

# GROUP INSURANCE CERTIFICATE

STANDARD INSURANCE COMPANY hereby certifies that each Member is insured under the group policy described below during the time, in the manner and for the amounts provided in the group policy. Provisions of the group policy principally affecting the Member's insurance are described in this certificate. In case of conflict between policy and certificate provisions, the policy provisions will govern. The beneficiary designated by the Member, if any, is on file with the Policyholder or group insurance administrator.



President

GROUP POLICY  
NUMBER

313017-B

REVISED 01/2013

GROUP POLICY  
EFFECTIVE DATE

January 1, 1982

PRINTED 01/2013

NAME OF  
POLICYHOLDER

**CITY OF BELLEVUE EMPLOYEES' SURVIVOR AND  
DISABILITY BENEFITS PLAN COMMITTEE**

**Bellevue, Washington**

## Section 1.

## SCHEDULE OF INSURANCE

Amount of Survivor Income – The amount of Monthly Survivor Income shall be equal to the Gross Monthly Benefit, reduced by any Deductible Income.

The GROSS MONTHLY BENEFIT shall be determined as follows:

- 1) If on the Benefit Due Date there is one surviving Eligible Child or a surviving Eligible Spouse (but not both), the amount of the Gross Monthly Benefit shall be equal to 30% of the first \$8,333 of the Member's Basic Monthly Earnings, provided however, that the amount of Survivor Income shall in no case be less than \$50.
- 2) If on the Benefit Due Date there are (a) two or more surviving Eligible Children or (b) a surviving Eligible Spouse and one or more surviving Eligible Children, the amount of the Gross Monthly Benefit shall be equal to 60% of the first \$8,333 of the Member's Basic Monthly Earnings, provided however, that the amount of Survivor Income shall in no case be less than \$100.

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INSURANCE  
UNDERWRITTEN BY

**STANDARD INSURANCE COMPANY**

*People. Not just policies.®*



## GENERAL DEFINITIONS

**MEMBER** means you are a Benefited Employee and the following:

An active employee of the Employer who is a regular, limited term, training pool, or transitional employee who is regularly working at least .50 FTE (Full-time Equivalent); or

A member of the City Council of the Employer who is regularly working at least 20 hours each week; or

An employee designated by the City Council as eligible to participate in the manner designated by the City Council who is regularly working at least 20 hours each week.

**EMPLOYER** means City of Bellevue and such affiliated companies or organizations as shall be approved in writing by the Policyholder and Standard.

### BASIC MONTHLY EARNINGS

For weekly-paid Members – basic weekly wage or salary (not including overtime, bonuses and other extra compensation) times 4.333.

For hourly-paid Members – number of hours regularly scheduled to work, but not more than 173 times basic hourly wage (not including overtime, bonuses, commissions and other extra compensation).

For all other Members – basic monthly wage or salary (not including overtime, bonuses, commissions and other extra compensation).

Changes in Basic Monthly Earnings because of changes in basic wage or salary shall be effective on the first day of the calendar month coinciding with or next following the date of change in basic wage or salary. If the Member is not actively at work on the date on which an increase in Basic Monthly Earnings would otherwise be effective, such increase shall be deferred until the next day on which the Member is both eligible and actively at work. At the commencement of any period of total disability or at the time of any other loss, Basic Monthly Earnings shall be the Member's Basic Monthly Earnings as of the first day of the calendar month in which the disability commences or other loss occurs. Any change in basic wage or salary approved after total disability commences or after any other loss occurs shall not be considered in determining the amount of Basic Monthly Earnings. Basic Monthly Earnings during an approved rehabilitation program under Long Term Disability Insurance are reduced by earnings from the program (see Rehabilitation).

A Member is considered to be **ACTIVELY AT WORK** only when he is present and actively employed in a full-time permanent capacity at the Employer's usual place of business and has completed one full day of such employment immediately prior to the date his insurance or an increase in his insurance is to be effective.

## SURVIVOR INCOME INSURANCE DEFINITIONS

**MONTHLY SURVIVOR INCOME** means the aggregate amount of monthly benefits payable by Standard to or on behalf of eligible survivors (Eligible Spouse and Eligible Children) as a result of a Member's death.

**BENEFIT DUE DATE** means the first day of each calendar month commencing with the calendar month next following the date of death of the Member.

**ELIGIBLE SPOUSE** means:

1. A Member's spouse who was married to the Member during the entire twelve-month period immediately preceding the Member's death and if the Member was totally disabled immediately

prior to his death, for the twelve-month period immediately preceding commencement of total disability. Marriage for the purpose of defining Eligible Spouse means only a marriage contract made in conformity with the laws of the jurisdiction in which the marriage takes place and recognized under the laws of the jurisdiction in which the Member resides; or

2. A Member's Domestic Partner during the entire twelve-month period immediately preceding the Member's death and if the Member was totally disabled immediately prior to his death, for the twelve-month period immediately preceding commencement of total disability. Domestic Partner means (a.) an individual with whom you have completed an affidavit of declaration of domestic partnership, submitted that affidavit to the Employer, or (b.) an individual recognized as your domestic partner under applicable law.

Eligible Spouse shall not include a spouse who is legally separated from the Member or a spouse who is otherwise separated from the Member for a period of more than 12 consecutive months. The existence of an Eligible Spouse must be reported to the Policyholder no later than 3 months after a spouse becomes an Eligible Spouse. In the absence of such notice, a spouse shall become an Eligible Spouse only upon approval of evidence of insurability of the Member satisfactory to Standard. Eligible Spouse status will be terminated upon remarriage or upon completion of a new domestic partnership affidavit of declaration after the Member's death.

ELIGIBLE CHILD means a Member's child under age 26 who was dependent on the Member or the Member's spouse for support and maintenance immediately prior to the Member's death. An adopted child will be considered to be an Eligible Child only if the adoption occurred at least twelve months prior to the Member's death, and if the Member was totally disabled immediately prior to his death, at least twelve months prior to the commencement of total disability. The existence of an Eligible Child must be reported to the Policyholder no later than 3 months after a child becomes an Eligible Child. In the absence of such notice, a child shall become an Eligible Child only upon approval of evidence of insurability of the Member satisfactory to Standard. A Member's step child shall not be an Eligible Child.

Subject to the EXCEPTIONS listed below, DEDUCTIBLE INCOME means the aggregate amount of all sums to which the estate of the Member and to which all Eligible Survivors are entitled from all of the following sources:

1. The Member's Employer.
2. Old age, survivor and disability benefits provided under the Federal Social Security Act.
3. Benefits provided in compliance with a worker's compensation act or similar law.
4. Any state, federal or other governmental disability or retirement plan (including, but not limited to the Federal Social Security Act).
5. Any pension plan toward which an employer contributed or made payroll deductions.
6. Any other group insurance plan providing periodic payments to or for an Eligible Spouse or Eligible Children.
7. Income in excess of \$3,500 per month earned by Eligible Survivors from engaging in any occupation or employment.

EXCEPTIONS – The following income will not be considered in computing the amount of Deductible Income:

- 1) Any benefits received as reimbursement for hospital, medical or surgical expenses.
- 2) Any payments received from the City of Bellevue Employees' Retirement Benefit Plan.

- 3) Any portion of Deductible Income which represents attorneys fees incurred in connection with the recovery of the Deductible Income.
- 4) A lump sum payment received from any state, federal or other governmental disability or retirement plan (including but not limited to, a public employee retirement system, a state teacher retirement system, a state unemployment compensation disability plan or a railroad retirement plan) provided however, that such payment represents the Member's entire interest under such plan.
- 5) A lump sum payment received under any group insurance plan providing payments to or for an Eligible Spouse or Eligible Children.

Deductible Income as defined in this definition shall be considered to have been paid notwithstanding that the Member, Eligible Spouse, any Eligible Children or any other persons qualified to receive monthly Survivor Income have not effected timely or proper pursuit of claim therefor or claim therefor is pending, where it is reasonable to believe that the benefits would be paid but for the failure to effect timely pursuit of claim or that the benefits for which claim is pending will be paid, as the case may be. If at any time it is determined that the Deductible Income used to compute Survivor Income Insurance benefits are incorrect, any Monthly Survivor Income payments already made shall be retroactively adjusted and future Monthly Survivor Income payments will be adjusted accordingly.

Survivor Income Insured Payroll means the sum of all Basic Monthly Earnings payable by the Employer on behalf of Members who are insured for Survivor Income Insurance, up to \$8,333 per month per Member.

## Section 2. PERSONS INSURED

### A. Eligibility

A Member becomes eligible for insurance on the first day of the calendar month as a Member, or on the date he acquires at least one Eligible Survivor, whichever is later.

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### B. Effective Dates

Insurance for an eligible Member becomes effective on the date he becomes eligible, provided he is actively at work on such date.

Insurance on any eligible Member who is not actively at work on the date when his insurance would otherwise become effective becomes effective on the next following day on which he is actively at work.

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## Section 3. CESSATION OF INSURANCE

A Member's insurance automatically ceases on the earliest of the following dates:

- b. The date of termination of his status as a Member as defined in the group policy;
- c. The date he becomes a full time member of the military (land, sea or air) forces of any country;
- c. The date on which the Member has no Eligible Survivor; or
- d. The date of discontinuance of the group policy;

except that Survivor Income Insurance may be continued in force under the Benefits In Event of Disability provision beyond these dates.

Termination of employment, when necessary to determine termination of status as a Member, means cessation of active work as an employee, except that for purposes only of determining whether a Member's insurance may be continued:

- 1) If a Member is absent from active work because of sickness, injury or pregnancy, the Member's employment shall be deemed to continue until terminated by the Employer, and
- 2) If a Member is absent from active work because of leave of absence, the Member's employment shall be deemed to continue, for a period not to exceed 30 days, until terminated by the Employer. This leave of absence exception does not apply to absence to become an active full time member of the military (land, sea or air) forces of any country; and
- 3) If a Member is absent from active work because of a temporary lay-off or a general work stoppage resulting from a strike, lockout or labor dispute, the Member's employment shall be deemed to continue for a period not to exceed 60 days; and
- 4) If a Members is on a temporary assignment, approved in writing by the City of Bellevue, that is scheduled to last no more than 6 months.

If the group policy is subject to a state-mandated family or medical leave act or law, insurance may be continued, upon payment of premium, during a leave of absence which is covered by the state-mandated family or medical leave act or law.

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#### Section 4. CONTRIBUTIONS

Contributions from Members are not required.

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#### Section 5. BENEFIT PROVISIONS – SURVIVOR INCOME INSURANCE

##### A. Insuring Clause

Upon receipt by Standard of satisfactory proof in writing that any Member has died while insured under the terms of the group policy, Standard will pay, subject to the terms of the group policy, the amount of monthly survivor income, if any, determined according to the provisions of the group policy. Payments will be made monthly commencing as of the first day of the calendar month next following the death of the Member and as of the first day of each calendar month thereafter, terminating with the last payment preceding the first date on which there is no surviving eligible spouse or surviving eligible child.

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##### B. Benefits in Event of Remarriage

In the event a surviving eligible spouse remarries, eligible spouse status shall be terminated and no further payments shall be made under the group policy in connection with the Member's death. However, if the remarriage is reported in writing to Standard within 60 days after the remarriage, one additional payment shall be made to such spouse as of the benefit due date immediately following remarriage. The amount of such additional payment shall be equal to 12 times the monthly survivor income payment payable as of the benefit due date immediately preceding remarriage.

If there is one or more eligible children on the date eligible spouse status is terminated, further payments on behalf of such eligible children, if any, shall be continued in accordance with the group policy.

Remarriage means a marriage contract made according to the laws of the jurisdiction in which the marriage takes place or cohabitation of the surviving spouse with a person of the opposite sex with the intention, expressed or implied, of holding themselves out to the public as husband and wife in the community in which they live.

599B

### C. Benefits in Event of Disability

For purposes of survivor income insurance, the term total disability means complete inability of the Member to engage in any employment or occupation for which he is or becomes reasonably fitted by reason of education, training or experience.

If the Member, while less than 60 years of age, and while his survivor income insurance is in force, becomes totally disabled, his survivor income insurance shall remain in force during the continuance of total disability without payment of premiums for a term of twelve months after the end of the last period for which a premium was paid to Standard for his insurance. His survivor income insurance will continue in force thereafter, during the continuance of total disability, for successive terms of twelve months each, provided that satisfactory written proof of total disability is received by Standard, at the Member's expense, within three months before the beginning of each twelve month term. Upon receipt of proof of total disability within the three month period preceding the second twelve month term, Standard will refund to the Policyholder all premiums paid for the Member's survivor income insurance since the commencement of total disability, for a period not to exceed nine months. A continuance of the Member's total disability shall not be considered as eligible unless and until the Member returns to work and premiums for his insurance are paid to Standard by the Policyholder.

Standard may at its option require the Member to submit to one or more medical examinations by the medical examiners designated by Standard, but such examinations shall not be required more often than once a year after total disability has continued for two full years.

Written notice of death of a Member whose insurance is being continued under this provision must be furnished to Standard at its home office within twelve months after the date of death. If notice of death as required is not so furnished, Standard shall not be liable for any payment on account of such death.

A Member's rights under this provision will automatically and immediately cease:

- 1) When he ceases to be totally disabled,
- 2) When he attains age 70,
- 3) At the end of any twelve month term if proof of total disability is not received during the last three months of that term,
- 4) When he fails to submit to any medical examination required by Standard, or
- 5) When an individual policy has been issued to him under the provision hereof entitled Conversion of Survivor Income Insurance.

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### D. Conversion of Survivor Income Insurance

1. A Member, upon written application and payment of the applicable premium to Standard within 31 days after one of the following:

- a. The date his insurance ceases because of termination of employment or of termination of membership in the class or classes eligible for insurance under the group policy,
- b. The date of cessation of insurance as defined in the survivor income provision entitled Benefits in Event of Disability, or
- c. The date of discontinuance of the group policy, provided such date is five years or more after the effective date of the Member's insurance,

will be entitled, without evidence of insurability, to an individual policy of life insurance on the Member's life without disability or double indemnity benefits.

The following conditions and provisions will apply to the individual policy of life insurance:

- 1) the Member may select any form of individual policy, except term insurance, then customarily issued by Standard at the age and for the amount applied for,
- 2) the premium for the individual policy will be the premium applicable to the class of risk to which the Member belongs and to the form and amount of the individual policy at the Member's attained age (nearest birthday) on the effective date of the individual policy, and
- 3) the amount of individual policy will be equal to (or at the option of the Member less than) the amount of the Member's survivor income insurance or the reduction in the amount of the survivor income insurance, as the case may be, on whichever of the dates in a., b. or c. above is applicable. However, if the Member's survivor income insurance ceases because of the discontinuance of the group policy five years or more after the effective date of the Member's insurance the amount of the individual policy may not exceed the lesser of
  - a) the amount of the Member's survivor income insurance at the date of cessation of such insurance, reduced by any insurance for which he may become eligible under any similar group policy issued or reinstated by Standard or by any other insurer within thirty-one days after such cessation, and
  - b) \$2,000.

For purposes of conversion to an individual policy of life insurance the amount of the Member's survivor income insurance on the date of cessation of insurance shall be equal to the present value of all future monthly survivor income payments determined as if the Member had died on the date of cessation of insurance based on interest at 8% per annum, the 1969-71 U. S. Life Mortality Table and 80% of the 1956 OASDI remarriage rates.

- 2. Any individual policy so issued shall become effective on the date of expiration of the thirty-one day period during which application may be made. However, if the Member should die during such thirty-one day period, Standard will pay in one sum as a death benefit (not as monthly survivor income payments), whether or not the Member has made application for such individual policy, the maximum amount of insurance for which an individual policy of life insurance could have been issued. Payment will be made to the beneficiary(ies) designated under the individual policy, if any. If no beneficiary is designated under such individual policy, payment shall be made to the Member's estate.

In no event, however, will payment be made under this provision if payment is made under the survivor income insurance benefit provision entitled Insuring Clause or Benefits in Event of Disability.



3. If an individual policy is issued to a Member in accordance with the provisions of this subsection, such Member shall not thereafter become insured under the group policy unless he shall, at his own expense, furnish evidence of insurability satisfactory to Standard, any other provisions of **the group** policy to the contrary notwithstanding.

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## Section 6.

## PAYMENT OF CLAIMS

### A. Payment of Benefits

All benefits provided in the group policy shall be paid as stated in this section upon receipt of written proof on Standard's forms or, if such forms are not furnished by Standard within 15 days after demand therefor, then upon receipt of written proof covering the occurrence, character and extent of the event for which claim is made.

Any monthly survivor income payable on a benefit due date will be paid to the surviving eligible spouse, or, at the option of Standard, one-half to the surviving eligible spouse and one-half to the surviving eligible children, if any, in equal shares. If no eligible spouse is surviving on a benefit due date, the monthly survivor income then due shall be paid in equal shares to all eligible children then surviving. If, in the opinion of Standard, an eligible spouse or eligible child is not capable of giving a valid receipt for payments made to them and no guardian has been appointed, Standard may, at its option, make such payments to the person or persons as have, in Standard's opinion, assumed the care and principal support of the eligible spouse or eligible child. Any such payment made by Standard shall fully discharge Standard's liability to the extent of such payment. If monthly survivor income payments to any person would be less than \$10 each, Standard may, at its option, make such payments quarter-annually, semi-annually, or annually.

In connection with the payment of monthly survivor income, continuation of survivor income insurance under the Benefits in Event of Disability provision, or conversion of survivor income insurance upon cessation of insurance, Standard shall have the right to require any or all of the following:

- a. Proof satisfactory to Standard of the age and family status of any spouse or child of the Member.
- b. Proof satisfactory to Standard of the total -disability of the Member.
- c. Signed authorizations and releases which will allow Standard access to information, confidential or otherwise, relating to all of the above requirements.

Standard shall have the right to require items a. through c. above at the time of request for conversion of survivor income insurance and at reasonable intervals during any period in which survivor income insurance is continued under the Benefits in Event of Disability provision or during which monthly survivor income payments are payable. Failure to furnish such proofs, authorizations or releases within 60 days after request therefor shall result in automatic suspension of monthly survivor income payments, and no further payments will be made until such proofs, authorizations and releases are furnished. In the event such proofs, authorizations and releases are furnished more than 60 days after request therefor, payment of overdue monthly survivor income payments shall be limited to those falling due within the 60 day period immediately prior to the date on which such proofs, authorizations and releases are received at the home office of Standard. No conversion of survivor income insurance will be allowed and survivor income insurance will not be continued in force under the Benefits in Event of Disability provision if such proofs, authorizations and releases are not furnished within 60 days after request therefor.

Standard may rely on any affidavit or other evidence deemed satisfactory to Standard in determining the existence, identity, age, family status or any other facts relating to any person's qualifications to receive

monthly survivor income payments, and any payments made by Standard in reliance thereon shall, to the extent of such payments, be a valid discharge of Standard's obligations.

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## B. Proof of Loss

Written proof of loss must be furnished to Standard in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss, within 90 days after the date of such loss. In the event of claim for total disability subsequent written proofs of continuance of total disability must be furnished to Standard, at the Member's expense, at such intervals as Standard may reasonably require. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the Member, later than one year from the time proof is otherwise required.

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## C. Physical Examination and Autopsy

Standard at its own expense shall have the right and opportunity to examine the person of any individual whose injury, sickness or pregnancy is the basis of claim when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death, where it is not forbidden by law.

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## D. Assignment

The Member's certificate is non-assignable and the insurance and benefits are non-assignable. To the extent permitted by law, no monthly survivor income payments shall be transferred or assigned or be subject to encumbrance or commutation by any person entitled to receive such payments, nor shall such payments be subject to claims or executions of creditors of the Member, any eligible spouse or eligible child or any other person entitled to receive such payments.

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## Section 7. TIME LIMITS ON LEGAL ACTIONS AND CERTAIN DEFENSES

After the group policy has been in force for two years, its validity shall not be contested, except for non-payment of premiums. No statement by any Member made in an application for survivor income insurance shall be used to reduce or deny a survivor income insurance claim after the insurance with respect to which claim has been made has been in force for two or more years.

No action at law or in equity shall be brought to recover on the group policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

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## Section 8. MISSTATEMENT OF INFORMATION

In the event of the misstatement of the age of any Member or in the event of the misstatement of the age, marriage, duration, or family status of an eligible spouse or eligible child in connection with survivor income insurance, there will be made an equitable adjustment of the premiums or of benefits or both, such

adjustment to be based on the difference between the total premiums paid and the total premiums which would have been paid had the information been correctly stated.

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## Section 9.

## PREMIUMS

### A. Premium Charges

Each Premium charge for the insurance under the group policy consists of an amount equal to the product of the premium rate in effect for survivor income insurance and the amount of Survivor Income Insured Payroll on the due date (subject, however, to premium adjustments, if any).

The initial premium rate for survivor income insurance is shown in the Policy Data. Upon mutual agreement between the Policyholder and Standard, or upon thirty-one days written notice to the Policyholder, Standard may change any said premium rate, effective on any renewal date or on the date of any change in the terms of this policy.

Instead of the methods of determination and computation of premium charges above provided, premium charges may be determined and computed by any method mutually agreeable to Standard and the Policyholder which produces approximately the same total amount.

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### B. Premium Adjustments

Premium adjustments involving return of unearned premiums to the Policyholder shall be limited to the period of twelve months immediately preceding the date of receipt by Standard of evidence that such adjustments should be made.

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### C. Payment of Premiums

Premiums are due and payable on the due dates shown on the front of this policy.

All premiums falling due under this policy, including adjustments thereof, if any, are payable by the Policyholder on or before their respective due dates direct to Standard at its Home Office. The payment of any premium shall not maintain the insurance under this policy in force beyond the date immediately preceding the next due date, except as provided in the provision entitled Grace Period.

On written request of the Policyholder, approved by Standard, premium payments may, if not then so payable, be changed at any premium due date of this policy so as to be payable annually, semi-annually, quarterly, or monthly.

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### D. Grace Period

A grace period of 31 days will be granted for the payment of premiums accruing after the first premium, during which grace period the policy shall continue in force but the Policyholder shall be liable to Standard for the

payment of the premiums accruing for the period the policy continues in force.

If written notice is given by the Policyholder to Standard that this policy shall be discontinued as of a premium due date or before the end of the grace period, this policy shall be discontinued as of the date specified in the notice or the date of receipt of the notice, whichever is later.

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## Section 10. CERTIFICATES

Standard will issue to the Policyholder, for delivery to each insured Member, an individual certificate which will state the insurance to which such Member is entitled under the group policy and to whom benefits are payable, and will summarize the provisions of the group policy principally affecting the Member.

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## Section 11. RECORDS AND REPORTS

The Policyholder shall furnish on Standard's forms such information as is necessary to administer this policy whenever required by Standard. Clerical error by the Policyholder shall not invalidate insurance otherwise validly in force nor continue insurance otherwise validly terminated.

Standard shall have the right and opportunity at all reasonable times to inspect the payrolls and other records of the Policyholder and the Employer for any purpose relating to insurance under this policy.

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## Section 12. DIVIDENDS

During the period this policy is in force, it shall be credited with its share of the divisible surplus in the form of dividends as declared by Standard.

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## Section 13. ALLOCATION OF AUTHORITY

Except for those functions which the group policy specifically reserves to the Policyholder, Standard has full and exclusive authority to control and manage the group policy, to administer claims, and to interpret the group policy and resolve all questions arising in the administration, interpretation, and application of the group policy.

Standard's authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the group policy and any claim under it;
3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. Amount of benefits payable;
  - d. The sufficiency and the amount of information Standard may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the group policy, any decision made in the exercise of Standard's authority is conclusive and binding.

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