accelerated payment. If you should die after a request is submitted but before the accelerated benefit is paid, your life insurance benefit will be paid as if the request had not been submitted.

**Waiver Of Premium**

If the accelerated benefit is paid and you are totally disabled, subsequent premiums for your life insurance under this group policy may be waived under the Waiver of Premium Provisions, if applicable. For the purposes of this benefit, "totally disabled" means any disability that results from a sickness or injury that completely prevents you from engaging in any occupation for wage or profit for which you are or become reasonably qualified for due to education, training, or experience.

If you continue to be eligible for benefits under this policy as an active employee, your premiums must continue to be made for the full benefit amount that was in effect immediately prior to payment of the accelerated benefit. Once you cease work because of total disability, premiums may be waived under the Waiver of Premium Provisions, if applicable.

**Additional Benefits Available Under The Group Life Policy**

If you are insured for any additional benefits under the group policy, they are not affected by the payment of the accelerated benefit. They will remain in effect for as long as you are an active employee under the group policy.

**Termination Of The Accelerated Benefit**

These provisions will terminate on the earliest of any of the following dates:

1. the date the policyholder requests termination of these provisions;
2. the date the group policy terminates;
3. the date you retire;
4. the date you attain age 60; or
5. the date you die.

## Accidental Death And Dismemberment (AD&D) Provisions

### Benefit

We will pay the percentage of the benefit amount shown below when we receive due proof of all of the following:

1. you sustain a loss as a result of an injury which occurred while insured under this policy;
2. the loss was due to accidental bodily injuries; and
3. the loss occurred within one year after the date of the injury.

The AD&D benefit will be paid to you, if living. Upon receipt of proof that you died while insured under these provisions, we will pay the benefit amount shown in the schedule consistent with the Beneficiary Provisions that apply to this policy.

### Your Benefit Amount

The benefit amount for each loss will be the benefit amount shown in the schedule multiplied by the percentage shown below for that loss:

<u>Loss</u>	<u>% of Your Benefit Amount</u>
Life	100%
Speech and hearing	100%
Quadriplegia	100%
Member	50%
Sight in one eye	50%
Speech or hearing	50%
Paraplegia	50%
Hemiplegia	50%
Thumb and index finger of same hand	25%
More than one of the above in one accident	100%

The benefit for loss of thumb and index finger will not be paid if benefits for loss of the entire hand are payable.

The total amount payable for more than one of the above losses in any one accident will not be more than the benefit amount shown in the schedule.

With regard to loss due to paralysis, a cerebrovascular accident (CVA), commonly called "stroke", is not considered an injury for purposes of this policy.

## **Exclusions**

AD&D benefits will not be paid for a loss that results from:

1. disease or bodily or mental infirmity, or medical or surgical treatment of such condition;
2. ptomaine or bacterial infection except for infections occurring through an accidental cut or wound;
3. participation in a riot;
4. suicide, or its attempt, while sane or insane, or intentionally self-inflicted injury;
5. war, or any act of war, that is declared or undeclared;
6. attempt or commission of an assault or felony under state or federal law;
7. the use of any drug, unless used as prescribed by a physician;
8. legal intoxication as determined by state law; or

## **Seat Belt**

The Basic Accidental Death benefits provided under this policy will be increased if, as a result of driving or riding in an automobile, you die as a result of an automobile accident.

The additional benefit payable will be the lesser of:

1. 100% of the Basic AD&D benefit amount shown in the schedule; or
2. \$10,000.

## Conditions

We must receive proof that:

1. you were insured for Basic AD&D benefits under this policy; and
2. according to the official vehicle accident report, you were wearing a properly installed seat belt or lap and shoulder restraint, or any other National Highway Traffic Safety Administration approved restraint at the time of the accident.

## **Air Bag**

The Air Bag Benefit is payable if the seat belt benefit is payable and you were positioned in a seat protected by a supplemental restraint system which inflated on impact.

The Air Bag benefit payable will be the lesser of:

1. 10% of the amount of the Basic AD&D benefit payable; or
2. \$5,000.

## Conditions

We must receive a copy of the official vehicle accident report stating that:

1. your death resulted from an automobile accident; and
2. that the supplemental restraint system properly inflated.

## **Disappearance**

If you disappear as a result of a covered accident which could have caused loss of life and are not found within one year from the date of the covered accident, we will presume that you died. We will pay the amount of the AD&D Insurance in effect on the date of the covered accident. This benefit will be paid in place of any other AD&D benefits payable under this policy for the same accident.

## **Exposure**

If you suffer a covered loss caused by exposure to the natural elements, we will pay the amount of Basic AD&D insurance in effect for that loss on the date of the covered accident. This benefit will be paid in place of any other AD&D benefits payable for the same accident.

## Spouse Retraining

We will pay this benefit if you:

1. have an eligible spouse at the time of your accident;
2. die within one year of, and as a result of, a covered accident; and
3. are survived by a spouse.

The benefit will be payable for your surviving spouse who:

1. enrolls within one year after your death in any school for the purpose of retraining or refreshing skills needed for employment; and
2. incurs expenses payable directly to, or approved and certified by such school.

We will pay the cost of such incurred expense for not more than:

1. two years after the first retraining/refresher course begins; or
2. \$5,000.

Payment will be in addition to all other policy benefits.

## Definitions

The following terms are defined for this provision:

Accident	A sudden and unforeseen event, definite as to time and place.
Air Bag	A factory installed air bag which inflates for added protection to the head and chest areas.
Assault	A physical attack by another person instigated by you as stated in an official police report. A physical attack is any willful or unlawful use of force or violence with the intent to cause bodily injury punishable by law.
Automobile	A motor vehicle licensed for use on public highways.
Injury	Harm to your body directly caused by an accident.
Intoxication or Intoxicated	Blood alcohol level at the time of the accident as evidenced by an official police report exceeds the legal limit for operating a passenger vehicle in the jurisdiction in which the accident occurs.
Loss	Means with regards to:
Member	The actual severance of your hand or foot at or above the wrist or ankle joint. Loss does not mean you lose the function of a hand or foot due to injury.
Hearing	The permanent total deafness in both of your ears such that it cannot be corrected to any functional degree by any aid or device.
Hemiplegia	The complete and irreversible loss of the use (paralysis) of your upper and lower limbs on one side of the body.
Paraplegia	The complete and irreversible loss of the use (paralysis) of both of your lower limbs.
Quadriplegia	The complete and irreversible loss of the use (paralysis) of both of your upper and both of your lower limbs.

Sight The total and irrecoverable loss of vision in one eye.

Speech The total and irrecoverable loss of audible communication.

Thumb Or Index Finger The actual severance of your thumb below the thumb joint or the actual severance of your index finger below the second joint. Loss does not mean loss of function of the thumb and index finger due to injury.

Seat Belt A properly installed seat belt, lap and shoulder restraint, or other restraint approved by the National Highway Traffic Safety Administration.

In the case of a child, seatbelt means a child restraint, as required by the state law and approved by the National Highway Traffic Safety Administration, properly secured and being used as recommended by its manufacturer for children of like age and weight at the time of the accident.

Severance The complete amputation of your hand or foot at or above the wrist or ankle joint.

## Beneficiary Provisions For Life Insurance

### Benefit Payment

Benefits for loss of life will be paid to the beneficiary named by you subject to the State Community Property Laws section below. If more than one primary beneficiary is named, payment will be made in equal amounts to each primary beneficiary unless your beneficiary designation specifically provides for different percentages to be paid to each primary beneficiary. In the event that you name multiple beneficiaries and one or more of those beneficiaries predecease you, we will then divide the percentage assigned to the individual(s) equally among the remaining primary beneficiaries. In the event that you and a beneficiary simultaneously die, we will assume the beneficiary predeceased you.

### Beneficiary Designation

You may name one or more primary beneficiaries to receive benefit amounts under this policy. You may also name one or more contingent beneficiaries who will receive benefit amounts under this policy only in the event all primary beneficiaries have predeceased you. This written designation must be filed with the policyholder. If you would like to designate a minor as a beneficiary, you should name a custodian to receive benefit amounts on behalf of the minor child.

### State Community Property Laws

For policies issued in community property states, your spouse will automatically be entitled to one-half of the benefit amount even if they are not designated by you as a beneficiary under this policy. If you wish to have more than 50% of the benefit amount paid to someone other than your spouse, your spouse will be required to consent to such designation on a form satisfactory to us and signed by you and your spouse. In the event that you name your spouse as a beneficiary and later divorce your spouse and do not change your beneficiary designation, we will pay benefit amounts as if the beneficiary predeceased you unless the divorce decree or other court order specifies otherwise.

### Change Of Beneficiary

You may change a beneficiary at any time, unless such designation was irrevocable. The change must be made on a form satisfactory to us and signed by you. No change of beneficiary will take effect until this form is received by the policyholder. When this form is received, the change will take effect as of the date on the form. If you die before the form is received by the policyholder, we will not be liable for any payment that was made before the receipt of the form.

### Preferential Beneficiary

If no beneficiary is living or named, we may, at our sole discretion, pay the benefit amount shown in the schedule to the executor of your estate, the administrator appointed by the court for your probate, or equally to the member(s) of the first surviving class that have submitted a claim under this policy to us in the following order:

- Your:
1. Spouse or domestic partner;
  2. Child or children;
  3. Parent(s); or
  4. Siblings.

We will not be liable to the extent of any payment so made, unless we receive written notice of a valid claim by some other person before payment is made.

If the policyholder or we cannot locate the named beneficiary after reasonable attempts are made, we will pay the benefit amount to the applicable state's unclaimed property fund, as required by law.

Minor or Incapacitated Beneficiary

If the beneficiary is a minor or, in our opinion, is otherwise incapable of providing us with a valid release for any benefit amount due, such payment may be made to the individual's legal guardian, court appointed conservator, custodian as named on the beneficiary designation, or holder of a power of attorney for an incapacitated beneficiary. If payment is not possible as indicated above, we may, at our option, make payment to the person or entity that appears to have assumed the care and support of the beneficiary. Benefits in this event will be made at our discretion in a lump sum allowed by law or in monthly payments of not more than \$50 each. All such benefit payments will reduce the total benefit amount.

Facility of Payment

If there is no primary or contingent beneficiary living or named, we may, at our option, pay 10% of the benefit amount or \$1,000, whichever is greater, to any person we believe is entitled to receive such payment. To be entitled, such person must have incurred expense in connection with your funeral or other expenses incident to your last illness. All such benefit payments will reduce the total benefit amount.

## Claim Provisions

### Applies To All Coverages Except Life Insurance

Notice Of Claim	Written notice of claim must be given within 20 days after a covered loss occurs or begins or as soon after that as possible. The notice must be sent to us at our Home Office in Mountlake Terrace, Washington. The terms of the notice shall clearly identify you.
Claim Forms	When we receive a notice of claim, we will furnish forms for filing proofs of loss. If the forms are not furnished within 20 days after receipt of such notice, a written statement from you as to the nature and extent of the loss sent to us within the time limit stated in the Proof of Loss section below, will be deemed proof of loss.
Proof Of Loss	<p>In case of a continuing loss for which we make recurrent payments, you must give us written proof of loss within 90 days after the end of each period for which an amount is payable. For any other loss, written proof must be given within 90 days after the date of loss.</p> <p>Failure to furnish proof within the time frame required will not void or reduce a claim if the proof is furnished as soon as it is reasonably possible to do so. Except in the event of legal incompetence, this extension of the time limit shall in no event exceed one year.</p>
Time Of Payment Of Claim	All payments will be made when we receive proof of loss; however, for any loss for which recurrent payments are provided, benefit amounts shall be paid as they accrue, but at least once per month. Any unpaid balance at the end of the period for which we are liable will be paid when we receive proof of loss.
Physical Examination And Autopsy	We will have the right to have you examined, at our own expense, as often as we may reasonably require when a claim is pending under this policy. We will also have the right and opportunity to have an autopsy performed unless forbidden by law.

## General Provisions

### Assignment

You may assign to:

1. your spouse;
2. your children;
3. your parents; or
4. a trust for the benefit of any or all of them,

all or any part of your rights and interest in your policy including:

1. the right to designate a beneficiary or beneficiaries under the policy; and
2. the right to have an individual policy issued to you in case of termination of employment or termination of the policy by the policyholder.

Any such assignment will remain in force until changed by the assignee. No assignment will be in effect until a copy is filed with us. We are not responsible for the validity or sufficiency of any assignment.

### Booklets

We will issue booklets to the policyholder for delivery to each insured employee. The policyholder will be responsible for giving the booklets to each insured employee. The booklet will show the benefits provided to the employee under the policy. It will set forth any changes in benefits due to age, to whom benefits will be paid and the terms of the Conversion Option. Nothing in the booklet will change or void the terms of the policy.

### Clerical Error

Clerical error or omission will not:

1. prevent an employee from receiving coverage;
2. affect the amount of your coverage; or
3. effect or continue your coverage if it should not be in effect or continue in effect.

### Conformity With Laws

Any policy provision which, on the policy effective date, is in conflict with the law of the place of issue is amended to comply.

### Dual Coverage Precluded

No person may be insured under this policy as:

1. An employee of more than one employer;
2. A dependent of more than one employee; or
3. Both an employee and a dependent.

### Execution Of Policy

The policy is executed at our Home Office in Mountlake Terrace, Washington.

Incontestability	We will not contest the validity of the life insurance policy after two years from the date of issue, except for nonpayment of premium. No statement made by the insured on the life insurance application will be used to deny a claim after the insured's coverage has been in force for a period of two years during their life; unless the statement is made in writing and signed by the insured. No statement made by the insured on the disability application will be used to deny a claim unless a copy of the instrument containing the statement is or has been furnished to the insured or the insured's beneficiary, if any.
Legal Actions	No attempt to recover on the policy through legal actions may be made until at least 60 days after written proof of loss has been furnished as required by the policy. No such action may be started later than three years from the time written proof of loss is required to be furnished.
Misstatement Of Age Or Sex	If your age or sex has been misstated, an equitable adjustment will be made in the premium. If the amount of the benefit is dependent on your age or sex, as shown in the reduction schedule, the amount of the benefit will be the amount you would have been entitled to if your correct age and sex were known at the time the policy became effective.
Policy Termination	<p>The policyholder may terminate the policy by giving us at least 31 days prior written notice.</p> <p>We may terminate the policy as of any premium due date by giving at least 45 days advance written notice to the policyholder if any of the following occurs:</p> <ol style="list-style-type: none"> <li>1. If on a non-contributory plan, less than 100% of the eligible employees are insured under the policy.</li> <li>2. If on a contributory plan, less than 75% of the eligible employees are insured under the policy.</li> <li>3. If less than 10 eligible employees are insured under the policy.</li> <li>4. If less than the minimum required by law are insured under the policy.</li> </ol> <p>We may terminate the policy at any time after it has been in effect for 12 months by giving advance written notice to the policyholder.</p>
Statements Not Warranties	All statements made by the policyholder or by you will, in the absence of fraud, be deemed representations and not warranties.
Workers' Compensation Not Covered	The policy is not in lieu of Workers' Compensation coverage and does not relieve any policyholder of the need to provide such coverage.

## Definitions

These definitions are applicable to the general certificate of coverage. In the event that a definition appears in this section and in a specific provision section, the provision definition will override this definition with regards to that specific benefit.

Active Work, Actively At Work, or Active Employment

Means you are:

1. working for the policyholder at your work site for earnings the policyholder pays on a regular basis; and
2. performing the material and substantial duties of your regular occupation.

Active Work, Active At Work, or Active Employment includes normal non-work days such as vacation, weekends, and holidays.

Your work site must be:

1. the policyholder's usual place of business;
2. an alternative location if directed by the policyholder; or
3. a location to which your occupation requires you to travel.

Beneficiary

The person or entity to whom benefits for loss of life are payable.

Employee

A person who is employed and paid by the employer.

Non-Contributory

You do not pay any part of the premium for the insurance policy; the employer pays the entire premium.

Participating Employer

Means an employer who is participating in the Pacific Health Trust.

Physician

A person who is licensed to practice medicine or osteopathic medicine in the applicable jurisdiction. This person cannot be related by blood or marriage to you.

Policy

The master document issued to the policyholder.

Policyholder

The entity to whom the policy is issued, as stated on the Certificate Specifications page.

Schedule

The Schedule of Insurance as set forth in this certificate.

Service Waiting Period

A period of continuous, active employment.

If your employment ends and you are rehired by the same employer within 6 months we will apply your previous employment in an eligible class toward completing the waiting period.

We, Us, and Our

LifeWise Assurance Company.

## Statement of ERISA Rights

If your group plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as a participant in an employee welfare benefit plan, you have certain rights and protections. This section of your plan explains those rights.

**Please Note:** When used in this section, the term “plan” refers to the employee’s welfare benefit plan, not LifeWise Assurance Company. The “Plan Administrator” is the Plan Sponsor or an administrator named by the Plan Sponsor. LifeWise Assurance Company is not the ERISA Plan Administrator.

ERISA provides that all plan participants shall be entitled to:

### 1. Receive Information About Your Plan and Benefits:

- a. Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- b. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- c. Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

### 2. Prudent Actions by Plan Fiduciaries:

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan are called “fiduciaries” of the plan. (LifeWise Assurance Company is a fiduciary only with respect to claims processing and payment. However, we do have the discretionary authority to determine eligibility for benefits and to construe the terms used in this program.) The fiduciaries who operate your plan have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

### 3. Enforce Your Rights:

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, or not processed within the time shown in the claims procedures, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

**4. Assistance with Your Questions:**

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Claim Procedures for Disability Income Insurance Plans and Waiver of Premium Claims**

### **1. Claims for Benefits:**

If you would like to present a claim for benefits for yourself, you should obtain a claim form(s) from your Employer or us. The applicable section of such form (s) should be completed by (1) you; (2) the Employer or Administrator, if applicable; and (3) the Attending Physician or hospital.

Following completion, the claim form(s) must be forwarded to us. The individual authorized to evaluate claims will determine if benefits are payable and, if due, issue payment(s) to you.

We will make a decision no more than 45 days after we receive your claim. The time for decision may be extended for two additional 30 day periods provided that, prior to any extension period, we notify you in writing that an extension is necessary due to matters beyond the control of the plan, we identify those matters and give the date by which we expect to render our decision. If your claim is extended due to your failure to submit information necessary to decide your claim, the time for decision shall be tolled from the date on which the notification of the extension is sent to you until the date we receive your response to our request.

The written decision will include:

- a. specific reasons for the decision,
- b. specific references to the plan provisions on which the decision was based,
- c. a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary,
- d. a description of the review procedures and time limits applicable to such procedures,
- e. a statement that you have the right to bring a civil action under section 502(a) of ERISA after you appeal our decision and after you receive a written denial on appeal, and
- f. (1) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the denial, either (i) the specific rule, guideline, protocol or other similar criterion, or (ii) a statement that such a rule, guideline, protocol or other similar criterion was relied upon in making the denial and that a copy will be provided free of charge to you upon request, or  
(3) if denial is based on medical judgment, either (i) an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances, or (ii) a statement that such explanation will be provided to you free of charge upon request.

### **2. Appealing Denial of Claims:**

On any wholly or partially denied claim, you or your representative may appeal to us for a full and fair review. You may:

- a. request a review upon written application within 180 days of the claim denial; or
- b. request, free of charge, copies of all documents, records, and other information relevant to your claim; and
- c. submit written comments, documents, records and other information relating to your claim.

We will make a decision no more than 45 days after we receive your appeal. The time for decision may be extended for one additional 45 day period provided that, prior to the extension, we notify you in writing that an extension is necessary due to special circumstances, identify those circumstances and give the date by which we expect to render our decision. If your claim is extended due to your failure to submit information necessary to decide your claim on appeal, the time for decision shall be tolled from the date on which the notification of the extension is sent to you until the date we receive your response to the request. The written decision will include specific references to the plan provisions on which the decision is based and any other notices(s), statement(s) or information required by applicable law.

If your appeal is also denied, or if you do not receive a timely response, you have the right to bring a civil action under section 502(a) of ERISA after you have received a written denial on appeal.

## Claim Procedures for Life Insurance Plans

### 1. Claim for Benefits:

If you or your designated beneficiary would like to present a claim for benefits for yourself or your insured dependents, you should obtain a claim form(s) from your Employer or us. The applicable section of such form(s) should be completed by (1) you or the designated beneficiary and (2) the Employer or Administrator.

Following completion, the claim form(s) and all additional documentation must be forwarded to us. The individual authorized to process and pay the claims will compute benefits due, and will issue draft(s) in settlement. Unless the employee assigns benefits to a doctor or to a hospital, drafts will be made payable to you or your beneficiary.

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

### 2. Appealing Denial of Claims:

If a claim for benefits is wholly or partially denied, notice of the decision shall be furnished to you. This written decision will:

- a. give the specific reason or reasons for denial;
- b. make specific reference to policy provisions on which the denial is based;
- c. provide a description of any additional information necessary to prepare the claim and an explanation of why it is necessary; and
- d. provide an explanation of the review procedure.

On any denied claim you or your representative may appeal to us for a full and fair review. You may:

- a. request a review upon written application within 60 days of receipt of claim denial,
- b. review pertinent documents, and
- c. submit issues and comments in writing.

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

**The full terms and conditions of this coverage are set forth in a master policy between your employer and LifeWise Assurance Company. Claims payment is based solely on that policy. Copies are maintained with your employer and at our headquarters, located in Mountlake Terrace, and are available for your examination.**

**No agent is authorized to make any oral changes, additions or deletions to that policy. Changes can be done only by endorsement rider or an acceptance form issued over the signature of an officer of LifeWise Assurance Company.**







**LifeWise Assurance Company**

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**Seattle, WA 98111-2272**

**425-918-4575**

**1-800-258-0394**

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