



MAINE STATE RETIREMENT SYSTEM

Group Life Insurance Program

*Certificate of Coverage
for
Life Insurance
&
Accidental Death
and Dismemberment
Insurance*

Table of Contents

Your Group Coverage Plan	2
Eligibility	3
Effective Date of Coverage	4
Enrollment and Premium Payment Procedures	6
Employee Life Insurance	8
Dependent Life Insurance	11
Accidental Death and Dismemberment Coverage	12
Effect Of Benefits Under Other Plans	15
Effect of Prior Coverage - Transferred Business	15
General Information About Your Coverage	16
Glossary	23
(Defines the Terms Shown in Bold Type in the Text of This Document.)	

Your Group Coverage Plan

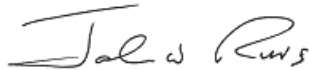
Employer: [Maine State Retirement System](#)
Group Policy: 727621
Issue Date: October 1, 2001
Effective Date: July 1, 2000

This Plan is underwritten by the [Aetna Life Insurance Company](#), of Hartford, Connecticut (called Aetna). The benefits and main points of the group contract for persons covered under this Plan are set forth in this Booklet. They are effective only while you are covered under the group contract.

If you become covered, this Booklet will become your Certificate of Coverage.

The benefits shown in this Booklet are available for you and your eligible dependents.

The insurance described in this Booklet will be provided under Aetna Life Insurance Company policy form GR-29.(727621 N.V.)



President and Chief Executive Officer

Cert. Base: 1

Eligibility

Employees are eligible for coverage under this Plan, subject to membership in an eligible class of employment and any other conditions of eligibility that the **Board of Trustees** of the **Maine State Retirement System** may prescribe by rule or decision.

Employees

Eligible classes of **employees** include:

- ◆ elected or appointed officials;
- ◆ justices of the Supreme Judicial Court or the Superior Court;
- ◆ judges of the District Court or the Administrative Court;
- ◆ legislators;
- ◆ full-time and part-time teachers;
- ◆ permanent, full-time state **employees** and permanent part-time state **employees** who work at least 20 hours or 2½ normal working days per week during the employment year;
- ◆ full-time and part-time Educational Technicians II and III who work at least 20 hours or 2½ normal working days per week during the employment year;
- ◆ full-time seasonal **employees**;
- ◆ part-time seasonal **employees** who work at least 20 hours or 2½ normal working days per week during the employment year, except part-time seasonal **employees** of a **participating local district**;
- ◆ full-time project **employees** who were insured at the time of their appointment as project **employees**;
- ◆ limited period **employees** with a contract for one or more years; and
- ◆ acting capacity **employees** with permanent status.

You may remain in an Eligible Class for Basic Life Insurance at service **retirement** if you have participated in the **Maine State Retirement System** Life Insurance Plan for 10 or more years at **retirement**. If you remain in an Eligible Class, and if you meet all other conditions of eligibility for coverage as a retiree, your Basic Life Insurance coverage will be subject to the **Retirement** Reduction Rule set forth in the Life Insurance Benefit description. All other coverages will cease.

Note: If you cease **active work** due to disability **retirement**, you do not have to participate in the **Maine State Retirement System** Life Insurance Plan for 10-years in order to be eligible for retiree benefits.

Dependents

Eligible dependents include your:

- ♦ **wife** or **husband**;
- ♦ unmarried children who are under 19 years of age; and
- ♦ unmarried children under age 22 who go to school on a full-time basis.

Eligible dependents also include your children, regardless of age or marital status who are:

- ♦ certified by the Medical Board of the **Maine State Retirement System** to be permanently mentally incompetent or permanently physically incapacitated; and
- ♦ determined by the Executive Director of the **Maine State Retirement System** to be unable to engage in any substantial gainful activity.

Eligible children include your:

- ♦ biological children and
- ♦ adopted children.

No person may be covered both as an **employee** and dependent and no person may be covered as a dependent of more than one **employee**.

Effective Date of Coverage

Employees

Basic Life Insurance and Accidental Death and Dismemberment Coverage

Unless refused in writing, you will be covered for Basic Life Insurance and Accidental Death and Dismemberment Coverage on the Effective Date of this Plan if you are in an Eligible Class on the Plan's Effective Date. If you start work after the Plan's Effective Date, coverage will take effect on the first day of the month following the date you complete a probationary period of one month of service in an Eligible Class.

Supplemental Life Insurance

If you are in an Eligible Class on the Plan's Effective Date, coverage will take effect on the Plan's Effective Date if you were covered for Supplemental Life Insurance on the day before this Plan takes effect.

If you start work after the Plan's Effective Date, coverage will take effect on the first day of the month following the date you complete a probationary period of one month of service in an Eligible Class, provided you make written application for such insurance within 31 days of entering an Eligible Class.

If you make written application for Supplemental Life Insurance more than 31 days after entering an Eligible Class, you must submit **evidence of insurability** to your **employing office** to be forwarded to the **Maine State Retirement System**. The **Retirement System** will forward the forms to Aetna for the determination of approval. If you are required to furnish **evidence of insurability**, the evidence shall be provided at no cost to the **Maine State Retirement System** or Aetna. If your evidence is approved by Aetna, coverage will take effect on the first day of the month following the date you complete one month of additional service in an Eligible Class.

Active Work Rule: If you happen to be ill or injured and away from work on the date your coverage would take effect, the coverage will not take effect until you return to work for one regularly scheduled work day. This rule also applies to an increase in your coverage.

Dependent Life Insurance

Dependent coverage will take effect on the Plan's Effective Date if you were insured for dependent coverage under the **Maine State Retirement System** Life Insurance Plan on the day before this Plan's Effective Date.

If you start work after the Plan's Effective Date, you must make written application for dependent coverage within 31 days of first entering an Eligible Class. If you make written application within 31 days, dependent coverage will take effect on the first day of the month following the date you complete a probationary period of one month of service in an Eligible Class.

If you do not have any eligible dependents when you are first eligible to enroll, but later acquire a dependent, you must make written application for dependent coverage within 31 days of first acquiring the dependent. If written application is made within 31 days, coverage will take effect on the first day of the month following the month in which the application is received by your **employing office**.

If you do not make written application for dependent coverage within 31 days of first becoming eligible to elect dependent coverage, you must submit **evidence of insurability** to your **employing office** to be forwarded to the **Maine State Retirement System**. The **Retirement System** will forward the forms to Aetna for the determination of approval. If you are required to furnish **evidence of insurability**, the evidence shall be provided at no cost to the **Maine State Retirement System** or Aetna. If your evidence is approved by Aetna, coverage will take effect on the first day of the month following the date you complete one month of additional service in an Eligible Class. If your dependent is not approved, the dependent is not eligible for coverage; however, coverage may be provided to any other eligible dependent for whom **evidence of insurability** is approved.

Once you become insured for dependent coverage, you will not have to make written application to add any new dependents. New dependents will become covered on the date they are acquired.

Note: In no event can dependent coverage take effect before your coverage takes effect. This also applies to any increase in dependent coverage if you are not actively at work on the date the increase is to become effective.

Persons Not Wanting to be Insured

If you do not want to be insured when you are first eligible, you must, on your enrollment form, give written notice to both your **employing office** and the **Maine State Retirement System**.

If you become insured and then later wish to cancel or reduce coverage, you must give written notice to both your **employing office** and the **Maine State Retirement System**. If written notice is given, coverage will cease at the end of the calendar month in which the notice is received by your **employing office**.

If you initially refuse coverage or if you reduce or cancel coverage after becoming insured, you may apply for coverage at a later date provided you submit **evidence of insurability** to your **employing office** to be forwarded to the **Maine State Retirement System**. The **Retirement System** will forward the forms to Aetna for the determination of approval. If you are required to furnish **evidence of insurability**, the evidence shall be provided at no cost to the **Maine State Retirement System** or Aetna. If your evidence is approved by Aetna, coverage will take effect on the first day of the month following the date you complete one month of additional service in an Eligible Class.

If you refused coverage when you were first eligible and then subsequently terminate your employment, you may, if later re-employed, apply for insurance without having to submit **evidence of insurability** if the termination and re-employment were bona fide. The following will not be considered a termination and re-employment for purposes of this provision:

- ♦ an intradepartmental or interdepartmental transfer;
- ♦ a layoff from seasonal employment from which you are expected to return; or
- ♦ employment as a teacher in contiguous or continuous school years, even with different **employers**.

In all other circumstances, the **Maine State Retirement System** will determine what is considered separation and re-employment.

Enrollment and Premium Payment Procedures

You will get an enrollment form to fill out. This form will allow your **Employer** to deduct any required **premium** from your pay. If **premium** is required, it will be withheld each month from your pay and will be forwarded to the **Maine State Retirement System**.

If no payroll deductions are made because you are on seasonal layoff or leave of absence, **premium** payments must be made as follows in order for coverage to continue:

- ♦ if you are a state **employee**, you must make any required **premium** payments to the **Maine State Retirement System**; and
- ♦ if you are an **employee** of a **Participating Local District** or a teacher, you must make any required **premium** payments to your **employing office**.

Note: Failure to make any required **premium** payments as determined by the **Maine State Retirement System** will result in the loss of coverage.

If it is determined by the Executive Director of the **Maine State Retirement System** that, through an error made by the **Maine State Retirement System** or your **Employer** payroll deductions were not taken, you may have your coverage reinstated back to the later date of eligibility or the date coverage terminated due to lack of any required **premium**, provided you pay all back **premiums** plus interest from the later of your date of eligibility or the date the last payroll deduction was made.

Your **premium** is subject to change. The rate of any required **premium** will be determined by the **Maine State Retirement System**.

Employee Life Insurance

This Plan will pay as a Life Insurance benefit the amount of Life Insurance in force for you if you die from any cause while insured. You name your **beneficiary**. You may change your choice at any time.

Employee Life

Basic Schedule

Classification

All **employees**

Amount

100% of your **annual base compensation**, as determined by your **Employer**, rounded to the next higher \$1,000, if not an integral multiple of \$1,000.

Supplemental Schedule

Classification

All **employees** electing Supplemental 1

Amount

100% of your Basic Life Insurance Amount

All **employees** electing Supplemental 2

200% of your Basic Life Insurance Amount

All **employees** electing Supplemental 3

300% of your Basic Life Insurance Amount

Retirement Reduction Rule

Employees Eligible for Disability Retirement

If you are eligible for disability **retirement**, your Basic Life Insurance amount in force on the day before you began your disability **retirement** will be reduced by 15% on the day following the first anniversary of you reaching your **normal retirement age**. Thereafter, your Basic Life Insurance amount will be reduced annually by an additional 15%, until your benefit is 40% of your pre-**retirement** amount or \$2,500, whichever is greater.

Employees Eligible for Service Retirement

If you are eligible for service **retirement** without first having received disability **retirement** benefits, your Basic Life Insurance amount will be figured using your **average final compensation** at the time of your **retirement**.

- ◆ If you are a Justice of the Maine Supreme Judicial Court or Superior Court, or a judge of the District or Administrative Court, and you retired prior to September 14, 1979, your Basic Life Insurance amount in force on the day before you reach age 70 will be reduced by 75% on the day following your 70th birthday.
- ◆ In all other cases, and for all other **employees**, your Basic Life Insurance amount will be reduced by 15% on the day following the first anniversary of your **retirement**. Thereafter, your Basic Life Insurance amount will be reduced annually by an additional 15% until your benefit is 40% of your **average final compensation** amount or \$2,500, whichever is greater.

Note: At any time that your Life Insurance is being continued because you are permanently and totally disabled, as shown next, the above **retirement** reduction rule will not apply to you while you are under your **normal retirement age**. Your **normal retirement age** is determined by statute. Upon attaining your **normal retirement age**, the **retirement** reduction rule will apply and your Life Insurance will be reduced in accordance with the preceding paragraph. The 10-year service requirement is waived for any **employee** for whom the permanent and total disability provision applies.

Eligibility For Life Insurance if Disabled

Employees Who Receive Disability Retirement Under Maine State Retirement System Statutes (This provision does not apply to any Supplemental Life Insurance that you may be insured for at the time of disability)

You may remain eligible for Basic Life Insurance coverage, subject to change or termination as provided elsewhere in the group contract, if the **Maine State Retirement System** determines that you have become permanently and totally disabled, if:

- ♦ you become disabled while you are insured; and
- ♦ you meet the requirements for **Maine State Retirement System** disability **retirement** benefits under applicable law.

Once you satisfy the requirements for disability benefits, your Basic Life Insurance will be continued without any further **premium** payments from you.

Your extended insurance will be the amount you were insured for on the date your permanent and total disability benefit became effective.

Your eligibility for extended insurance will cease when you no longer meet the requirements for disability **retirement** benefits under applicable law.

Employees Who Are Not Eligible To Receive Disability Retirement Under Maine State Retirement System Statutes But Who Qualify For Disability Benefits Under Social Security Or Some Other Local Plan. (This provision does not apply to any Supplemental Life Insurance that you may be insured for at the time of disability)

You may remain eligible for Basic Life Insurance coverage, subject to change or termination as provided elsewhere in the group contract if you are employed by an **Employer** that does not participate in the **Maine State Retirement System**, but you have met the requirements for disability **retirement** benefits under Social Security or some other local plan.

Employees Whose Life Insurance Coverage Under The Plan Has Been Terminated Due To Separation From Service, And Who Do Not Qualify For Disability Benefits Under Maine State Retirement System Statutes, Or Under Social Security Or Some Other Local Plan. (This provision does not apply to any Supplemental Life Insurance that you may be insured for at the time of disability)

You may remain eligible for Basic Life Insurance coverage, subject to change or termination as provided elsewhere in the group contract, if Aetna determines that you have become permanently and totally disabled, if:

- ♦ the total disability starts while you are insured, on or after the date this subsection applies to you, before you reach age 60, and before you retire; and
- ♦ the **Maine State Retirement System** is given written notice of your disability within 12 months after you cease **active work**; and

-
- ♦ Aetna receives written request for this coverage within 12 months after you cease **active work**. If it is not possible to furnish written notice and any proof of your disability within 12 months, your written notice will still be accepted if you file as soon as possible. Unless you are legally incapacitated, written notice filed more than 3 months after the 12 month deadline will be denied.

To qualify, all the following tests must be met:

- ♦ disease or injury stops you from working at your own job or any other job for pay or profit;
- ♦ you are unable to work at any "reasonable job"; and
- ♦ you have been totally disabled for at least 9 months.

A "reasonable job" is any job for which you are, or may reasonably become, fit for by education, training or experience.

Once you satisfy the requirements for disability benefits under this section, your Basic Life Insurance will be continued without any further **premium** payments from you.

Your extended insurance will be the amount you were insured for on the date your permanent and total disability began.

This eligibility ceases at the first to occur of:

- ♦ the date Aetna sends a request to you at your last known address shown on Aetna's records:
 - for an exam, if you do not go for the exam within 31 days of that date;
 - for proof that you are still permanently and totally disabled, if the proof is not given within 31 days of that date.
- ♦ the date you are well enough to work at any reasonable job;
- ♦ the date you start work at any job for pay or profit; or
- ♦ the date you reach age 60.

After insurance has been extended continuously for 2 years, Aetna will not request an exam or proof more often than once in a 12 month period.

If your Life Insurance ceases due to ceasing **active work**, your Life Insurance may be reinstated from the date it stopped, if:

- ♦ Aetna later finds that you are eligible under this subsection; and
- ♦ you give up all individual policies of Life Insurance issued to you as a result of cessation of insurance without claim except for the return of **premium**.

Dependent Life Insurance

An amount of life insurance is payable to you if one of your dependents dies from any cause while insured. If you are not living at the time of payment, it will be made to your executors or administrators.

A life insurance benefit is not payable for any dependent child for whom a birth certificate has not been issued.

Dependent Life

Schedule Classification	Amount
All Employees Electing Dependent A Wife or husband	\$ 5,000
Unmarried child, age:	
less than 6 months	\$ 1,000
6 months but less than 19 years	\$ 5,000
19 years but less than 22 years if full- time student	\$ 5,000
All Employees Electing Dependent B Wife or husband	\$ 10,000
Unmarried child, age:	
less than 6 months	\$ 2,500
6 months but less than 19 years	\$ 5,000
19 years but less than 22 years if full- time student	\$ 5,000

Accidental Death and Dismemberment Coverage

Schedule of Accidental Death and Dismemberment Coverage

Basic Accidental Death and Dismemberment Coverage	
Classification	Principal Sum
All employees	100% of your annual base compensation , as determined by your Employer , rounded to the next higher \$1,000, if not an integral multiple of \$ 1,000.
Supplemental Accidental Death and Dismemberment Coverage	
Classification	Principal Sum
All employees electing Supplemental Life Insurance 1	100% of your Basic Accidental Death and Dismemberment Coverage
All employees electing Supplemental Life Insurance 2	200% of your Basic Accidental Death and Dismemberment Coverage
All employees electing Supplemental Life Insurance 3	300% of your Basic Accidental Death and Dismemberment Coverage

Benefit Description

This Plan pays a benefit if, while insured, you suffer a **bodily injury** caused by an accident, and if, within 90 days after the accident and as a direct result of the injury, you lose:

- ◆ your life;
- ◆ a hand, by actual severance at or above the wrist joint;
- ◆ a foot, by actual severance at or above the ankle joint;
- ◆ an eye, involving irrecoverable and complete loss of sight in the eye;
- ◆ your speech or hearing; the loss must be total and deemed permanent; or
- ◆ the thumb and index finger of the same hand, by actual severance of entire digit.

Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

A total loss of speech or hearing will be deemed permanent if the loss has been present for 12 consecutive months, unless an attending physician states otherwise.

Loss of life due to exposure to natural or chemical elements will be deemed to be accidental if the exposure was a direct result of an accident.

If:

- ♦ you disappear as a direct result of the accidental disappearance, wrecking, or sinking of the conveyance in which you were an occupant; and
- ♦ there is no contrary evidence about the circumstances of the disappearance within one year of the accident;

the disappearance will be deemed an accidental death.

This Plan also pays a benefit if, while insured, you suffer an accidental **bodily injury** in an accident and if, within 30 days after the accident and as a direct result of the injury, you are stricken with one of the following forms of paralysis:

- ♦ quadriplegia - the entire and irrecoverable paralysis of both upper and lower limbs;
- ♦ paraplegia - the entire and irrecoverable paralysis of both lower limbs;
- ♦ hemiplegia - the entire and irrecoverable paralysis of the upper and lower limbs on one side of the body; or
- ♦ uniplegia - the entire and irrecoverable paralysis of one limb.

A limb means the entire arm or leg.

Benefit Payable

The full Principal Sum is payable for loss of life.

The full Principal Sum is payable for loss of both hands, both feet, or both eyes.

The full Principal Sum is payable for loss of both hearing and speech.

The full Principal Sum is payable for quadriplegia.

Half the Principal Sum is payable for loss of either hearing or speech.

Half the Principal Sum is payable for loss of a hand, loss of a foot, or loss of an eye.

Half the Principal Sum is payable for paraplegia or for hemiplegia.

One quarter of the Principal Sum is payable for loss of the thumb and index finger of the same hand.

One quarter of the Principal Sum is payable for uniplegia.

No more than the full Principal Sum is payable for all losses listed above resulting from one accident.

Limitations

This coverage is only for losses caused by accidents. No benefits are payable for a loss caused or contributed to by:

- ♦ a bodily or mental infirmity;
- ♦ a disease, ptomaine, or bacterial infection;*
- ♦ medical or surgical treatment;*
- ♦ suicide or attempted suicide (while sane or insane);
- ♦ an intentionally self-inflicted injury;
- ♦ a war or any act of war (declared or not declared);
- ♦ knowingly voluntary inhalation of poisonous gases;
- ♦ commission of or attempt to commit a criminal act;
- ♦ use of alcohol, intoxicants, or drugs, except as prescribed by a physician; (an accident in which the blood alcohol level of the operator of the **motor vehicle** meets or exceeds the level at which intoxication would be presumed under the law of the state where the accident occurred shall be deemed to be caused by the use of alcohol.)
- ♦ intentional contact with nuclear or atomic energy by explosion and/or release;
or
- ♦ air or space travel. (This does not apply if a person is a passenger, with no duties at all, on an aircraft being used only to carry passengers, with or without cargo).

* These do not apply if the loss is caused by:

- ♦ an infection which results directly from the injury; or
- ♦ surgery needed because of the injury.

The injury must not be one which is excluded by the terms of this section.

Effect Of Benefits Under Other Plans

Effect of Prior Coverage - Transferred Business

If the coverage of any person under any part of this Plan replaces any prior coverage of the person, the rules below apply to that part.

"Prior coverage" is any plan of group coverage that has been replaced by coverage under part or all of this Plan; it must have been sponsored by your **Employer** (i.e., transferred business). The replacement can be complete or in part for the Eligible Class to which you belong. Any such plan is prior coverage if provided by another group contract or any benefit section of this Plan.

A person's Life Insurance under this Plan replaces and supersedes any prior life insurance. It will be in exchange for everything under the prior life insurance. If you or your **beneficiary** become entitled to claim under the prior life insurance, your Life Insurance under this Plan will be canceled. This will be done as of its effective date. Any **premiums** paid for your Life Insurance under this Plan will be returned to your **Employer**.

Coverage under any other section of this Plan will be in exchange for all privileges and benefits provided under any like prior coverage. Any benefits provided under such prior coverage may reduce benefits payable under this Plan.

The **beneficiary** you named under a prior group accidental death and dismemberment coverage plan will apply to this Plan. This can be changed according to the terms of this Plan.

General Information About Your Coverage

Termination of Coverage

Employees

Coverage under this Plan terminates at the first to occur of:

- ◆ when employment ceases;
- ◆ when the group contract terminates as to the coverage;
- ◆ when you are no longer in an Eligible Class; (This may apply to all or part of your coverage.)
- ◆ when your **Participating Local District** ceases to participate in the Maine State Retirement System, group life insurance program;
- ◆ when you enter into full-time military service;
- ◆ the end of the month in which written notice of cancellation of coverage is received by your **employing office**;
- ◆ when you retire as to Supplemental Life and Accidental Death and Dismemberment Coverage; or
- ◆ when you fail to make any required contribution.

Your **Employer** will notify the **Maine State Retirement System** of the date your employment ceases for the purposes of termination of coverage under this Plan. Your **Employer** will use the same rule for all **employees**.

If absence from **active work** is due to:

- ◆ seasonal layoff or leave of absence, with an expectation of a return to work, you have the right to continue the coverage that would otherwise cease during your absence by agreeing to make the required **premium** for the cost of the insurance to the **Maine State Retirement System**; or
- ◆ service **retirement**, disability **retirement**, or extension of benefits during disability when you are not eligible for **Maine State Retirement System** disability, your coverage will continue as described elsewhere in this Certificate.

If you are eligible as a permanently and totally disabled **employee**, your employment may be deemed to continue for Basic Life Insurance while you remain eligible under that section.

In figuring when employment will stop for the purposes of termination of any coverage, the **Maine State Retirement System** will rely upon your **Employer** to notify the **Maine State Retirement System**. This can be done by telling the **Maine State Retirement System** or by stopping **premium** payments.

If you cease **active work**, call the **Maine State Retirement System** to see if any coverage can be continued.

Dependents

Your dependent's coverage will terminate when your coverage terminates as shown above. Additionally, your dependent's coverage will terminate at the first to occur of:

- ♦ termination of all dependents' coverage under the group contract;
- ♦ when a dependent becomes covered as an **employee**;
- ♦ when such person is no longer a defined dependent;
- ♦ the end of the month in which you are no longer insured for dependent coverage; or
- ♦ when you start disability or service **retirement**.

Handicapped Dependent Children

Life Insurance for your fully handicapped dependent child may be continued past the maximum age for a dependent child. However, coverage under this Plan may not be continued if the child has been issued a personal life conversion policy.

Your child is fully handicapped if he or she is:

- ♦ certified by the Medical Board of the **Maine State Retirement System** to be permanently mentally incompetent or permanently physically incapacitated; and
- ♦ determined by the Executive Director of the **Maine State Retirement System** to be unable to engage in any substantial gainful employment.

Proof that your child is fully handicapped must be submitted to the **Maine State Retirement System** no later than 31 days after the date your child reaches the age that he or she would no longer be eligible for coverage, or within 31 days of the date your coverage takes effect, whichever is later.

Coverage will cease on the first to occur of:

- ♦ cessation of the handicap;
- ♦ failure to give proof that the handicap continues;
- ♦ failure to have any required exam; or
- ♦ termination of Dependent Coverage as to your child for any reason other than reaching the maximum age.

The **Maine State Retirement System** will have the right to require proof of the continuation of the handicap. The **Maine State Retirement System** also has the right to examine your child as often as needed while the handicap continues at its own expense. An exam will not be required more often than once every 2 years from the date your child reached the maximum age.

Conversion of Life Insurance

Your Life Insurance

If any of your Life Insurance ceases because your employment ceases or you are no longer in a class eligible for such insurance, or because of age, pension or **retirement**, the amount of insurance which ceases (or a lesser amount if desired) may be converted to an individual life insurance policy.

Your Dependents' Life Insurance

If any of your Dependents' Life Insurance ceases because your employment terminates or you are no longer in a class eligible for such insurance, or a dependent ceases to meet the Plan's definition of dependent, or you cancel dependent coverage the amount of insurance which ceases for each dependent (or lesser amounts, if desired) may be converted to individual life insurance policies.

General Information Concerning The Conversion Privilege

The converted policy may be any kind of individual policy then customarily being issued by Aetna for the amount being converted and for the individual's age (nearest birthday) on the date it will be issued, except a term policy or one with disability or other supplementary benefits.

When Life Insurance ceases because that part of the group contract discontinues as to your **employee** class, and insurance on the life of the person has been in force under the group contract for at least 5 years in a row prior to such discontinuance, the amount that ceases less the amount of any group life insurance for which the person becomes eligible within 31 days of discontinuance may be converted to an individual policy. The maximum amount that can be converted by each person in any event is \$ 10,000.

In order to convert, written application must be made for an individual policy and the first **premium** must be paid on it within 31 days after cessation of insurance for any of the above reasons.

The **Maine State Retirement System** will tell you of your right to convert. If this is not done at least 15 days before the end of the 31 day period, the period in which you can convert will be extended for 15 days from the date of the notice. It will not be extended for more than 60 days. This will also extend the time when the first **premium** has to be paid.

No **evidence of insurability** will be required.

The individual policy will become effective at the end of the 31 day period during which conversion is possible.

The **premiums** for the converted policy will be at Aetna's then customary rates for the same policy issued to any other person of the same class of risk and age at the time the converted policy is to become effective.

After an individual policy becomes effective for any person, that policy will be in exchange for all benefits and privileges under the group contract as regards the person involved and the amount that could have been converted.

In most cases a person can apply for an individual policy under the Conversion Privilege within 31 days after his or her Life Insurance ceases. If a person dies during this 31 days and before the individual policy goes into effect, the amount payable under the group contract is limited to the maximum that could have been converted. This limit applies even if he or she has not applied for or paid the first **premium** on the individual policy.

Legal Action (Applies only to Accidental Death and Dismemberment Coverage)

No legal action can be brought to recover under any benefit after 3 years from the deadline for filing claims.

Additional Provisions

The following additional provisions apply to your coverage.

- ◆ You may be eligible to receive multiple coverage under this Plan if you work for more than one **Employer**. If you become eligible for multiple coverage, you may not cover your dependents more than once.
- ◆ Effective September 13, 2003, individuals covered by group life insurance as a retiree may also qualify for additional group life coverage as an active **employee**, should he or she work in an eligible position. In order to qualify for the additional coverage, the **employee** must elect coverage and pay all **premiums**, regardless of whether the **employer** normally pays the cost of coverage for **employees** in similar positions.
- ◆ If you become covered as an active **employee** and then cease **active work** again with enough years of service to qualify for retiree benefits, your insurance following the subsequent **retirement** will be recalculated to reflect your history of participation in the **Maine State Retirement System**, Life Insurance Plan. If you do not work long enough to qualify for added retiree benefits, your Basic Life Insurance amount will again be determined in accordance with the **retirement** reduction schedule that applied when you first retired.
- ◆ In the event of a misstatement of any fact affecting your coverage under this Plan, the true facts will be used to determine the coverage in force.

This document describes the main features of this Plan. Additional provisions are described elsewhere in the group contract. If you have any questions about the terms of this Plan or about the proper payment of benefits, you may obtain more information from your **Employer**, the **Maine State Retirement System**, or, if you prefer, from the Home Office of Aetna.

The **Maine State Retirement System** hopes to continue this Plan indefinitely but, as with all group plans, this Plan may be changed or discontinued with respect to all or any class of **employees**.

Assignments

Life Insurance may be assigned with the written consent of Aetna and the **Maine State Retirement System**.

Claims of Creditors

If allowed by law, Life Insurance and Accidental Death and Dismemberment Coverage benefits are exempt from legal or equitable process for your debts. This also applies to the debts of your **beneficiary**.

Beneficiaries

You may name or change your **beneficiary** by filing written request with the **Maine State Retirement System** or at Aetna's Home Office. Ask your **Employer** for the forms. The naming or any change will take effect as of the earlier of the date it is received by the **Maine State Retirement System** or the date any such change is postmarked, provided it is before your death.

Any amount payable to a **beneficiary** will be paid to those you name. Unless you state to the contrary, if more than one **beneficiary** is named, they will share on equal terms.

If a named **beneficiary** dies before you, his or her share will be payable in equal shares to any other named beneficiaries who survive you.

If no named **beneficiary** survives you or if no **beneficiary** has been named, payment will be made to one or more of the following who survives you: your **wife or husband**, your children, your parents, your estate or your next of kin.

Reporting of Claims

A claim must be submitted in writing. It must give proof of the nature and extent of the loss. The **Maine State Retirement System** will provide you with a claim form. Upon completion of the claim form, promptly return it to the **Maine State Retirement System**. The **Maine State Retirement System** will forward your claim to Aetna.

All claims should be reported promptly. The deadline for filing an Accidental Death and Dismemberment Coverage claim is 90 days after the date of the loss causing the claim. This deadline does not apply to Life Insurance.

If, through no fault of your own, you are not able to meet the deadline for filing claim, your Accidental Death and Dismemberment Coverage claim will still be accepted if you file as soon as possible. Unless you are legally incapacitated, late claims will not be covered if they are filed more than one year after the deadline.

Payment of Benefits

Benefits will be paid as soon as the necessary written proof to support the claim is received. Any death benefit for your loss of life will be paid in accordance with the **beneficiary** designation. Payment will be made in one sum. The methods of settlement allowed will be those offered by Aetna under the individual life insurance policies Aetna is issuing when the election is made.

If you or your **beneficiary** is a minor or, in Aetna's opinion, legally unable to give a valid release for payment of any Life Insurance benefit, the benefit may be paid to the guardian or custodian of the minor, or, if appropriate, as ordered by a court of competent jurisdiction, or paid in accordance with Maine law.

Adjustment Rule

Employee Coverage

If, for any reason and at any time, your rate of earnings or job classification changes so as to warrant an amount of coverage other than that for which you are presently covered, the amount of your coverage will be changed to the new amount on the April 1, next following the date of the change, provided you have been covered for at least one full calendar year under this Plan or any other Plan sponsored by your **Employer**. This will not apply to any reductions due to **retirement**.

A retroactive change in your rate of earnings will not result in a retroactive change in coverage.

If the change results in an increase in coverage, the increase will be subject to the Active Work Rule.

Benefits for claims incurred after the date the adjustment becomes effective are payable in accordance with the revised plan provisions. In other words, there are no vested rights to benefits based upon provisions of this Plan in effect prior to the date of any adjustment.

Dependent Coverage

If, for any reason and at any time, a dependent's status, any schedule, or the level of any benefit for a dependent is changed so as to warrant an amount of coverage other than for which the dependent is presently covered, the amount of your dependent's coverage will be changed to the new amount on the date of the change.

Glossary

The following definitions of certain words and phrases will help you understand the benefits to which the definitions apply. Some definitions which apply only to a specific benefit appear in the benefit section. If a definition appears in a benefit section and also appears in the Glossary, the definition in the benefit section will apply in lieu of the definition in the Glossary.

Active Work

Active work means you must be working:

for your **Employer** on a full-time, part-time, or seasonal basis and paid regular earnings; and

at your **Employer's** usual place of business; or

at a location to which your **Employer's** business requires you to travel.

Annual Base Compensation

This means your gross compensation, based upon amounts reported by your **Employer** on your previous year's federal wage and tax statement, that is used the first day of each April for setting the amount of coverage prior to **retirement** for participants in the group life insurance program administered by the **Maine State Retirement System**.

Average Final Compensation

Average final compensation has the same meaning as in Title 5, Maine Revised Statutes Annotated, Section 17001, Subsection 4, for retirees who retire as members of the **Maine State Retirement System**. If you retire from a **Participating Local District** that participates in the **Maine State Retirement System**, Life Insurance Plan but not in the **Maine State Retirement System**, "**average final compensation**" means the average of the amount of basic life insurance coverage in effect during the last three years prior to **retirement**. If you are insured as a retired **employee** and then subsequently become covered as an active **employee** and retire again, **average final compensation** may include periods of service before your previous **retirement**.

Beneficiary

This means the person or persons designated by you, or in the absence of a designation, the person or persons otherwise entitled to receive life insurance and accidental death benefits upon your death.

Bodily Injury

A **bodily injury** means bodily harm caused solely by external, violent and accidental means and not contributed by any other cause.

Board or Board of Trustees

This means the **Board of Trustees** of the **Maine State Retirement System**.

Employee

This means a person employed as a state **employee**, a teacher, judge or legislator as defined in Title 5, Maine Revised Statutes Annotated, Section 17001, Subsection 42, or an **employee** of a **Participating Local District**.

Employer

This means the State of Maine, a school administrative unit with regard to a teacher, or the **Participating Local District**, whichever employs the **employee**.

Employing Office

This means the office of your **Employer** that you contact to apply for insurance coverage under this Plan.

Evidence of Insurability

This means a statement or proof of your or your dependent's medical history upon which acceptance for insurance will be determined by Aetna.

Maine State Retirement System

This means the **Maine State Retirement System** established pursuant to Maine Statutes.

Motor Vehicle

This is a vehicle that is a registered and licensed vehicle and is:

- ♦ a passenger land vehicle of pleasure design which includes autos, vans, four-wheel drive vehicles, and self-propelled motor homes; or
- ♦ a truck of commercial design.

Normal Retirement Age

For **Employees** who are members of the **Maine State Retirement System**, this means the specified age, the years of service requirement or any combination of age and years of service requirements at which you become eligible for service retirement benefits without a reduction under applicable Maine Statutes. Notwithstanding the foregoing, if you are an **Employee** of a **Participating Local District** that does not participate in the **retirement** system, "**normal retirement age**" shall be the same as for those **Participating Local Districts** that do participate in the **retirement** system.

Participating Local District

This shall be as defined in Title 5, Maine Revised Statutes Annotated.

Premium

This means the amount that you must contribute each month toward the cost of insurance under this Plan, unless your **Employer** agrees to pay it for you.

Retirement

This means:

- ♦ for state **employees**, teachers and **employees** of **Participating Local Districts** who participate in the **Maine State Retirement System**, termination of membership in the **Maine State Retirement System** with a retirement allowance under **Maine State Retirement System** statutes; or
- ♦ for **employees** of **Participating Local Districts** that do not participate in the **Maine State Retirement System**, termination of employment upon receipt of benefits under the United States Social Security Act or other local **retirement** program.

Wife or Husband

This means a person to whom you are currently legally married.

Aetna's Privacy Notice

The information in this Notice is not a part of either the group contract, your Certificate of Coverage or the Booklet. It is important to you as a covered person under the group contract. We have bound it into this document only as an aid to you in keeping insurance related material together.

This Notice describes certain aspects of Aetna U.S. Healthcare's insurance privacy policy which apply to you as a covered person in a plan of group insurance insured by Aetna. The policy does not apply where a different approach is required by law.

Information Which May be Collected

Aetna, in providing insurance services to you, relies mainly on the information you give on your group enrollment form and when you file claims.

Aetna may also collect information about you from other sources. This is information necessary for Aetna to perform its function with regard to the insurance transaction in question. For example, if the amount or type of coverage you are entitled to depends on your earnings or job class, Aetna would obtain that information from your **Employer**.

Disclosure of Information To Others

All of this information will be treated as confidential. It will not be disclosed to others without your authorization, except in some instances where such disclosure is necessary for the conduct of Aetna's business. Disclosure cannot be contrary to any law which applies.

The following sets forth the types of disclosure that may be made:

- ◆ Financial information (but not medical information) may be made available to your **Employer** or his or her representative in connection with the administration of the Plan. Information may also be made available in connection with policyholder audits.
- ◆ Information may be disclosed to other insurers if there may be duplicate coverage or a need to preserve the continuity of your coverage.
- ◆ Information may be disclosed to Peer Review Organizations and other agencies to determine whether health services were necessary and reasonably priced.

In addition, information may be given to regulators of Aetna's business and to others as may be required by law. It may also be given to law enforcement authorities when needed to prevent or prosecute fraud or other illegal activities.

Your Right of Access and Correction

In general, you have a right to learn the nature and substance of any information Aetna has in its files about you. You may also have a right of access to such files, except information which relates to a claim or a civil or criminal proceeding, and to ask for correction, amendment, or deletion of personal information. This can be done in states which provide such rights and which grant immunity to insurers providing such access. If you request any health information, Aetna may elect to disclose details of the information you request to your (attending) physician. If you wish to exercise this right or if you wish to have more detail on our information practices, please contact:

Aetna Life Insurance Company
Executive Response Team, MCAF
151 Farmington Avenue
Hartford, Connecticut 06156

Continuation of Coverage During an Approved Leave of Absence Granted to Comply With Federal Law

This continuation of coverage section applies only for the period of any approved family or medical leave (approved FMLA leave) required by Family and Medical Leave Act of 1993 (FMLA). If your **Employer** grants you an approved FMLA leave for a period in excess of the period required by FMLA, any continuation of coverage during that excess period will be subject to prior written agreement between the **Maine State Retirement System** and your **Employer**.

If your **Employer** grants you an approved FMLA leave in accordance with FMLA, your **Employer** may allow you to continue coverage for which you are covered under the group contract on the day before the approved FMLA leave starts. This includes coverage for your eligible dependents.

At the time you request the leave, you must agree to make any **premiums** required by the **Maine State Retirement System** to continue coverage. You or your **Employer** must continue to make **premium** payments.

If any coverage your **Employer** allows you to continue has reduction rules applicable by reason of age or **retirement**, the coverage will be subject to such rules while you are on FMLA leave.

Coverage will not be continued beyond the first to occur of:

- ♦ The date you are required to make any contribution and you fail to do so.
- ♦ The date your **Employer** determines your approved FMLA leave is terminated.
- ♦ The date the coverage involved discontinues as to your eligible class.

Any coverage being continued for a dependent will not be continued beyond the date it would otherwise terminate.

If the group contract provides continuation of coverage (for example, upon termination of employment), you (or your eligible dependents) may be eligible for such continuation on the date your **Employer** determines your approved FMLA leave is terminated or the date of the event for which the continuation is available.

If you acquire a new dependent while your coverage is continued during an approved FMLA leave, the dependent will be eligible for the continued coverage on the same terms as would be applicable if you were actively at work, not on an approved FMLA leave.

If you return to work for your **Employer** following the date your **Employer** determines the approved FMLA leave is terminated, your coverage under the group contract will be in force as though you had continued in active employment rather than going on an approved FMLA leave provided you make request for such coverage within 31 days of the date your **Employer** determines the approved FMLA leave to be terminated. If you do not make such request within 31 days, coverage will again be effective under the group contract only if and when Aetna gives its written consent.

If any coverage being continued terminates because your **Employer** determines the approved FMLA leave is terminated, any Conversion Privilege will be available on the same terms as though your employment had terminated on the date your **Employer** determines the approved FMLA leave is terminated.

