

PAYMENT OF BENEFITS

LIFE COVERAGE FOR EMPLOYEES - BASIC AND SUPPLEMENTAL

The Plan Administrator will pay a benefit to the Employee's beneficiary(ies) upon proof of the Employee's death while covered under this Plan. This benefit is equal to the amount of coverage in force at the time of Employee's death, as determined from the Basic and Supplemental Life Coverage section of the Master Schedule.

The Employee's beneficiary(ies) are designated by the Employee according to the beneficiary provisions in the Basic Life Coverage and Supplemental Life Coverage Sections.

The death benefit will be paid in one lump sum to the beneficiary(ies).

Proof of Loss

Written proof of loss for which a claim is made must be furnished to the Plan Administrator within 180 days after the Employee's death, unless it was not reasonably possible to submit proof within that time limit. A certified death certificate is acceptable proof.

Claims Administrator's Right to Investigate Claims

The Plan Administrator has the right to investigate the claim, if necessary, and to contact any other organization or person to obtain additional information about the claim. The claim will be denied if misrepresentation, falsification, or omission of information is found.

Limitations

No benefits are payable under this coverage for any loss that occurs before coverage begins or after coverage ends or for any loss caused directly or indirectly by:

- (a) Suicide while sane or insane, for a period of two (2) years from the date of such coverage; or
- (b) Any injury, illness, or disability sustained on full-time active duty in the armed forces of declared war or undeclared war, including resistance to armed aggression;

Benefits will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, benefits will be paid to the other primary beneficiary(ies) or contingent beneficiary(ies). If there are no other primary beneficiary(ies) or contingent beneficiary(ies), benefits will be paid into the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.

Termination of Life Benefits

If an Employee terminates full-time employment, Basic Life Coverage and Supplemental Life Coverage for the Employee ends on the 1st or 15th of the month following the last payroll date in which contributions were paid.

Continuation of Life Coverage Benefit

Employees whose Basic and Supplemental Life Coverage would normally end due to termination of employment, failure to return to work within 31 days after recovery from a disability, reduction of working hours below the level of a Benefit Eligible Employee, or otherwise ceasing to be an eligible employee, may continue their Group Life Coverage for a limited period at their own expense. Dependent Life Coverage cannot be continued.

Also, Dependents and/or beneficiary(ies) cannot request continuation of Employee Basic or Supplemental Life Coverage if the Employee dies before electing to continue life coverage.

Amount of Coverage

The maximum amount of Life Coverage that may be continued is the amount of Basic and Supplemental Life Coverage that was in force at the time of the qualifying event. The minimum amount that may be continued is the amount of Basic Life Coverage (\$25,000) in force at the time of the qualifying event. The Employee may choose an amount between the minimum and maximum coverage in increments of \$1,000.

Cost and Method of Payment

Continuation participants pay the entire cost of their Basic and Supplemental Life Coverages. After the initial billing, payments are made on a monthly basis and are deducted from a bank account.

Waiver of Contribution Benefits -Total Disability

If an Employee is totally disabled, the Basic and Supplemental Life Coverage may continue during the period of disability. In addition, the Supplemental Life Coverage contributions may be waived as indicated below, up to age 65.

As used in this provision, totally disabled means the Employee is permanently and continuously disabled by injury or disease to the extent the Employee cannot work for pay or profit and is not able to take part in any business or occupation.

The Employee must submit satisfactory proof of disability within one year of Total Disability. Proof of a disability shall consist of written certification from the Social Security Administration or by having your physician complete the Application for Waiver of Life Premium form, available online at www.BOPweb.com. The Application for Waiver of Life Premium form must be completed and signed by your treating physician in order for the Plan Administrator to consider disability waiver of premium. If approved, contributions will be waived once the Employee is no longer listed as an active Employee on the payroll system.

Waiving of contributions will continue for one year while the Employee remains totally disabled . Thereafter, contributions will be waived for successive one year periods while the Employee remains

totally disabled, if satisfactory proof is received by the Plan Administrator during the last three months of the preceding period that the total disability continues.

The Plan Administrator will have the right to require proof from time to time of the continuance of total disability during the first two years after receipt of the initial proof of such disability. Thereafter, proof will be required not more than once a year. As part of any proof, the participant may be required to be examined at the Plan Administrator's expense by a medical examiner of its choice.

The amount of coverage in which contributions are waived is the amount in force on the date the total disability began. The amount of the Employee's coverage in which contributions are waived will be reduced at the times and to the extent it would have been reduced had the Employee remained covered, but not disabled. Dependent Life Coverage is not provided under this waiver provision.

If the Employee dies while coverage is being continued under this provision, the amount of coverage in force under the Plan at the time of death will be paid to the beneficiary(ies).

If the Employee does not return to active work in a class eligible for life coverage under the Plan within 31 days after benefits under this provision ends, the Employee may exercise a continuation privilege, as described in "Continuation of Life Benefit." The Employee may do this as though termination of employment had occurred on the date the employee's life benefits ended. The Employee can continue Basic and Supplemental Life Coverage from age 65 to age 70 by paying the appropriate contributions for coverage.

Length of Continuation Coverage

This continuation of coverage is offered by the State of South Dakota and is not covered by Federal COBRA legislation.

ENDING EMPLOYMENT:

If the Employee leaves employment, loses Benefit Eligible Employee status or retires, the Employee may continue Basic and Supplemental Life Coverage until the earliest of:

- (a) 18 months from the date the Employee's full-time employment ends;
- (b) 29 months from the date the Employee's full-time benefited employment ends, in the event of a disability designation by receiving a Disability Retirement benefit from South Dakota Retirement System (SDRS), or a disability designation by the Social Security Administration; or
- (c) The last day of the month in which the Employee turns age 70.

RETIREE:

Employees who are receiving monthly retirement benefits as retirees from the State of South Dakota may continue coverage until the last day of the month in which they turn age 70. There is no conversion policy.

Benefits Payable During Continuation Period

If the Employee dies during the continuation period, the Plan Administrator will pay a death benefit to the Employee's beneficiary(ies) or estate:

- (a) Upon receipt of due proof of the Employee's death (a death certificate) within 180 days after the Employee's death unless it was not reasonably possible to submit proof within that time limit; and
- (b) Equal to the amount of Basic Life Coverage and Supplemental Life Coverage issued to the Employee during the continuation period.

Termination of Continuation Coverage

A continuation participant may voluntarily terminate coverage through written notice to the Plan Administrator. Coverage will also end if contribution payments are not paid in a timely manner.

LIFE COVERAGE FOR DEPENDENTS

The Plan Administrator will normally pay a benefit to the Employee upon receipt of due proof of the death of a Dependent while covered under this Plan. This benefit is \$10,000 per covered Dependent.

Proof of Loss

Written proof of loss for which a claim is made must be furnished to the Plan Administrator within 180 days after the Dependent's death, unless it was not reasonably possible to submit proof within that time limit. A certified death certificate is acceptable proof.

Claims Administrator's Right to Investigate Claims

The Plan Administrator has the right to investigate the claim, if necessary, and to contact any other organization or person to obtain additional information about the claim. The claim will be denied if misrepresentation, falsification, or omission of information is found.

Limitations

No benefits are payable under this coverage for any loss that occurs before coverage begins or after coverage ends or for any loss caused directly or indirectly by:

- (a) Suicide, while sane or insane, for a period of two (2) years from the date of coverage; or
- (b) Any injury, illness, or disability sustained on full-time active duty in the armed forces of declared war or undeclared war, including resistance to armed aggression;

Benefits also will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, benefits will be paid to the other primary beneficiary(ies) or contingent beneficiary(ies). If there are no other primary beneficiary(ies) or contingent beneficiary(ies), benefits will be paid to the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.

Termination of Dependent Life Benefits

If an Employee terminates full-time employment, Dependent Life Coverage will cease on the 1st or 15th of the month following the last payroll date in which contributions were paid.

Dependent Life Coverage will also end if the covered Dependent no longer meets eligibility requirements. In this situation, coverage for that person ends on the last day of the month in which the Dependent becomes ineligible.

Extension of Dependent Life Benefits

The Plan Administrator does not extend continuation of Life Benefits to Dependents.

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE FOR EMPLOYEES

PROOF OF LOSS

Written proof of loss for which a claim is made, such as a death certificate or physician's statement, must be furnished to the Plan Administrator within 180 days after the date of loss, unless it is not reasonably possible to do so.

Proof of Loss for an Accidental Injury

Proof of loss for an accidental injury must include information regarding:

- (a) When and how the loss occurred;
- (b) The nature of the loss; and
- (c) The extent of the loss.

Failure to furnish such proof within the applicable time limit will not result in denial or reduction of a claim if it is shown that:

- (a) It was not reasonably possible to provide such proof within the time limit that applies; and
- (b) Such proof was provided as soon as reasonably possible.

Benefit Payments

Upon receipt by the Plan Administrator of due written proof of loss, benefits under the policy are paid as follows:

- (a) Benefits for loss of life under Accidental Death and Dismemberment Coverage are paid to the Employee's beneficiary(ies) or to one or more other persons under terms of the "Facility of Payment" provision. Any other benefit under that coverage is paid to the Employee.
- (b) Benefits for accidental injury under Basic and Supplemental Life Coverage are also paid to the Employee.

- (c) Benefits to which the Employee is entitled which remain unpaid at the Employee's death are paid to the Employee's beneficiary(ies), if a designated beneficiary(ies) survives the Employee. Otherwise, such benefits are paid under terms of the "Facility of Payment" provision.

Physical Exams and Autopsy

The Plan Administrator, at its own expense, may require the person whose injury or disease is the basis of a claim be examined by a physician chosen by the Plan Administrator. The Plan Administrator may require such an exam as often as is reasonable while a claim is pending. In case of death, it may require an autopsy where the law does not forbid it to do so.

Benefits

If the Employee suffers any loss shown below in the Schedule of Benefits due to an injury, the Plan Administrator may pay the benefit shown for that loss upon receipt of due written proof that the:

- (a) Injury occurred while the Employee was covered under this Plan;
- (b) Loss resulted directly and solely from the injury and independently of all other causes; and
- (c) Loss occurred not more than 180 days after the injury.

Schedule of Benefits

See the Accidental Death and Dismemberment section of the Master Schedule for the Full Amount of such coverage that applies to an Employee.

- (a) \$12,500 - One-half the Full Amount of Accidental Death and Dismemberment Coverage that applies to the Employee will be paid for loss of:
- sight of one eye; or
 - one foot; or
 - one hand.
- (b) \$25,000 - The Full Amount of Accidental Death and Dismemberment Coverage that applies to the Employee will be paid for loss of:
- both hands; or
 - both feet; or
 - one hand and one foot; or
 - sight of both eyes; or
 - one foot and sight of one eye; or
 - one hand and sight of one eye.

- (c) The Full Amount of Accidental Death and Dismemberment Coverage, Basic Life Coverage, and two (2) times the Supplemental Life Coverage which applies to the Employee will be paid for loss of life.

The total benefit the Plan Administrator will pay for all losses suffered as a result of any one accident shall not exceed the Full Amount of Accidental Death and Dismemberment Coverage that applies to the Employee.

Loss of hands or feet means permanent loss by severance at or above the wrist or ankle joint. Loss of sight means total and irrecoverable loss of sight.

Limitations

No benefits are payable under this coverage for any loss that occurs before coverage begins or after coverage ends or for any loss caused directly or indirectly by:

- (a) Disease, infirmity or their treatment;
- (b) Bacterial infection, unless introduced through a visible wound caused by an accident;
- (c) Suicide or attempted suicide while sane or insane;
- (d) Intentional self-inflicted injury; or
- (e) War or act of war, declared or undeclared.

Benefits also will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, benefits will be paid to the other primary beneficiary(ies) or contingent beneficiary(ies). If there are no other primary beneficiary(ies) or contingent beneficiary(ies), benefits will be paid to the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.

Termination of Accidental Death and Dismemberment Benefits

The Employee's Accidental Death and Dismemberment Coverage ends when the:

- (a) Employee's employment ends;
- (b) Employee ceases to be a member of the class or classes eligible for such coverage;
- (c) Employee dies;
- (d) Employee stops making contributions for such coverage; or
- (e) Plan terminates.

The effective date when coverage terminates is the 1st or the 15th of the month following the last payroll date in which contributions were paid.

Extension of Accidental Death and Dismemberment Benefits

The Plan Administrator does not extend continuation benefits for Accidental Death and Dismemberment Coverage.

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE FOR DEPENDENTS

Proof of Loss

Written proof of loss for which a claim is made, such as a death certificate or physician's statement, must be furnished to the Plan Administrator within 180 days after the date of loss, unless it is not reasonably possible to do so.

Proof of Loss for an Accidental Injury

Proof of loss for an accidental injury must include information regarding:

- (a) When and how the loss occurred;
- (b) The nature of the loss; and
- (c) The extent of the loss.

Failure to furnish such proof within the applicable time limit will not result in denial or reduction of a claim if it is shown that:

- (a) It was not reasonably possible to provide such proof within the time limit that applies; and
- (b) Such proof was provided as soon as reasonably possible.

BENEFIT PAYMENTS

Upon receipt by the Plan Administrator of due written proof of loss, benefits under the policy are paid as follows:

- (a) Benefits for loss of life under Accidental Death and Dismemberment Coverage are paid to the Employee's beneficiary(ies) or to one or more other persons under terms of the "Facility of Payment" provision. Any other benefit under that coverage is paid to the Employee.

- (b) Benefits to which the Employee is entitled which remain unpaid at the Employee's death are paid to the Employee's beneficiary(ies), if a designated beneficiary(ies) survives the Employee. Otherwise, such benefits are paid under terms of the "Facility of Payment" provision.

Physical Exams and Autopsy

The Plan Administrator, at its own expense, may require the person whose injury or disease is the basis of a claim be examined by a physician chosen by the Plan Administrator. The Plan Administrator may require such an exam as often as is reasonable while a claim is pending. In case of death, it may require an autopsy where the law does not forbid it to do so.

Benefits

Benefits under this coverage are provided subject to proof of loss requirements described on page 8.1.

If a Dependent suffers any loss shown in the Schedule of Benefits due to an injury, the Plan Administrator will pay the benefit shown for that loss upon receipt of due written proof that the:

- (a) Injury occurred while the dependent was covered under this Plan;
- (b) Loss resulted directly and solely from the injury and independently of all other causes; and
- (c) Loss occurred not more than 180 days after the injury.

Schedule of Benefits

See the Accidental Death and Dismemberment section of the Master Schedule for the Full Amount of such coverage that applies to a Dependent.

- (a) \$5,000 - One-half the Full Amount of Accidental Death and Dismemberment Coverage that applies to such Dependent will be paid for loss of:
- sight of one eye; or
 - one foot; or
 - one hand.
- (b) \$10,000 - The Full Amount of Accidental Death and Dismemberment Coverage that applies to the Dependent will be paid for loss of:
- both hands; or
 - both feet; or
 - one hand and one foot; or
 - sight of both eyes; or
 - one foot and sight of one eye; or

- one hand and sight of one eye.
- (c) The Full Amount of Accidental Death and Dismemberment Coverage and the Dependent Coverage which applies to the Dependent will be paid for loss of life.

The total benefit the Plan Administrator will pay for all losses a Dependent suffers as a result of any one accident shall not exceed the Full Amount of Accidental Death and Dismemberment Coverage that applies to that Dependent.

Loss of hands or feet means permanent loss by severance at or above the wrist or ankle joint. Loss of sight means total and irrecoverable loss of sight.

See the Accidental Death and Dismemberment section of the Master Schedule for the Full Amount of such coverage that applies to such Dependent.

Limitations

No benefits are payable under this coverage for any loss that occurs before coverage begins or after coverage ends or for any loss caused directly or indirectly by:

- (a) Disease, infirmity or treatment of same;
- (b) Bacterial infection, unless introduced through a visible wound caused by an accident;
- (c) Suicide or attempted suicide while sane or insane;
- (d) Intentional self-inflicted injury; or
- (e) War or act of war, declared or undeclared.

Benefits will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, benefits will be paid to the other primary beneficiary(ies) or contingent beneficiary(ies). If there are no other primary beneficiary(ies) or contingent beneficiary(ies), benefits will be paid to the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.

Termination of Accidental Death and Dismemberment Benefits

A Dependent's Accidental Death and Dismemberment Optional Coverage ends when the:

- (a) Loss of Dependent eligibility – see definition;
- (b) Dependent dies;
- (c) Employee's employment ends;
- (d) Employee ceases to be a member of the class or classes eligible for such coverage;
- (e) Employee dies;

- (f) Employee stops making contributions for such coverage; or
- (g) Plan terminates.

The effective date when coverage terminates is the 1st or 15th of the month following the last payroll date in which contributions were paid.

Extension of Accidental Death and Dismemberment Benefits

The Plan Administrator does not extend continuation benefits for Accidental Death and Dismemberment Coverage.