

**SUMMARY OF THE WEST VIRGINIA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION
ACT AND NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS**

Effective July 10, 2009

Residents of West Virginia who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the West Virginia Life and Health Insurance Guaranty Association. The purpose of this association is to assure the policy holders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of the insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

The West Virginia Life and Health Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in West Virginia. You should not rely on coverage by the West Virginia Life and Health Guaranty Association in selecting an insurance company or in selecting an insurance policy. For a complete description of coverage, consult Article 26A, Chapter 33 of the West Virginia Insurance Code.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk.

Insurance Companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Guaranty Association or the West Virginia Insurance Commission will respond to questions you may have which are not answered by this document. Policyholders with additional questions may contact:

**West Virginia Life and Health Insurance Guaranty Association
P.O. Box 816
Huntington, West Virginia 25712
West Virginia Insurance Commissioner
Consumer Services Division
1124 Smith Street, Rm 309
P.O. Box 50540
Charleston, West Virginia 25305-0540
(304) 558-3386
Toll Free 1-800-642-9004
TDD 1-800-435-7381**

The state law that provides for this safety-net coverage is called the West Virginia Life and Health Guaranty Association Act. On the back of this page is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law nor does it in any way change anyone's rights or obligations under the act or the rights or obligations under the act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the West Virginia Life and Health Guaranty Association if they live in West Virginia and hold a life or health insurance contract, annuity contract, unallocated annuity contract, or if they are insured under a group life, health or annuity insurance contract, issued by a member insurer. Member insurer also includes non-profit service corporations (W.Va. Code 33-24) and health care corporations (W.Va Code 33-25). The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- The policy was issued at a time when the insurer was not licensed or authorized to do business in this state;
- Their policy was issued by an HMO, a fraternal benefit society, mandatory state pooling plan, a mutual protective association or similar plan in which the policy holder is subject to future assessments, an insurance exchange, or any entity similar to the above.

The association also does not provide coverage for:

- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual or contract holder has assumed the risk;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends;
- Credits given in connection with the administration of a policy by a group contractholder;
- Employer or association plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them) or uninsured, including:
 - i. multiple employer welfare arrangement;
 - ii. minimum premium group insurance plan;
 - iii. stop loss group insurance plan; or
 - iv. administrative services only contract.
- Any unallocated annuity contract issued to an employee benefit plan protected under the federal pension guaranty corporation;
- Any portion of any unallocated contract which is not issued to or in connection with a specific employee, union or association's benefit plan or a governmental lottery.
- Any policy or contract providing any hospital, medical, prescription drug or other health care benefits pursuant to Medicare Part C and D;
- An obligation that does not arise under the written terms of the policy, including claims based on marketing materials; claims based on side letters or riders not approved by the Commissioner; misinterpretations regarding policy benefits; extracontractual claims or claims for penalties or consequential or incidental damages;
- A contractual agreement that establishes the member insurer's obligation to provide a book value guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or trustee, which is not an affiliate of the insurer.

LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the association is obligated to pay out: The association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, regardless of the number of policies or contracts, the association will only pay:

- \$300,000 in life insurance benefits, but no more than \$100,000 in net cash surrender and net cash withdrawal values;
- \$300,000 for disability insurance;
- \$300,000 for long term care insurance;
- \$250,000 in the present value annuity benefits, including net cash surrender and net cash withdrawal values;
- \$500,000 for basic major hospital medical and surgical insurance or major medical insurance, and;
- \$100,000 for all other types of accident and sickness insurance than those listed above (disability, long term care, and major medical).

Also for any one insured life, the association will only pay a maximum of \$300,000 – no matter how many policies and contracts there were with the same company for all policies or contracts other than major medical insurance, in which case the aggregate limit shall not exceed \$500,000 with respect to any one individual.

Note to benefit plan trustees or other holders of unallocated annuities (GICs, DACs, etc.) covered by the act: for unallocated annuities that fund governmental retirement plans under Subsections 401(k), 403(b) or 457 of the Internal Revenue Code, the limit is \$250,000 in present value of annuity benefits including net cash surrender and net cash withdrawal per participating individual. In no event shall the association be liable to spend more than \$300,000 in the aggregate per individual; for covered unallocated annuities that fund other plans, a special limit of \$5,000,000 applies to each contract holder, regardless of the number of contracts held with the same company or number of persons covered. In all cases, of course, the contract limits also apply.

STANDARD INSURANCE COMPANY

A Stock Life Insurance Company
900 SW Fifth Avenue
Portland, Oregon 97204-1282
(503) 321-7000

GROUP LIFE INSURANCE POLICY

POLICYHOLDER:	University Physicians and Surgeons, Inc.
GROUP POLICY NUMBER:	135227-C
GROUP POLICY EFFECTIVE DATE:	July 1, 2015
GROUP POLICY ANNIVERSARY DATE:	Each future January 1
STATE OF ISSUE:	West Virginia

This group life insurance policy is issued to the Policyholder by Standard Insurance Company (Standard).

PLEASE READ THE ENTIRE POLICY. IT IS IMPORTANT.

A table of contents can be found on the next page. Defined terms appear with their initial letters capitalized.

Standard issues this group life insurance policy in consideration of the payment of required premiums.

Free Look Provision: The Policyholder may cancel this Group Policy within 10 days of receipt of the Group Policy by returning it to us. Upon such cancellation we will return any premium paid for the coverage under the Group Policy and coverage will be considered never in effect.

Countersigned By: _____ Date: _____

STANDARD INSURANCE COMPANY

By



Chairman, President and CEO



Corporate Secretary

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PART 1: THE GROUP POLICY SCHEDULE

ELIGIBILITY

Employer(s):	University Physicians and Surgeons, Inc.
Eligible Class 1:	All active full time Employees
Eligible Class 2:	Retired Members under age 67
Eligible Class 3:	Retired Members 67 and over

PREMIUM RATES FOR EMPLOYEES AND RETIRED EMPLOYEES:

Basic Life Insurance:

Class 1:	\$0.102 monthly per \$1,000 of Basic Life Insurance
Class 2:	\$11.600 monthly per Member electing Basic Life Insurance
Class 3:	\$ 5.800 monthly per Member electing Basic Life Insurance

Optional Life Insurance:

Age of Member on January 1	Monthly Rate Per Multiple of \$1,000	
	Non-Tobacco Rate	Tobacco Rate
29 or under	\$ 0.060	\$ 0.080
30 through 34	0.060	0.100
35 through 39	0.080	0.100
40 through 44	0.080	0.120
45 through 49	0.120	0.160
50 through 54	0.160	0.240
55 through 59	0.280	0.440
60 through 64	0.440	0.680
65 through 69	0.468	0.832
70 through 74	0.576	0.936
75 or over	0.576	0.936

AD&D Insurance:

Class 1:	\$0.020 monthly per \$1,000 of AD&D Insurance
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DEPENDENTS LIFE INSURANCE

Class 1:

Option 1: \$2.480 monthly for each insured Employee who elects Dependents Life Insurance

Option 2: \$4.980 monthly for each insured Employee who elects Dependents Life Insurance

Option 3: \$7.460 monthly for each insured Employee who elects Dependents Life Insurance

Option 4: \$9.940 monthly for each insured Employee who elects Dependents Life Insurance

Option 5: \$19.860 monthly for each insured Employee who elects Dependents Life Insurance

Class 2 and 3:

Option 1: \$ 7.320 monthly for each insured Employee who elects Dependents Life Insurance

Option 2: \$14.620 monthly for each insured Employee who elects Dependents Life Insurance

Option 3: \$21.980 monthly for each insured Employee who elects Dependents Life Insurance

Option 4: \$29.300 monthly for each insured Employee who elects Dependents Life Insurance

Option 5: \$58.600 monthly for each insured Employee who elects Dependents Life Insurance

PART 2: THE GROUP POLICY

The Group Policy

The Group Policy is the entire contract between Standard and the Policyholder. Standard will provide benefits according to the terms of the Group Policy.

The Group Policy consists of this group life insurance policy issued by Standard to the Policyholder and identified by the Group Policy Number, the Policyholder's attached application, group life insurance certificates with the same Group Policy Number, and any amendments or endorsements to the policy or certificates.

The Policyholder's rights or the rights of any Employee will only be affected by provisions that are part of the Group Policy. Only an executive officer of Standard may: bind Standard by making a promise or a representation; or accept a representation that relates to the Group Policy.

Change Of Group Policy

Only an executive officer of Standard may approve a change to the Group Policy or waive any of its provisions. Any change will be endorsed on or added to the Group Policy in writing. Changes may be made without the consent of an Employee, Dependent, or Beneficiary.

Standard may change the Group Policy in whole or in part if:

- (1) the change in the Group Policy is either requested by the Policyholder or is made to satisfy any legal requirement that applies to the Group Policy; or
- (2) the change affects Standard's administration of the Group Policy and is intended to apply to all similar group insurance policies that are affected by the change. Standard will give the Policyholder written notice of Standard's intent to make this kind of a change at least 31 days in advance of the effective date of the change. Payment of the next premium due under the Group Policy will be the Policyholder's acceptance of the change, unless the Policyholder rejects the change, in writing, prior to its effective date.

Certificates

Standard will issue to the Policyholder group life insurance certificates to be given to each insured Employee. The certificate will set forth the main features of the Group Policy that apply to the Employee.

Incontestability Of The Group Policy Or Employer Coverage Under The Group Policy

Any statement made by the Policyholder to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim, or to deny the validity of the Group Policy or the Employer's coverage under the Group Policy unless:

- (1) the Group Policy would not have been issued or the Employer's coverage under the Group Policy would not have been approved if Standard had known the truth; and
- (2) Standard has given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy or the Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums.

PART 3: PREMIUM PAYMENT

Payment Of Premiums

Premiums are to be paid by the Policyholder at Standard's home office. The first premium is due on the Group Policy Effective Date. Future premiums are due on the first day of each month thereafter. The Policyholder may pay premiums on or before their due dates. Failure to pay a premium when due is a default. Premiums will be paid for all insured Employees but not for a Totally Disabled Employee for whom premiums are being waived under the Group Policy.

Standard shall credit to the Policyholder any payment of premiums made in error. A credit shall be given only for the payments made in error during the year in which the error is found and reported to Standard.

Premium Rates

Initial premium rates for all insured Employees are shown in PART 1: GROUP POLICY SCHEDULE. Standard may, as of any premium due date, change the premium rates for this insurance. A change in rates may be made only after Standard has given the Policyholder at least 31 days written notice of the change. The premium rates are guaranteed for 18 months from the Group Policy Effective Date, except when:

- (1) Standard and the Policyholder or the Employer mutually agree to change premium rates or coverage under the Group Policy; or
- (2) a change or clarification in law or governmental regulation affects the risk assumed under the Group Policy; or
- (3) factors material to underwriting the risk Standard assumed under the Group Policy with respect to an Employer, including, but not limited to, the number of persons insured, age, insured earnings for all Employees, gender, or occupational classification, change by 25% or more.

Any such change in premium rates will reflect only the change in Standard's risks.

Grace Period

The Policyholder will be given 45 days from a premium due date to pay each premium that is due after the first one. Insurance will continue during this period. A premium not paid by the end of this grace period will bring about the automatic termination of the Group Policy at the end of the grace period. If the Group Policy terminates for any cause, the Policyholder will owe all due and unpaid premiums; this includes a pro rata premium for the time the Group Policy was in force during the grace period.

PART 4: LEAVES OF ABSENCE AND OTHER ABSENCE

Leaves Of Absence And Other Absence

When an Employee stops Active Work in an Eligible Class, the Policyholder may, for the types of absences described below, continue the insurance of the Employee for not longer than the time limit shown for each type of absence. Insurance will continue and employment will be deemed to continue, solely for the purposes of this provision, if the required premiums are remitted for the Employee and:

- (A) the Employee is either on a sabbatical or on a leave of absence and receives at least one-quarter pay. Insurance may be continued to the end of 24 months, or, if earlier, the end of such leave; or
- (B) the Employee is on a leave of absence approved by the Policyholder's Board of Trustees and receives less than one-quarter pay as long as such leave is for: (1) full-time study for an advanced degree; or (2) work in the field of education or research such as a Fulbright Award, foundation grant, or government project. Insurance may be continued to the end of 24 months, or, if earlier, the end of such leave; or
- (C) the Employee is on a leave of absence for pregnancy. Insurance may be continued to the end of 4 months after the pregnancy ends, or, if earlier, the end of such leave; or
- (D) the Employee is disabled. (The Employee's disability need not be a Total Disability as defined in the certificate.) During a disability, insurance may be continued to the end of 24 months after the disability began. Except, insurance may continue for the Employee as a Retired Employee if, at the end of 24 months or if earlier, the date disability ceases he or she meets the definition of Retired Employee as set forth in the certificate; or
- (E) the Employee is on a family or medical leave approved by the Policyholder. During such leave, insurance may be continued to the end of 6 months or, if later, the period required by applicable state or federal law; or
- (F) the Employee is on a leave not listed above or is retired, except as a Retired Employee, temporarily laid off, or transferred to a class of Employees not eligible for insurance. During such a circumstance, insurance may be continued to the last day of the month in which the event began.

Employment will not be deemed to continue and insurance cannot be continued during a sabbatical or leave of absence unless the sabbatical or the leave for the Employee is set forth in a written document that is dated on or before the leave is to start and shows that the Employee is scheduled to return to Active Work.

For an Employee on leave, the amount of insurance and premiums will be based on the amount of insurance in effect just prior to the start of the leave.

During the absences set forth above, insurance will be continued with premium payment in a manner that precludes individual selection.

PART 5: GENERAL PROVISIONS

Policyholder Information To Be Given To Standard

On request, the Policyholder will give to Standard any information that is required to: administer the Group Policy; and determine changes in premium rates. Standard will have the right at any reasonable time to inspect any records in the Policyholder's possession, control, or custody that relate to the Group Policy or the Employees insured under it.

How The Group Policy Can Be Terminated

(A) By The Policyholder

If not in default of any premium payment, the Policyholder may terminate the Group Policy as of any premium due date by giving notice in writing which is received before such date at Standard's home office. If in default, the Group Policy will terminate automatically as set forth under "Grace Period" in PART 3: PREMIUM PAYMENT.

(B) By Standard

Standard may terminate the Group Policy as of any date set forth below by giving notice in writing which is mailed to the Policyholder at least 90 days before this date:

- (1) the Group Policy Anniversary Date; or
- (2) any premium due date, if on a prior premium due date fewer than 10 Employees were insured under the Group Policy; or
- (3) any premium due date, if on a prior premium due date less than 100% of the Employees eligible for insurance were insured under the Group Policy.

Standard may terminate insurance under the optional insurance as of any premium due date by giving notice in writing which is mailed to the Policyholder at least 90 days before this date if on a prior premium due date less than 20% of Employees eligible for insurance under the optional insurance were insured for such insurance.

How Dependents Life Insurance Can Be Terminated

(A) By The Policyholder

The Policyholder may terminate dependents life insurance under the Group Policy as of any premium due date by giving notice in writing which is received before such date at Standard's home office.

(B) By Standard

Standard may terminate dependents life insurance under the Group Policy as of any premium due date, if on a prior premium due date less than 25% of the Employees eligible for dependents life insurance under the Group Policy were insured under the Group Policy for such insurance. Standard must first give notice in writing which is mailed to the Policyholder at least 90 days before the termination date.

Assignment of the Group Policy by the Policyholder

The Policyholder may assign the Group Policy. No assignment will bind Standard unless it is in writing and until it is filed at Standard's home office. Standard is not responsible for whether any assignment is valid.

Notice of Suit

The Policyholder or Employer shall promptly give Standard written notice of any lawsuit or other legal proceedings arising under the Group Policy.

Agency and Release

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard. The Policyholder, Employer and such individuals have no authority to alter, expand, or extend Standard's liability or to waive, modify or compromise any defense or right Standard may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard from any liability arising from or related to any negligence, error, omission, misrepresentation, or dishonesty of any of them or their representatives, agents, or employees.

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