

SERFF Tracking Number: PRLF-125595392 State: Arkansas  
Filing Company: Principal Life Insurance Company State Tracking Number: 39167  
Company Tracking Number:  
TOI: L04G Group Life - Term Sub-TOI: L04G.500 Other  
Product Name: grp VTL DIL  
Project Name/Number: /

## Filing at a Glance

Company: Principal Life Insurance Company

Product Name: grp VTL DIL

TOI: L04G Group Life - Term

Sub-TOI: L04G.500 Other

Filing Type: Form

SERFF Tr Num: PRLF-125595392 State: ArkansasLH

SERFF Status: Closed

State Tr Num: 39167

Co Tr Num:

State Status: Approved-Closed

Co Status:

Reviewer(s): Linda Bird

Authors: Bonnie Blue, Jean Helm,  
Jan Majerus

Disposition Date: 06/05/2008

Date Submitted: 06/02/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Large

Overall Rate Impact:

Group Market Type: Employer

Filing Status Changed: 06/05/2008

State Status Changed: 06/05/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Enclosed for your review and approval are two copies of the above listed forms, which are being submitted for approval on a single case basis.

A large insured group policyholder located in Arkansas has requested we revise the definition of Member to Participant. The change is italicized on the attached policy insert pages for your ease in reviewing. This policyholder has also requested use of enrollment form, GP 56002 specific to their group (which was included in the Group Term Life filing for this policyholder, SERFF Tracking Number PRLF - 125595388).

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If approved, these pages will be used for this one case only, with our Group Voluntary Term Life Insurance Policy forms series GC 6000 (VTL), et al (originally filed and approved March 26, 2004, with various subsequent filing/approval dates for changes).

No part of this filing contains any unusual or controversial items from normal industry standards.

Thank you for your consideration of this submission. All required certification forms are enclosed.

If you have any questions on any of the attached materials, please feel free to contact me by fax, e-mail or at the toll-free number shown below.

## Company and Contact

### Filing Contact Information

Jan Majerus, State/Federal Compliance Analyst Majerus.Jan@principal.com  
711 High Street (800) 986-3343 [Phone]  
Des Moines, IA 50392-0002 (515) 246-2491[FAX]

### Filing Company Information

Principal Life Insurance Company	CoCode: 61271	State of Domicile: Iowa
711 High Street	Group Code: 332	Company Type: Life & Health
Des Moines, IA 50392	Group Name:	State ID Number:
(800) 986-3343 ext. [Phone]	FEIN Number: 42-0127290	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$0.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Principal Life Insurance Company	\$50.00	06/02/2008	20609843

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	06/05/2008	06/05/2008

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## **Disposition**

Disposition Date: 06/05/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	footnotes		Yes
Form	Title Page		Yes
Form	Table of Contents		Yes
Form	Definitions		Yes
Form	Contract		Yes
Form	Premiums		Yes
Form	Policy termination		Yes
Form	Eligibility		Yes
Form	Effective Dates		Yes
Form	Individual Terminations		Yes
Form	Continuation		Yes
Form	Reinstatement		Yes
Form	Individual Purchase Rights		Yes
Form	Portability		Yes
Form	Participant Life Insurance		Yes
Form	Dependent Life Insurance		Yes
Form	CLaim Procedures		Yes
Form	Policy Notice		Yes
Form	Booklet-Certificate Title Page		Yes
Form	Table of Contents		Yes
Form	Summary of Benefits		Yes
Form	How to be Insured - Participant		Yes
Form	How to be Insured - Dependents		Yes
Form	Continuation		Yes
Form	Continuation of Insurance		Yes
Form	Participant Life Insurance		Yes
Form	Dependent Life Insurance		Yes
Form	Portability		Yes
Form	Claim Procedures		Yes

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<b>Form</b>	Definitions	Yes
<b>Form</b>	Booklet Notice	Yes

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## Form Schedule

**Lead Form Number:** GC 6000 VTL DIL, et al

Review Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	gc 6000 vtl dil	Policy/Cont Title Page ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial			gc 6000 vtl dil.pdf
	gc 6001 vtl dil	Policy/Cont Table of Contents ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial			gc 6001 vtl dil.pdf
	gc 6002 vtl dil	Policy/Cont Definitions ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial			gc 6002 vtl dil.pdf
	gc 6003-1 vtl dil	Policy/Cont Contract ract/Fratern al Certificate: Amendmen	Initial			gc 6003 vtl-1 dil.pdf

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 Product Name: grp VTL DIL  
 Project Name/Number: /

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 nt or Rider

gc 6004 vtl dil	Policy/Cont Premiums ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6004 vtl dil.pdf
gc 6005 vtl dil	Policy/Cont Policy termination ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6005 vtl dil.pdf
gc 6006 vtl dil	Policy/Cont Eligibility ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6006 vtl dil.pdf
gc 6007 vtl dil	Policy/Cont Effective Dates ract/Fratern al Certificate: Amendmen t, Insert Page,	Initial	gc 6007 vtl dil.pdf

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 Product Name: grp VTL DIL  
 Project Name/Number: /

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gc 6008 vtl dil	Policy/Cont Individual ract/Fratern Terminations al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6008 vtl dil.pdf
gc 6009 vtl ar dil	Policy/Cont Continuation ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6009 vtl ar dil.pdf
gc 6010 vtl dil	Policy/Cont Reinstatement ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6010 vtl dil.pdf
gc 6011 vtl dil	Policy/Cont Individual Purchase ract/Fratern RIghts al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6011 vtl dil.pdf

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gc 6012 vtl dil	Policy/Cont Portability ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6012 vtl dil.pdf
gc 6013 vtl dil	Policy/Cont Participant Life ract/Fratern Insurance al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6013 vtl dil.pdf
gc 6016 vtl dil	Policy/Cont Dependent Life ract/Fratern Insurance al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6016 vtl dil.pdf
gc 6018 vtl dil	Policy/Cont CLaim Procedures ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	gc 6018 vtl dil.pdf
gc 803 ar vtl dil	Policy/Cont Policy Notice ract/Fratern	Initial	gc 803 ar vtl dil policy

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 Project Name/Number: /

	al			notice.pdf
	Certificate: Amendmen t, Insert Page, Endorseme nt or Rider			
gh 106 vtl dil	Certificate Booklet-Certificate Amendmen Title Page t, Insert Page, Endorseme nt or Rider	Initial		gh 106 vtl dil.pdf
gh 107 vtl dil	Certificate Table of Contents Amendmen t, Insert Page, Endorseme nt or Rider	Initial		gh 107 vtl dil.pdf
gh 109 vtl dil	Certificate Summary of Benefits Amendmen t, Insert Page, Endorseme nt or Rider	Initial		gh 109 vtl dil.pdf
gh 110 vtl dil	Certificate How to be Insured - Amendmen Participant t, Insert Page, Endorseme nt or Rider	Initial		gh 110 vtl dil.pdf
gh 111 vtl dil	Certificate How to be Insured - Amendmen Dependents t, Insert Page, Endorseme nt or Rider	Initial		gh 111 vtl dil.pdf
gh 118 vtl	Certificate Continuation	Initial		gh 118 vtl

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dil	Amendmen t, Insert Page, Endorseme nt or Rider			dil.pdf
gh 118 a vtl dil	Certificate Continuation of Amendmen Insurance t, Insert Page, Endorseme nt or Rider	Initial		gh 118 a ar vtl dil.pdf
gh 203 vtl dil	Certificate Participant Life Amendmen Insurance t, Insert Page, Endorseme nt or Rider	Initial		gh 203 vtl dil.pdf
gh 305 vtl dil	Certificate Dependent Life Amendmen Insurance t, Insert Page, Endorseme nt or Rider	Initial		gh 305 vtl dil.pdf
gh 307 vtl dil	Certificate Portability Amendmen t, Insert Page, Endorseme nt or Rider	Initial		gh 307 vtl dil.pdf
gh 113 vtl dil	Certificate Claim Procedures Amendmen t, Insert Page, Endorseme nt or Rider	Initial		gh 113 vtl dil.pdf
gh 114 vtl dil	Certificate Definitions Amendmen t, Insert	Initial		gh 114 vtl dil.pdf

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vtl dil Amendmen t, Insert bklt notice.pdf  
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Endorseme  
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**PRINCIPAL LIFE INSURANCE COMPANY**  
**(called The Principal in this Group Policy)**  
**Des Moines, Iowa 50392-0001**

This group insurance policy is issued to:

*DILLARD'S, INC. FLEXIBLE BENEFIT PLAN*  
\_\_\_\_\_  
(called the Policyholder in this Group Policy)

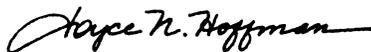
The Date of Issue is *June 1, 2006*.

In return for the Policyholder's application and payment of all premiums when due, The Principal agrees to provide:

**GROUP VOLUNTARY TERM LIFE INSURANCE**

***PARTICIPANT LIFE INSURANCE***  
**DEPENDENT LIFE INSURANCE**

subject to the terms and conditions described in this Group Policy.



SENIOR VICE PRESIDENT AND  
CORPORATE SECRETARY



PRESIDENT AND  
CHIEF OPERATING OFFICER

GROUP POLICY NO. GL H35922  
RENEWABLE TERM  
CONTRACT STATE OF ISSUE: ARKANSAS

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## PART I - DEFINITIONS

When used in this Group Policy the terms listed below will mean:

### **Active Work; Actively at Work (*Effective 04/01/2007*)**

A *Participant* will be considered Actively at Work if he or she is able and available for active performance of all of his or her regular duties. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided the *Participant* is able and available for active performance of all of his or her regular duties and was working the day immediately prior to the date of his or her absence.

### **Active Work; Actively at Work (*Effective 05/01/2007*)**

A *Participant* will be considered Actively at Work if his or her coverage is not terminated. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided he or she is able and available for active performance of all of his or her regular duties and were working the day immediately prior to the date of his or her absence.

### **Date of Issue**

The date this Group Policy is placed in force: *June 1, 2006*.

### **Dependent**

- a. A *Participant's* spouse, if that spouse:
  - (1) is legally married to the *Participant*; and
  - (2) is not in the Armed Forces of any country; and
  - (3) is not insured under this Group Policy as a *Participant*.
- b. A *Participant's* Dependent Child (or Children) as defined below.

### **Dependent Child; Dependent Children**

- a. A *Participant's* natural child, if that child:
  - (1) is not married; and
  - (2) is not in the Armed Forces of any country; and
  - (3) is not insured under this Group Policy as a *Participant*; and
  - (4) is less than 19 years of age.
- b. A *Participant's* stepchild, if that child:

- (1) meets the requirements in a. (1), (2), (3), and (4) above; and
- (2) receives principal support from the *Participant*.

c. A *Participant's* foster child, if that child:

- (1) meets the requirements in a. (1), (2), (3), and (4) above; and
- (2) lives with the *Participant*; and
- (3) receives principal support from the *Participant*; and
- (4) is approved in Writing by The Principal as a Dependent Child.

d. A *Participant's* adopted child, if that child meets the requirements in a. (1), (2), (3), and (4) above and the *Participant*:

- (1) is a party in a law suit in which the *Participant* is seeking the adoption of the child; or
- (2) has custody of the child under a court order that grants custody of the child to the *Participant*.

An adopted child will be considered a Dependent Child on the earlier of: the date the petition for adoption is filed; or the date of entry of an order granting the adoptive parent custody of the child for the purpose of adoption.

e. The child of a *Participant's* Dependent Child, if the child can be claimed as a dependent of the *Participant* for federal income tax purposes.

f. A *Participant's* child 19 years but less than 25 years of age who otherwise qualifies under a., b., c., d., or e. above, if that child receives principal support from the *Participant* and is a Full-Time Student, as defined in this PART I.

g. A *Participant's* child 19 years but less than 25 years of age, if that child is a Mormon missionary for a period of two years or less and:

- (1) otherwise qualifies under a., b., c., d., or e. above; and
- (2) receives principal support from the *Participant*.

### **Developmental Disability**

A Dependent Child's substantial handicap, as determined by The Principal, which:

- a. results from mental retardation, cerebral palsy, epilepsy, or other neurological disorder; and
- b. is diagnosed by a Physician as a permanent or long-term continuing condition.

### **Full-Time Student**

A *Participant's* Dependent Child attending a school that has a regular teaching staff, curriculum and student body and who:

- a. attends school on a full-time basis, as determined by the school's criteria; and
- b. is dependent on the *Participant* for principal support.

### **Group Policy**

The policy of group insurance issued by The Principal to the Policyholder, which describes benefits and provisions for *Participants* and Dependents.

### **Hospital**

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, Skilled Nursing Facility, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

### **Insurance Month**

Calendar Month.

### ***Participant***

*Any full-time employee or part-time employee who has enrolled and works the required number of hours during each benefit quarter as determined by Dillard's accounting calendar.*

### **Period of Limited Activity**

Any period of time during which a person is:

- a. confined in a Hospital for any cause or confined in a Skilled Nursing Facility; or
- b. Home Confined. "Home Confined" means that, due to sickness or injury, the person is unable to carry on the regular and usual activities of a healthy person of the same age and sex and unable to leave his or her home except to receive medical treatment.

### **Physical Handicap**

A Dependent Child's substantial physical or mental impairment, as determined by The Principal, which:

- a. results from injury, accident, congenital defect, or sickness; and
- b. is diagnosed by a Physician as a permanent or long-term dysfunction or malformation of the body.

**Physician**

- a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under this Group Policy.

The term Physician does not include the *Participant*, an employee of the *Participant*, a business or professional partner or associate of the *Participant*, any person who has a financial affiliation or business interest with the *Participant*, anyone related to the *Participant* by blood or marriage, or anyone living in the *Participant*'s household.

**Policy Anniversary**

*June 1, 2008* and the same day of each following year.

**Policyholder**

The entity to whom this Group Policy is issued (see Title Page).

**Prior Policy**

The Group Voluntary Term Life insurance of either:

- a. the Policyholder; or
- b. a business entity which has been obtained by the Policyholder through a merger or acquisition;

for which this Group Policy is a replacement.

**Proof of Good Health**

Written evidence that a person is insurable under the underwriting standards of The Principal. This proof must be provided in a form satisfactory to The Principal.

## **Qualifying Event**

A Qualifying Event for Accelerated Benefits is a medical condition, which would, in the absence of extensive or extraordinary medical treatment; result in a dramatically limited life span. Such conditions may include, BUT ARE NOT LIMITED TO, one or more of the following:

- (1) coronary artery disease resulting in an acute infarction or requiring surgery;
- (2) permanent neurological deficit resulting from cerebral vascular accident;
- (3) end stage renal failure; or
- (4) acquired immune deficiency syndrome (AIDS).

## **Scheduled Benefits Summary**

The page which is issued as part of the insured's certificate which contains benefit and other information pertaining to the *Participant's* insurance under this Group Policy.

## **Signed or Signature**

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by The Principal.

## **Skilled Nursing Facility**

An institution (including one providing sub-acute care), or distinct part thereof, that is licensed by the proper authority of the state in which it is located to provide skilled nursing care and that:

- a. is supervised on a full-time basis by a Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) or a licensed registered nurse (R.N.); and
- b. has transfer arrangements with one or more Hospitals, a utilization review plan, and operating policies developed and monitored by a professional group that includes at least one M.D. or D.O.; and
- c. has an existing contract for the services of an M.D. or D.O., maintains daily records on each patient, and is equipped to dispense and administer drugs; and
- d. provides 24-hour nursing care and other medical treatment.

Not included are rest homes, homes for the aged, nursing homes, or places for treatment of mental disease, drug addiction, or alcoholism.

**Terminally Ill**

A *Participant* will be considered Terminally Ill if he or she has experienced a Qualifying Event and is expected to die within twelve months of the date he or she requests payment of Accelerated Benefits.

**Total Disability; Totally Disabled**

A *Participant's* inability, as determined by The Principal, due to sickness or injury, to perform the majority of the material duties of any occupation for which he or she is or may reasonably become qualified based on education, training or experience.

**Written or Writing**

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

## **PART II - POLICY ADMINISTRATION**

### **Section A - Contract**

#### **Article 1 - Entire Contract**

This Group Policy, the current Certificate, the attached Policyholder application, and any *Participant* applications make up the entire contract. The Principal is obligated only as provided in this Group Policy and is not bound by any trust or plan to which it is not a signatory party.

#### **Article 2 - Policy Changes**

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated. No agent, employee, or person other than an officer of The Principal has authority to change this Group Policy, and, to be effective, all such changes must be in Writing and Signed by an officer of The Principal.

The Principal reserves the right to change this Group Policy as follows:

- a. Any or all provisions of this Group Policy may be amended or changed at any time, including retroactive changes, to the extent necessary to meet the requirements of any law or any regulation issued by any governmental agency to which this Group Policy is subject.
- b. Any or all provisions of this Group Policy may be amended or changed at any time when The Principal determines that such amendment is required for consistent application of policy provisions.
- c. By Written agreement between The Principal and the Policyholder this Group Policy may be amended or changed at any time as to any of its provisions.

Any change to this Group Policy, including, but not limited to, those in regard to insurance, benefits, and participation privileges, may be made without the consent of any *Participant* or Dependent.

Payment of premium beyond the effective date of the change constitutes the Policyholder's consent to the change.

#### **Article 3 - Policyholder Eligibility Requirements**

To be an eligible group and to remain an eligible group, the Policyholder must:

## **PART II - POLICY ADMINISTRATION**

- a. be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; and
- b. maintain the greater of 20% participation or 10 participants with respect to eligible employees.

#### **Article 4 - Policy Incontestability**

In the absence of fraud, after this Group Policy has been in force for two years, The Principal may not contest its validity except for nonpayment of premium.

#### **Article 5 - Individual Incontestability**

All statements made by any individual insured under this Group Policy will be representations and not warranties. In the absence of fraud, these statements may not be used to contest a *Participant's* insurance unless:

- a. the *Participant's* insurance has been in force for less than two years during the insured's lifetime; and
- b. the statement is in Written form Signed by the *Participant*; and
- c. a copy of the form, which contains the statement, is given to the insured or the insured's beneficiary at the time insurance is contested.

However, these provisions will not preclude the assertion at any time of defenses based upon the person's ineligibility for insurance under this Group Policy or upon the provisions of this Group Policy.

In addition, if an individual's age is misstated, The Principal may at any time adjust premium and benefits to reflect the correct age.

#### **Article 6 - Information to be Furnished**

The Policyholder must, upon request, give The Principal all information needed to administer this Group Policy. If a clerical error is found in this information, The Principal may at any time adjust premium to reflect the facts. An error will not invalidate insurance that would otherwise be in force. Neither will an error continue insurance that would otherwise be terminated.

The Principal may inspect, at any reasonable time, all Policyholder records, which relate to the Group Policy.

### **PART II - POLICY ADMINISTRATION**

### **Article 7 - Certificates**

The Principal will give the Policyholder Certificates for delivery to insured *Participants*. The delivery of such Certificates will be in either paper or electronic format. The Certificates will be evidence of insurance and will describe the basic features of the insurance. They will not be considered a part of this Group Policy.

### **Article 8 - Assignments**

No assignments of *Participant* Life Insurance will be allowed under this Group Policy.

### **Article 9 - Dependent Rights**

A Dependent will have no rights under this Group Policy except as set forth in PART III, Section F, Article 2.

### **Article 10 - Policy Interpretation**

The Principal has complete discretion to construe or interpret the provisions of this group insurance policy, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The decisions of The Principal in such matters shall be controlling, binding and final as between The Principal and persons covered by the Group Policy, subject to the Claims Procedures in PART IV, Section D.

### **Article 11 - Electronic Transactions**

Any transaction relating to this Group Policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law.

Any notice required by the provisions of this Group Policy given by electronic means will have the same force and effect as notice given in writing.

## **PART II - POLICY ADMINISTRATION**

**PART II - POLICY ADMINISTRATION**

**Section B - Premiums**

**Article 1 - Payment Responsibility; Due Dates; Grace Period**

The Policyholder is responsible for collection and payment of all premium due while this Group Policy is in force. Payments must be sent to the home office of The Principal in Des Moines, Iowa.

The first premium is due on the Date of Issue of this Group Policy. Each premium thereafter will be due on the first of each Insurance Month. Except for the first premium, a Grace Period of 31 days will be allowed for payment of premium. "Grace Period" means the first 31-day period following a premium due date. The Group Policy will remain in force until the end of the Grace Period, unless the Group Policy has been terminated by notice as described in this PART II, Section C. The Policyholder will be liable for payment of the premium for the time this Group Policy remains in force during the Grace Period.

**Article 2 - Premium Rates**

The premium rate(s) for each *Participant* insured for Life Insurance will be:

a. *Participant* Life Insurance

(Rate for each \$1,000 of insurance in force)

Smoking Status

( <i>Participant</i> Age)	Unismoker
29 and Under	\$0.045
30-34	\$0.055
35-39	\$0.070
40-44	\$0.070
45-49	\$0.120
50-54	\$0.200
55-59	\$0.400
60-64	\$0.585
65-69	\$1.145
70 and over	\$1.855

b. Dependent Life Insurance - \$10,000

\$2.00 for each *Participant* insured for Dependent Life Insurance for the *Participant's* Dependent Child.

**PART II - POLICY ADMINISTRATION**

For the *Participant's* Dependent spouse:

(Rate for each \$1,000 of  
insurance in force)

(Person's Age)	Smoking Status	
	Unismoker	
29 and Under		\$0.045
30-34		\$0.055
35-39		\$0.070
40-44		\$0.070
45-49		\$0.120
50-54		\$0.200
55-59		\$0.400
60-64		\$0.585
65-69		\$1.145
70 and over		\$1.855

### **Article 3 - Premium Rate Changes**

The Principal may change a premium rate:

- a. on any premium due date, if the initial premium rate has then been in force 3 year(s) or more and if Written notice is given to the Policyholder at least 31 days before the date of change; or
- b. on any date the definition of *Participant* or Dependent is changed; and
- c. on any date the Policyholder's business, as specified on the Policyholder application, is changed; and
- d. on any date that a schedule of insurance or class of insured *Participants* is changed; and
- e. on any date the premium contribution required of *Participants* is changed; and
- f. on any *June 1st*, if the age for then insured *Participants* has changed since the last Policy Anniversary.

If the Policyholder has other group insurance with The Principal, and if life insurance is initially added on a date other than the Policy Anniversary and it is more than six months before the next Policy Anniversary, The Principal reserves the right to change the premium rate on the next Policy Anniversary. Written notice will be given to the Policyholder at least 31 days before the date of change.

## **PART II - POLICY ADMINISTRATION**

If the Policyholder agrees to participate in the electronic services program of The Principal and, at a later date elects to withdraw from participation, such withdrawal may result in certain administrative fees being charged to the Policyholder.

#### **Article 4 - Premium Amount**

The amount of premium to be paid on each due date will be determined in these ways:

- a. *Participant* Life Insurance  
The total volume of insurance in force for *Participants* in each age bracket will be divided by 1,000. Each result will then be multiplied by the premium rate then in effect for that age bracket.
- b. Dependent Life Insurance  
The number of *Participants* insured for Dependent Life Insurance for the *Participant's* Dependent Child will be multiplied by the premium rate then in effect.

The total volume of insurance in force for the *Participant's* Dependent spouse in each age bracket will be divided by 1,000. Each result will then be multiplied by the premium rate then in effect for that age bracket.

To ensure accurate premium calculations, the Policyholder is responsible for reporting to The Principal, the following information during the stated time periods:

- a. *Participants* who are eligible to become insured are to be reported during the month prior to or during the month that insurance becomes effective.
- b. *Participants* whose insurance has terminated are to be reported within a month of the date insurance terminated.
- c. Changes in *Participant* insurance class are to be reported during the month of or prior to the Policy Anniversary.

If a *Participant* is added or a present *Participant's* insurance is increased or terminated on other than the first of an Insurance Month, premium for that *Participant* will be adjusted and applied as if the change were to take place on the first of the next following Insurance Month.

#### **Article 5 - Contributions from *Participants***

*Participants* are required to contribute all of the premium for their insurance under this Group Policy.

*Participants* are required to contribute all of the premium for their Dependent's insurance under this Group Policy.

### **PART II - POLICY ADMINISTRATION**

## **PART II - POLICY ADMINISTRATION**

### **Section C - Policy Termination**

#### **Article 1 - Failure to Pay Premium**

This Group Policy will terminate at the end of the Grace Period if total premium due has not been received by The Principal before the end of the Grace Period. Failure by the Policyholder to pay the premium within the Grace Period will be deemed notice by the Policyholder to The Principal to discontinue this Group Policy at the end of the Grace Period.

#### **Article 2 - Termination Rights of the Policyholder**

The Policyholder may terminate this Group Policy effective on the day before any premium due date by giving Written notice to The Principal prior to that premium due date. The Policyholder's issuance of a stop-payment order for any amounts used to pay premiums for the Policyholder's insurance will be considered Written notice from the Policyholder.

#### **Article 3 - Termination Rights of the Principal**

The Principal may nonrenew or terminate this Group Policy by giving the Policyholder 31 days advance notice in Writing, if the Policyholder:

- a. ceases to be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; or
- b. fails to make at least the level of premium contributions required for insurance on its eligible *Participants*; or
- c. fails to maintain the participation percentages requirements of PART II, Section A with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal; or
- d. fails to maintain ten or more insured employees under this Group Policy; or
- e. fails to pay premium in accordance with the requirements of PART II, Section B; or
- f. has performed an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of this Group Policy; or
- g. does not promptly provide The Principal with information that is reasonably required; or

## **PART II - POLICY ADMINISTRATION**

- h. fails to perform any of its obligations that relate to this Group Policy.

The Principal may terminate the Policyholder's insurance on any premium due date if the Policyholder relocates to a state where this Group Policy is not marketed, by giving the Policyholder 31 days advanced notice in Writing.

#### **Article 4 - Policyholder Responsibility to *Participants***

If this Group Policy terminates for any reason, the Policyholder must:

- a. notify each *Participant* of the effective date of the termination; and
- b. refund or otherwise account to each *Participant* all contributions received or withheld from *Participants* for premiums not actually paid to The Principal.

## **PART II - POLICY ADMINISTRATION**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section A - Eligibility**

#### **Article 1 - *Participant* Life Insurance**

A person will be eligible for *Participant* Life Insurance on the *1st day of the month following meeting eligibility and enrolling. Eligibility will be determined by Dillard's.*

In no circumstance will a person be eligible for *Participant* Life Insurance under this Group Policy if the person is eligible under any other Group Voluntary Term Life Insurance policy underwritten by The Principal.

#### **Article 2 - Dependent Life Insurance**

A person will be eligible for Dependent Life Insurance on the latest of:

- a. the date the person is eligible for *Participant* Life Insurance; or
- b. the date the person first acquires a Dependent; or
- c. the date the person enters a class for which Dependent Life Insurance is provided under this Group Policy; or
- d. the date Dependent Life Insurance is added to this Group Policy.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

### Section B - Effective Dates

#### Article 1 - *Participant* Life Insurance

##### a. **Actively at Work**

A *Participant's* effective date for *Participant* Life Insurance will be as explained in this article, if the *Participant* is Actively at Work on that date. If the *Participant* is not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

However, this Actively at Work requirement will be waived for *Participants* who:

- (1) are absent from Active Work because of a regularly scheduled day off, holiday, or vacation day; and
- (2) were Actively at Work on their last scheduled work day before the date of their absence; and
- (3) were capable of Active Work on the day before the scheduled effective date of their insurance or change in their insurance, whichever is applicable.

This Actively at Work requirement may also be waived as described below.

When insurance under this Group Policy replaces coverage under a Prior Policy, the Active Work requirement may be waived for those *Participants* who:

- (1) are eligible and enrolled under this Group Policy on its Date of Issue; and
- (2) were covered under the Prior Policy on the date of its termination.

In no event will the Active Work requirement be waived for those *Participants* who, on the date of termination of the Prior Policy, either:

- (1) had the option, under the terms of the Prior Policy, to convert their coverage under the Prior Policy to an individual policy; or
- (2) were eligible under the terms of the Prior Policy, to have their premiums waived due to Total Disability.

NOTE: When insurance under this Group Policy replaces coverage under a Prior Policy and the Active Work requirement is waived, any Benefits Payable will be the lesser of the Scheduled Benefit of this Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

**b. Effective Date for Initial Insurance When Proof of Good Health is not Required**

Insurance must be requested in a form provided by The Principal. Unless Proof of Good Health is required (see c. and d. below), the requested insurance will be in force on:

- (1) the date the *Participant* is eligible, if the request is made on or before that date; or
- (2) the first of the Insurance Month coinciding with or next following the date of the *Participant's* request, if the request is made within 30 days after the date the *Participant* is eligible.

If the request is made more than 30 days after the date the *Participant* is eligible, Proof of Good Health will be required before insurance can be in force (see c. and d. below).

**c. Effective Date for Initial Insurance When Proof of Good Health is Required**

Insurance for which Proof of Good Health is required (see d. below) will be in force on the later of:

- (1) the date insurance would have been effective if Proof of Good Health had not been required; or
- (2) the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**d. Proof of Good Health Requirements**

The type and form of required Proof of Good Health will be determined by The Principal. A *Participant* must submit Proof of Good Health:

- (1) If insurance is requested more than 30 days after the date the *Participant* is eligible.
- (2) If a *Participant* had failed to provide required Proof of Good Health or has been refused insurance under this Group Policy.
- (3) If a *Participant* elects to terminate insurance and, more than 30 days later, requests to be insured again.
- (4) \*To make effective any Scheduled Benefit amounts for the *Participant* that is, initially or through later increases, in excess of:

[1]

- [\$250,000] for *Participants* who are under age [70]; and
- [\$10,000] for *Participants* who are age [70] or over.

Exception: No Proof of Good Health is required for the initial excess insurance for *Participants* insured on June 1, 2006.

\*If a *Participant* is insured under this Group Policy on its Date of Issue and this insurance replaces insurance in force on the day immediately before the Date of Issue: the lesser of the amount shown above or the amount for which the *Participant* was insured under the replaced insurance.

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- (5) If less than 20% of the eligible employees participate or less than ten *Participants* are insured to make effective any Scheduled Benefit amount for the *Participant* or the *Participant's* Dependents.
- (6) To make effective any request for a Scheduled Benefit increase.
- (7) To make effective any Scheduled Benefit increase in excess of 10% due to change in *Participant's* Annual Compensation.
- (8) To make effective any Scheduled Benefit increase if any previous Scheduled Benefit increase has been declined.

Note: For insurance applied for during the Open Enrollment Period, the above Proof of Good Health requirements will not apply. Refer to d. Proof of Good Health During the Open Enrollment Period in Article 3 below.

**e. Effective Date for Benefit Changes Due to Change in Insurance Class**

- (1) Unless Proof of Good Health is required (see c. and d. above), a change in the Scheduled Benefit amount because of a change in the *Participant's* insurance class will normally be effective on the Policy Anniversary that next follows the date of change. However, if the *Participant* is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the *Participant* returns to Active Work. Any decrease of Scheduled Benefits due to a change in a *Participant's* insurance class will be effective on the date noted above, whether or not the *Participant* is Actively at Work.

Any termination of Scheduled Benefits due to a change in the *Participant's* insurance class will be effective on the date noted above, whether or not the *Participant* is Actively at Work.

- (2) A change in a *Participant's* Scheduled Benefits because of a change in the *Participant's* insurance class for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**f. Effective Date for Benefit Changes Due to Change by Policy Amendment**

- (1) A change in the amount of a *Participant's* Scheduled Benefits because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is not required (see d. above) will be effective on the date of change. However, if the *Participant* is not Actively at Work on the date an increase in the Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the *Participant* before the change will continue to apply to the *Participant* until the day of return to Active Work. When the *Participant*

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

returns to Active Work, the Scheduled Benefit increase will then be in force for the *Participant*. Any decrease of Scheduled Benefits due to a change by amendment to this Group Policy will be effective on the date of change, whether or not the *Participant* is Actively at Work.

- (2) A change in the amount of a *Participant's* Scheduled Benefits because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**g. Effective Date for Benefit Changes Due to Changes Requested by the *Participant***

- (1) A change in a *Participant's* Scheduled Benefits because of a request by the *Participant* for which Proof of Good Health is not required (see d. above) will normally be effective on the Policy Anniversary that next follows the date of the request. However, if the *Participant* is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the *Participant* returns to Active Work. Any decrease of Scheduled Benefits due to a request by the *Participant* will be effective on the date noted above, whether or not the *Participant* is Actively at Work.
- (2) A change in a *Participant's* Scheduled Benefits because of a request by the *Participant* for which Proof of Good Health is required (see d. above) will be effective on the later of:
  - the date the change would have been effective if Proof of Good Health had not been required; or
  - the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

**h. Effective Date for Benefit Changes Due to Change in the *Participant's* Family Status**

A *Participant* may request an increase in Scheduled Benefits, a decrease in Scheduled Benefits, or the addition of Scheduled Benefits for which he or she was not previously insured if a change in the *Participant's* family status as described below has occurred, provided a request for such increase, decrease, or addition is made in Writing within 30 days after the date of the change in family status:

- (1) marriage or divorce;
- (2) death of a spouse or child;
- (3) birth or adoption of a child;

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- (4) termination of employment by the *Participant's* spouse or a change in the spouse's employment that causes loss of group insurance;
- (5) the *Participant's* employment or the *Participant's* spouse's employment changes from part-time to full-time or from full-time to part-time;
- (6) the *Participant* or the *Participant's* spouse takes an unpaid leave of absence.

A change in a *Participant's* Scheduled Benefits because of a request by the *Participant* when a change in family status has occurred for which Proof of Good Health is not required (see d. above) will normally be effective on the first of the Insurance Month coinciding with or next following the date of the request. However, if the *Participant* is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the *Participant* returns to Active Work. Any decrease of Scheduled Benefits due to a request by the *Participant* will be effective on the date noted above, whether or not the *Participant* is Actively at Work.

A change in a *Participant's* Scheduled Benefits because of a request by the *Participant* when a change in family status has occurred for which Proof of Good Health is required (see d. above) will be effective on the later of:

- (1) the date the change would have been effective if Proof of Good Health had not been required; or
- (2) the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by The Principal.

## **Article 2 - Dependent Life Insurance**

Dependent Life Insurance is available only with respect to Dependents of *Participants* currently insured for *Participant* Life Insurance. If a *Participant* is eligible for Dependent Life Insurance, such insurance will be effective under the same terms as set forth for *Participant* Life Insurance in this Section B, Article 1, except as described below.

- a. In no event will Dependent Life Insurance be in force for a *Participant* who is not insured for *Participant* Life Insurance.
- b. If a Dependent spouse is in a Period of Limited Activity on the date Dependent Life Insurance would otherwise be effective, such insurance will not be in force for that Dependent until the Period of Limited Activity ends.

However, this Period of Limited Activity requirement may be waived as described below.

When insurance under this Group Policy replaces coverage under a Prior Policy, the Period of Limited Activity requirement may be waived for those Dependents who:

- (1) are eligible and enrolled under this Group Policy on its Date of Issue; and
- (2) were covered under the Prior Policy on the date of its termination.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

In no event will the Period of Limited Activity requirement be waived for those Dependents who, on the date of termination of the Prior Policy had the option, under the terms of the Prior Policy, to convert their coverage, under the Prior Policy, to an individual policy.

NOTE: When insurance under this Group Policy replaces coverage under a Prior Policy and the Period of Limited Activity requirement is waived, any Benefits Payable will be the lesser of the Scheduled Benefit of this Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

- [1]
- c. To make effective any Scheduled Benefit amounts for the *Participant's* Dependent spouse that is, initially, in excess of:
- (1) *[\$50,000]* for a person who is under age *[70]*; and
  - (2) *[\$10,000]* for a person who is age *[70]* or over.

Exception: No Proof of Good Health is required for the initial excess insurance for a Dependent spouse insured on *June 1, 2006*.

- d. If a Dependent is confined in a Hospital or Skilled Nursing Facility on the date an increase in the Dependent Life Insurance Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the Dependent will continue to apply to the Dependent until such confinement ends. When the Hospital or Skilled Nursing Facility confinement ends, the Scheduled Benefits increase will then be in force for the Dependent.
- e. Any required Proof of Good Health will be with respect to the health of the *Participant's* Dependents.
- f. If Dependent Life Insurance is in force for a Dependent of the *Participant*, a *Participant* will be insured with respect to a new Dependent (other than a newborn child) on the date the new Dependent is acquired, provided the new Dependent is not then confined in a Hospital or Skilled Nursing Facility. Requests for insurance and Proof of Good Health are not required provided The Principal has been notified of the new Dependent within 30 days after the date the Dependent is acquired.
- g. If Dependent Life Insurance is in force for a Dependent of the *Participant*, a newly born child will be covered under this Group Policy from the moment of live birth, provided the child meets the policy's definition of a Dependent Child.

### **Article 3 - Open Enrollment Period**

#### **a. Eligibility**

An Open Enrollment Period will be available for any *Participant* or Dependent every year who:

### **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- (1) failed to enroll:
  - (a) during the first period in which he or she was eligible to enroll; or
  - (b) during any previous Open Enrollment Period; or
- (2) are currently enrolled for coverage and want to change their coverage; or
- (3) previously terminated insurance under this group policy and wants to re-enroll.

To qualify for enrollment during the Open Enrollment period, the *Participant* or Dependent must meet the eligibility requirements described in this Group Policy.

**b. Enrollment Period**

The Open Enrollment Period is the calendar month period immediately prior to *May 1*.

**c. Effective Dates**

The effective date for any such individual requesting insurance during the Open Enrollment Period will be the first of the Insurance Month coinciding with or next following the date of completion of the Open Enrollment Period, when Proof of Good Health is not required (see d. below).

The effective date for any such individual requesting insurance during the Open Enrollment Period when Proof of Good Health is required (see d. below) will be the later of:

- (1) the first of the Insurance Month coinciding with or next following the date of completion of the Open Enrollment Period; or
- (2) the first of the month following the date insurance is approved by The Principal.

**d. Proof of Good Health During the Open Enrollment Period**

Proof of Good Health for *Participant* or Dependent insurance purchased during the Open Enrollment Period will be:

- [1]
- (1) To make effective any Scheduled Benefit increase in excess of:
    - *[\$250,000]* for *Participants* who are under age *[70]*; and
    - *[\$10,000]* for *Participants* who are age *[70]* or over.
  - (2) To make effective any Scheduled Benefit increase for the *Participant's* Dependent spouse that is in excess of:
    - *[\$50,000]* for a person who is under age *[70]*; and
    - *[\$10,000]* for a person who is age *[70]* or over.

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section C - Individual Terminations**

#### **Article 1 - *Participant* Life Insurance**

A *Participant's* insurance under this Group Policy will terminate on the earliest of:

- a. the date this Group Policy is terminated; or
- b. the date the last premium is paid for the *Participant's* insurance; or
- c. any date desired, if requested by the *Participant* before that date; or
- d. the date the *Participant* ceases to be a *Participant* as defined in PART I; or
- e. the date the *Participant* ceases to be in a class for which *Participant* Life Insurance is provided; or
- f. the date the *Participant* retires; or
- g. the date the *Participant* ceases Active Work.

#### **Article 2 - Dependent Life Insurance**

A *Participant's* insurance under this Group Policy for a Dependent will terminate on the earliest of:

- a. the date his or her *Participant* Life Insurance ceases; or
- b. the date Dependent Life Insurance is removed from this Group Policy; or
- c. the date the last premium is paid for the *Participant's* Dependent Life Insurance; or
- d. any date desired, if requested by the *Participant* before that date; or
- e. the date the *Participant* ceases to be in a class for which Dependent Life Insurance is provided; or
- f. for a spouse, on the date that spouse ceases to be a Dependent as defined in PART I; or
- g. for each Dependent Child, on the date that Dependent Child ceases to be a Dependent as defined in PART I; or

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- h. for spouse or each Dependent Child, on the date the *Participant* retires; or
- i. the date the *Participant* dies.

### **Article 3 - Termination for Fraud**

The Principal may at any time terminate a *Participant's* or Dependent's eligibility under the Group Policy:

- a. in Writing and with 31-day notice, if the individual submits any claim that contains false or fraudulent elements under state or federal law;
- b. in Writing and with 31-day notice, upon finding in a civil or criminal case that a *Participant* or Dependent has submitted claims that contain false or fraudulent elements under state or federal law;
- c. in Writing and with 31-day notice, when a *Participant* or Dependent has submitted a claim which, in good faith judgment and investigation, a *Participant* or Dependent knew or should have known, contains false or fraudulent elements under state or federal law.

### **Article 4 - Insurance While Outside of the United States**

If a *Participant* or Dependent is temporarily outside the United States, the *Participant* or Dependent may choose to continue his or her insurance, subject to premium payment for a period of 6 months or less for one of the following reasons:

- a. travel; or
- b. a business assignment; or
- c. Full-Time Student status, provided the *Participant* or Dependent is either:
  - (1) enrolled and attending an accredited school in a foreign country; or
  - (2) is participating in an academic program in a foreign country, for which the institution of higher learning at which the student is enrolled in the U.S. grants academic credit;

The six-month period will not be reduced for any time covered under a Prior Policy.

If a *Participant* or Dependent is outside the United States for any other reason than those listed above, insurance for the person concerned will automatically terminate.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

***Article 5 - Termination of Coverage Due to Failing to Continue to Meet Dillard's Eligibility***

*A Participants coverage will terminate on the 1st day of the new benefit quarter following two consecutive benefit quarters where he or she did not work the average number of hours to maintain eligibility as defined by Dillard's and determined by Dillard's accounting calendar.*

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section D - Continuation**

#### **Article 1 - *Participant* Life Insurance**

##### **a. Sickness or Injury (Other than Total Disability)**

If Active Work ends because a *Participant* is sick or injured but not Totally Disabled, insurance for that *Participant* may be continued until the earlier of:

- (1) the date insurance would otherwise cease as provided in this PART III, Section C; or
- (2) the date the *Participant* recovers.

##### **b. Layoff, Approved Leave of Absence**

If Active Work ends because a *Participant* is on layoff or approved leave of absence, insurance for that *Participant* may be continued until the earliest of:

- (1) the date insurance would otherwise cease as provided in this PART III, Section C, Article 1 a. through g; or
- (2) the date the layoff or approved leave of absence ends; or
- (3) the date the *Participant* becomes eligible for any other group life insurance; or
- (4) the date one month after the date Active Work ends.

##### **c. Family and Medical Leave Act (FMLA)**

If a *Participant* ceases Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue the *Participant's* insurance, subject to premium payment, until the date 12 weeks after Active Work ends.

##### **d. State Required - Arkansas**

###### **(1) Qualification for Continuation**

A *Participant* may continue insurance under this Group Policy, by paying the required premium, if the *Participant* is Totally Disabled on the date insurance would otherwise cease.

###### **(2) Continuation Period**

Insurance for a *Participant* who qualifies as set forth above may be continued until the earlier of:

- the date the *Participant's* insurance has been continued for nine months; or

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- the date this Group Policy is terminated.

A *Participant* may qualify to have his or her insurance continued under one or more of the continuation provisions described in a., b., c., and d. above. If a *Participant* qualifies for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

## **Article 2 - Dependent Insurance - Developmentally Disabled or Physically Handicapped Children**

### **a. Qualification**

Dependent Life Insurance for a child may be continued after the child reaches the maximum age for Dependent Children as defined in PART I of this Group Policy, provided that:

- (1) the child is incapable of self-support as the result of a Developmental Disability or Physical Handicap and became so before reaching the maximum age and is dependent on the *Participant* for primary support; and
- (2) except for age, the child continues to be a Dependent Child as defined in PART I; and
- (3) notice of the child's incapacity is sent to The Principal when the child reaches the maximum age; and
- (4) further notice that the child remains incapable of self-support is provided when The Principal requests; and
- (5) the child undergoes examination by a Physician when The Principal requests. The Principal will pay for these examinations and will choose the Physician to perform them.

### **b. Period of Continuation**

Insurance for a Dependent Child who qualifies as set forth above may be continued until the earlier of:

- (1) the date insurance would cease for any reason other than the child's attainment of the maximum age; or
- (2) the date the child becomes capable of self-support or otherwise fails to qualify as set forth in a. above.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section E - Reinstatement**

#### **Article 1 - Reinstatement**

A *Participant's* terminated insurance will be reinstated if:

- a. insurance ceased because of layoff, approved leave of absence; and
- b. the *Participant* returns to Active Work for the Policyholder within six months of the date insurance ceased.

The *Participant's* reinstated insurance will be in force on the date of return to work. However, the Actively at Work and Period of Limited Activity provisions discussed in this PART III, Section B, will apply. Also, Proof of Good Health will be required to place in force any Scheduled Benefit that would have been subject to Proof of Good Health had the *Participant* remained continuously insured.

Only the period of time during which a *Participant* is actually insured will be included in determining the length of his or her continuous insurance under this Group Policy. For this purpose the period of time during which a reinstated *Participant's* insurance was not in force:

- a. will not be considered an interruption of continuous insurance; and
- b. will not be used to satisfy any provision of this Group Policy which pertains to a period of continuous insurance.

In addition, a longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

#### **Article 2 - Federal Required Family and Medical Leave Act (FMLA)**

A *Participant's* terminated insurance may be reinstated in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA), subject to the Actively at Work and Period of Limited Activity provision discussed in this PART III, Section B.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Article 3 - Reinstatement of Insurance for a *Participant* or Dependent When Insurance Ends due to Living Outside of the United States**

If insurance for a *Participant* or Dependent terminates because the person is outside of the United States as discussed in this PART III, Section C, Article 4, the *Participant* or Dependent may become eligible again for insurance under this Group Policy, but only if:

- a. the *Participant* or Dependent returns to the United States within six months of the date on which insurance terminated because the person is outside of the United States; and
- b. in the case of a *Participant*, the *Participant* returns to Active Work in the United States for the Policyholder for a period of at least 30 consecutive days. The *Participant* will be eligible for insurance on the day immediately following completion of the 30 consecutive days of Active Work; and
- c. in the case of the Dependent, he or she remains in the United States for 30 consecutive days. If the Dependent does so, he or she will be eligible for reinstatement of insurance on the day after completion of the 30 consecutive days of residence.

The reinstated insurance will be on the same basis as that being provided on the date insurance is reinstated. However, any restrictions on this insurance that was in effect before reinstatement will continue to apply. If the *Participant* or Dependent does not complete the 30 consecutive days of residence, the insurance for such person will not be reinstated.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

### Section F - Individual Purchase Rights

#### Article 1 - *Participant* Life Insurance

##### a. Individual Policy

If a *Participant* qualifies and makes timely application, he or she may convert the group insurance by purchasing an individual policy of life insurance under these terms:

- (1) The *Participant* will not be required to submit Proof of Good Health.
- (2) The policy will be for life insurance only. No disability or other benefits will be included.
- (3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the *Participant* belongs on the individual policy's effective date.
- (4) Premium will be based on the *Participant's* age and The Principal's standard rate for the policy form to be issued.

##### b. Purchase Qualification

A *Participant* will qualify for individual purchase if insurance under this Group Policy terminates and:

- (1) the *Participant's* total Life Insurance, or any portion of it, terminates because he or she ends Active Work or ceases to be in a class eligible for insurance; or
- (2) after the *Participant* has been continuously insured under this Group Policy for at least five years, his or her total *Participant* Life Insurance terminates because this Group Policy terminates or is amended to exclude the *Participant's* insurance class; or
- (3) the *Participant's* Accelerated Benefits Premium Waiver Period as described in PART IV, Section A, ceases and he or she does not qualify for Coverage During Disability.

##### c. Application/Effective Date

Notice of the individual purchase right must be given to the *Participant* by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

A *Participant* must apply for individual purchase and the first premium for the individual policy must be paid to The Principal within 31 days after the date *Participant* Life Insurance terminates under this Group Policy.

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Any individual policy issued will then be in force on the 32nd day after such termination date.

**d. Individual Policy Amount**

The amount of insurance that may be purchased may vary:

- (1) If termination is as described in b. (1) above, the maximum amount will be the *Participant* Life Insurance benefit in force on the date of termination or the portion of *Participant* Life Insurance that has terminated, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.
- (2) If termination is as described in b. (2) above, the maximum amount will be the lesser of:
  - \$10,000; or
  - the *Participant* Life Insurance benefit in force on the date of termination, less any Accelerated Benefit payment as described in PART IV, Section A, Article 6 and less the amount for which the *Participant* becomes eligible under any group policy within 31 days.
- (3) If termination is as described in b. (3) above, the maximum amount will be the *Participant* Life Insurance benefit in force on the date the *Participant* ceases Active Work, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.

**Article 2 - Dependent Life Insurance**

**a. Individual Policy**

If a Dependent qualifies and makes timely application, he or she may purchase an individual policy of life insurance under these terms:

- (1) The Dependent will not be required to submit Proof of Good Health.
- (2) The policy will be for life insurance only. No disability or other benefits will be included.
- (3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the Dependent belongs on the individual policy's effective date.
- (4) Premium will be based on the Dependent's age and The Principal's standard rate for the policy to be issued.

**b. Purchase Qualification**

A Dependent will qualify for individual purchase if:

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

- (1) Dependent Life Insurance, or any portion of it, terminates because he or she ceases to be a Dependent as defined in PART I; or because the *Participant* dies, ends Active Work, or ceases to be in a class eligible for such insurance; or
- (2) the spouse's Dependent Life Insurance terminates as described in PART III, Section C; or
- (3) the spouse's Dependent Life Insurance terminates because of divorce or separation from the *Participant*; or
- (4) after the Dependent has been continuously insured for Dependent Life Insurance for at least five years, such insurance terminates because the Group Policy terminates, or is amended to eliminate Dependent Life Insurance, or the *Participant's* insurance class; or
- (5) the Dependent's Life Insurance terminates because the *Participant's* Accelerated Benefits Premium Waiver Period as described in PART IV, Section A, ceases and the *Participant* does not qualify for Coverage During Disability.

**c. Application/Effective Date**

Notice of the individual purchase right must be given to the *Participant* by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

A Dependent must apply for individual purchase and the first premium for the individual policy must be paid to The Principal within 31 days after the date Dependent Life Insurance for the Dependent terminates under this Group Policy.

Any individual policy issued will then be in force on the 32nd day after such termination date.

**d. Individual Policy Amount**

The amount of insurance that a Dependent may purchase may vary:

- (1) If termination is as described in b. (1) above, the maximum amount will be the Dependent Life Insurance benefit in force for the Dependent on the date of termination or the portion of Dependent Life Insurance that has terminated, less any individual policy amount purchased earlier under this Article 2.
- (2) If termination is as described in b. (2) or b. (4) above, the maximum amount will be the Dependent Life Insurance benefit in force for the Dependent on the date of termination, less any individual policy amount purchased earlier under this Article 2.
- (3) If termination is as described in b. (3) above, the maximum amount will be the lesser of:
  - \$10,000; or
  - the Dependent Life Insurance benefit in force for the Dependent on the date of termination, less the amount for which the Dependent becomes eligible under any group policy within 31 days.

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

### **Section G - Portability**

#### **Article 1 - Portability of Insurance**

When insurance would otherwise end under this Group Policy as described in Article 2 below, the *Participant* may be eligible to continue insurance under a Group Life Portability Insurance Policy underwritten by The Principal. The Group Life Portability Insurance Policy will contain provisions that differ from this Group Policy. A *Participant* electing insurance under this option will receive a certificate outlining the Group Life Portability Insurance Policy provisions.

NOTE: A *Participant* or Dependent may elect to purchase an individual policy of life insurance (see Individual Purchase Rights as described in PART III, Section F) in place of this portability option.

#### **Article 2 - *Participant* Life Insurance and Dependent Life Insurance**

##### **a. Eligibility**

If *Participant* Life or Dependent Life insurance under this Group Policy ends because the *Participant* ceases to meet the definition of a *Participant*, he or she may be eligible to continue insurance under the Group Life Portability Insurance Policy without submitting Proof of Good Health.

In order to continue insurance under the Group Life Portability Insurance Policy:

- (1) for *Participant* Life Insurance, the *Participant* must be less than age 75; and
- (2) for Dependent Life Insurance, the spouse must be less than age 75; and
- (3) for a Dependent Child, *Participant* Life insurance must be continued.

Insurance may not be continued under the Group Life Portability Insurance Policy if:

- (1) the *Participant* has received a benefit under Accelerated Benefits provisions described in PART IV, Section A of this Group Policy; or
- (2) insurance under this Group Policy ends because this Group Policy terminates, and is replaced by another group voluntary policy; or
- (3) the *Participant* or Dependent spouse has exercised his or her Individual Purchase Rights described in PART III, Section F of this Group Policy; or
- (4) the Dependent spouse ceased to be a Dependent as defined in PART I; or
- (5) the *Participant* dies.

## **PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

**b. Amount of Insurance**

The insurance amount that is available for continuation will be the *Participant* Life or Dependent Life Scheduled Benefit amount (or approved amount) in force on the date insurance terminates under this Group Policy.

**c. Termination of Ported Insurance**

Ported insurance under the Group Life Portability Insurance Policy will terminate on the earliest of:

- (1) the date ending the period for which the last premium is paid; or
- (2) for *Participant* Life, the May 1 next following the *Participant's* 75th birthday; or
- (3) for Dependent spouse the May 1 next following the Dependent spouse's 75th birthday; or
- (4) the date the *Participant* no longer qualified as the *Participant's* Dependent, due to divorce or the *Participant's* death; or
- (5) for a Dependent Child, the date the child no longer meets the definition of a Dependent Child as defined in PART I; or
- (6) for a Dependent Child, the date *Participant* Life Insurance terminates.

NOTE: When insurance under the Group Life Portability Insurance ends, the *Participant* or Dependent may qualify and elect to purchase an individual policy of life insurance.

**Article 3 - Application/Effective Date**

Notice of the Portability option must be given to the *Participant* by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

When notice of eligibility to continue insurance under the Group Life Portability Insurance Policy is provided to The Principal within 60 days following the termination of insurance under this Group Policy, insurance will automatically be ported and become effective the day following termination of insurance under this Group Policy.

When notice of eligibility to continue insurance under the Group Life Portability Insurance Policy is not provided to The Principal following the termination of insurance under this Group Policy, a *Participant* must apply for insurance and pay the first premium within 60 days of his or her termination date. Any continued insurance under the Portability option will be in force on the day following termination of insurance under this Group Policy.

Payment of premium constitutes the *Participant's* consent to port his or her insurance.

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

**PART IV - BENEFITS**

**Section A - Participant Life Insurance**

**Article 1 - Schedule of Insurance**

Subject to the Effective Date provisions of PART III, Section B, and the qualifying provisions of this Section A, the specific Scheduled Benefit for an insured *Participant* will be shown on the *Participant's* Scheduled Benefits Summary and is based on his or her class:

[2]

<b>Class</b>	<b>*Scheduled Benefit</b>
<i>ALL PARTICIPANTS</i>	An amount in increments of [ <i>\$5,000</i> ] as applied for by the <i>Participant</i> and approved by The Principal. A <i>Participant's</i> Scheduled Benefit amount will not exceed [ <i>\$500,000</i> ] or be less than [ <i>\$5,000</i> ], subject to the provisions below.

However, if a *Participant* has received any payments under the Accelerated Benefits provision as described in Section A, Article 6, the Scheduled Benefit will be reduced by the amount of such payment.

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

For the age(s) shown below, the amount of a *Participant's* insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

<b>Age</b>	<b>% of Scheduled Benefit (or approved amount, whichever applies)</b>
Age [ <i>70</i> ] and Over	[ <i>50%</i> ]

**Article 2 - Death Benefits Payable**

If a *Participant* dies while insured for *Participant* Life Insurance under this Group Policy, The Principal will pay his or her beneficiary the Scheduled Benefit (or approved amount, if applicable) in force on the date of death, less any unpaid premium and less any Accelerated Benefit payment as described in PART IV of this Section A, Article 6. However, if a beneficiary is suspected or charged with the *Participant's* death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held.

**PART IV - BENEFITS**

If a *Participant* who was insured dies within the 31-day individual purchase period described in PART III, Section F, The Principal will pay his or her beneficiary the individual policy amount, if any, the *Participant* had the right to purchase.

If a *Participant* who was insured dies within the 60-day portability option period described in PART III, Section G, The Principal will pay his or her beneficiary the Scheduled Benefit amount (or approved amount) in force, if any, the *Participant* had the right to continue.

No payment will be made before The Principal receives Written proof of the *Participant's* death.

If a *Participant* dies by suicide within 24 months after the effective date of his or her *Participant* Life Insurance, The Principal will pay his or her beneficiary the amount of any premium paid by the *Participant* to The Principal during the period of time his or her insurance was in force in lieu of the Scheduled Benefit (or approved amount, if applicable) in force on the date of death. Any such payment will discharge The Principal to the full extent of such payment.

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided the *Participant* was insured under the Prior Policy and insurance was effective for the *Participant* on the Date of Issue of this Group Policy.

### **Article 3 - Beneficiary**

A beneficiary should be named at the time a *Participant* applies or enrolls under this Group Policy. A *Participant* may name or later change a named beneficiary by sending a Written request to Policyholder. A change will not be effective until recorded by Policyholder. Once recorded, the change will apply as of the date the request was Signed. If any benefit is properly paid by The Principal before a change request is received, that payment may not be contested. Further:

- a. The naming of a new beneficiary in an application for individual purchase under PART III, Section F, Article 1, will be treated as a beneficiary change request under this Group Policy.
- b. If a *Participant's* terminated insurance is reinstated, his or her beneficiary will be as recorded on the date of termination.

If a *Participant* is insured under this Group Policy on its Date of Issue and this insurance replaces insurance in force on the day immediately before the Date of Issue, the beneficiary named in such replaced insurance and recorded by the Policyholder or The Principal will be the beneficiary under this Group Policy until a new beneficiary is named.

## **PART IV - BENEFITS**

#### **Article 4 - Facility of Payment**

If any of the below occur, benefits will be paid as stated. All such payments will discharge The Principal to the full extent of those payments.

- a. If a beneficiary is found guilty of the *Participant's* death, such beneficiary may be disqualified from receiving any benefit due. Payment may then be made to any contingent beneficiary or to the executor or administrator of the *Participant's* estate.
- b. Any benefit due a beneficiary who dies before the *Participant's* death will be paid in equal shares to the *Participant's* surviving beneficiaries.
- c. If a beneficiary dies at the same time or within 15 days after the *Participant* dies, but before The Principal receives Written proof of the *Participant's* death, payment will be made as if the *Participant* survived the beneficiary.
- d. If no beneficiary survives the *Participant* or if the *Participant* has not named a beneficiary, payment will be made in the following order of precedence as numbered:
  - (1) to the *Participant's* spouse;
  - (2) to the *Participant's* children born to or legally adopted by the *Participant*;
  - (3) to the *Participant's* parents;
  - (4) to the *Participant's* brothers and sisters; or
  - (5) if none of the above, to the executor or administrator of the *Participant's* estate.
- e. If The Principal believes a person is not legally able to give a valid receipt, as determined by The Principal, for a payment, and no guardian has been appointed, The Principal may pay whoever has assumed the care and support of the person.

#### **Article 5 - Settlement of Proceeds**

When The Principal receives Written proof of the *Participant's* death, the Scheduled Benefit in force for the *Participant*, less any unpaid premium, will be placed in an interest-bearing draft account, unless a lump sum or other settlement option has been elected. With the interest-bearing draft account, the balance will be available to the beneficiary at any time, in total or in part, subject to the following terms:

- a. withdrawals must be made by draft furnished by The Principal; and
- b. the draft amount must be at least \$500 or more and may not exceed the account balance; and
- c. if the account balance falls below \$500, the balance will be paid to the beneficiary in a lump sum and the account closed; and

#### **PART IV - BENEFITS**

- d. the account cannot be assigned or used as collateral.

The Interest Draft Account will not be available if the Scheduled Benefit amount payable is \$5,000 or less; or if the beneficiary is anything other than a natural person. In these instances, a lump sum payment will be made.

In the event the Interest Draft Account is not available or otherwise does not apply, The Principal reserves the right to make payment of proceeds according to other settlement options if agreed to, in Writing, by The Principal.

Payment of benefits will be subject to the Beneficiary and Facility of Payment provisions of this PART IV, Section A.

## **Article 6 - Accelerated Benefits**

### **a. Accelerated Benefits Qualification**

To be qualified for an Accelerated Benefit payment, a *Participant* must:

- (1) be Terminally Ill and insured for a *Participant* Life Insurance benefit of at least \$10,000; and
- (2) send a request for Accelerated Benefit payment to The Principal; and
- (3) provide proof satisfactory to The Principal that he or she is Terminally Ill.

### **b. Proof of Terminal Illness**

Proof that a *Participant* is Terminally Ill will consist of:

- (1) a statement from the *Participant's* Physician; and
- (2) any other medical information that The Principal believes necessary to confirm the *Participant's* status.

### **c. Benefit Payable**

The Principal will pay a *Participant* who is qualified for Accelerated Benefits whatever amount he or she requests; except that:

- (1) only one Accelerated Benefit payment will be made during the *Participant's* lifetime; and
- (2) the amount requested must be at least \$5,000; and
- (3) in no event will payment exceed the lesser of:
  - 75% of the *Participant* Life Insurance benefit in force on the date of the request;
  - or
  - \$250,000.

## **PART IV - BENEFITS**

The Accelerated Benefit payment will be made in a lump sum.

**d. Effect on *Participant* Life Insurance Benefits**

If an Accelerated Benefit is paid, the *Participant* Life Insurance Benefit otherwise payable upon the *Participant's* death will be reduced by the sum of the Accelerated Benefit payment.

**e. Premium Waiver Period**

A premium waiver period will be established on the date The Principal pays an Accelerated Benefit to a *Participant*. This period will end on the earlier of the *Participant's* death or the date two years after the date of the Accelerated Benefit.

During a premium waiver period:

- (1) there will be no *Participant* Life Insurance and Dependent Life Insurance premium charge for the *Participant*; and
- (2) *Participant* Life Insurance will not be terminated if the *Participant* ceases Active Work because of his or her Terminal Illness.

**PART IV - BENEFITS**

**PART IV - BENEFITS**

**Section C - Dependent Life Insurance**

**Article 1 - Schedule of Insurance**

Subject to the Effective Date provisions of PART III, Section B, the specific Scheduled Benefit for each insured Dependent will be shown on the Scheduled Benefits Summary and will be:

[3]

**Class**

*ALL PARTICIPANTS*

**Dependent**

**\*Scheduled Benefit**

Spouse

An amount in increments of [*\$5,000*] as applied for by the *Participant* and approved by The Principal. A Dependent spouse's Scheduled Benefit amount will not exceed [*\$100,000*] or be less than [*\$5,000*], subject to the provisions below.

Dependent Children (age at death)

0 days old but less than 14 days

[*\$1,000*]

14 days and older

[*\$10,000*]

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

For the age(s) shown below, the amount of a *Participant's* spouse insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

**Age**

**% of Scheduled Benefit (or approved amount, whichever applies)**

Age [*65*] but less than age [*70*]

[*65%*]

Age [*70*] and Over

[*50%*]

In no event will a Dependent's Scheduled Benefit be more than 100% of the *Participant's* Scheduled Benefit amount. If a *Participant* elects a Dependent Life benefit in excess of 100% of the *Participant's* Scheduled Benefit amount, the Dependent will be given the highest amount available, not to exceed 100%.

**PART IV - BENEFITS**

## **Article 2 - Death Benefits Payable**

If a Dependent dies while insured for Dependent Life Insurance under this Group Policy, The Principal will pay the Scheduled Benefit (or approved amount, if applicable) in force for that Dependent on the date of death, less any unpaid premium.

If a Dependent who was insured dies during the 31-day individual purchase period described in PART III, Section F, Article 2, The Principal will pay the individual policy amount, if any, the Dependent had the right to purchase.

If a Dependent who was insured dies within the 60-day portability option period described in PART III, Section G, The Principal will pay his or her beneficiary the Scheduled Benefit amount (or approved amount) in force, if any, the *Participant* had the right to continue for that Dependent.

If a Dependent dies by suicide within 24 months after the effective date of his or her Dependent Life Insurance, The Principal will pay the amount of any premium, attributable to that Dependent, paid by the *Participant* to The Principal during the period of time the Dependent Life Insurance for the Dependent was in force in lieu of the Scheduled Benefit in force on the date of death. Any such payment will discharge The Principal to the full extent of such payment.

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided the Dependent was insured under the Prior Policy and insurance was effective for the Dependent on the Date of Issue of this Group Policy.

Unless a Beneficiary has been designated, payment will be to the *Participant* if he or she survives the Dependent. If the *Participant* does not survive the Dependent and a beneficiary for Dependent Life has not been named, payment will be to the person named as beneficiary for *Participant* Life Insurance. However, if the *Participant* is suspected or charged with the Dependent's death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held. If the *Participant* is found guilty of the Dependent's death, he or she may be disqualified from receiving any benefit due. Payment may then be made to the executor or administrator of the Dependent's estate. Payment will be subject to the Beneficiary provisions in Article 3 and the Facility of Payment and Settlement of Proceeds provisions of this PART IV, Section A.

No payment will be made before The Principal receives Written proof of the Dependent's death.

## **Article 3 - Beneficiary**

A *Participant* may name or later change the named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If The Principal properly pays any benefit before a change request is received, that payment may not be contested.

## **PART IV - BENEFITS**

## **PART IV - BENEFITS**

### **Section D - Claims Procedures**

#### **Article 1 - Notice of Claim**

Written notice must be sent to The Principal by or for a *Participant* or Dependent who wishes to file claim for benefits under this Group Policy. This notice must be sent within 20 days after the date of the loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

#### **Article 2 - Claim Forms**

The Principal, when it receives notice of claim, will provide appropriate claim forms for filing proof of loss. If the forms are not provided within 15 days after The Principal receives notice, the person will be considered to have complied with the requirements of the Group Policy upon submitting, within the time specified below for filing proof of loss, Written proof covering the occurrence, character, and extent of the loss.

#### **Article 3 - Proof of Loss**

Written proof of loss must be sent to The Principal within 90 days after the date of the loss. Proof required includes the date, nature, and extent of the loss. The Principal may request additional information to substantiate loss or require a Signed unaltered authorization to obtain the information from the provider. Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the appropriate claim form is received by The Principal.

#### **Article 4 - Payment, Denial, and Review**

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, The Principal will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed up to 45 days to provide all additional information requested. The Principal is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to the claimant regarding the extension.

In actual practice, benefits under this Group Policy will be payable sooner, provided The Principal received complete and proper proof of loss. Further, if a claim is not payable or cannot be processed, The Principal will submit a detailed explanation of the basis for its denial.

## **PART IV - BENEFITS**

A claimant may request an appeal of a claim denial by Written request to The Principal within 180 days of receipt of notice of the denial. The Principal will make a full and fair review of the claim. The Principal may require additional information to make the review. The Principal will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because The Principal did not receive the requested additional information, The Principal is permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means *Participant*, Dependent, or Beneficiary.

#### **Article 5 - Medical Examinations**

The Principal may have the *Participant* or Dependent whose loss is the basis for claim, be examined by a Physician during the course of a claim. The Principal will pay for these examinations and will choose the Physician to perform them.

#### **Article 6 - Autopsy**

If payment for loss of life is claimed, The Principal may require an autopsy. The Principal will pay for any such autopsy.

#### **Article 7 - Legal Action**

Legal action to recover benefits under this Group Policy may not be started earlier than 90 days after required proof of loss has been filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

#### **Article 8 - Time Limits**

Any time limits in this section will be adjusted as required by law.

### **PART IV - BENEFITS**

## **POLICY NOTICE**

Arkansas insurance law requires each Group Policy covering Arkansas residents to include the address and telephone number of: (1) the insurance company issuing the Group Policy, and (2) the Arkansas Insurance Department. The information is as follows:

- (1) Principal Life Insurance Company  
711 High Street  
Des Moines, Iowa 50392-0001

Life claim-related inquiries:  
Attn: Group Claim - Life Info Line Services  
Telephone: 1-800-245-1522

For administration-related inquiries:  
Attn: Group Call Center  
Telephone: 1-800-843-1371

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

This Notice is for the Policyholder's information only and does not become a part or condition of this Group Policy.

Your insurance has been designed to provide financial help for you when a covered loss occurs. Your employer has chosen benefits provided by a Group Policy issued by *Principal Life Insurance Company (Principal Life)*. To the extent that benefits are provided by that Group Policy, the administration and payment of claims will be done by *Principal Life* as an insurer.

The provisions of the Group Policy determine *Participants'* rights and benefits. This booklet-*certificate* briefly describes those rights and benefits. It outlines what you must do to be covered. It explains how to file claims. It is your certificate while you are insured.

NOTE: If this insurance replaces prior group life insurance provided through your employer, the beneficiary named under the prior group life insurance and recorded by your employer will be the beneficiary under the Group Policy unless you have named a new beneficiary. If you wish to change your beneficiary designation, you must complete a new beneficiary designation form – see your employer for the necessary form.

THIS BOOKLET-CERTIFICATE REPLACES ANY PRIOR BOOKLET-CERTIFICATE THAT YOU MAY HAVE RECEIVED. If you have any questions about this new booklet-*certificate*, please contact your employer. In the event of future changes to your insurance, you will be provided with a new Scheduled Benefits Summary, booklet-*certificate*, or a booklet-*certificate* rider.

If you have an electronic booklet-*certificate*, paper copies of this booklet-*certificate* are also available. Please contact your employer if you would like to request a paper copy.

PLEASE READ YOUR BOOKLET-CERTIFICATE CAREFULLY. *Principal Life* suggests that you start with a review of the terms listed in the DEFINITIONS Section (at the back of the booklet-*certificate*). The meanings of these terms will help you understand the insurance.

This booklet-*certificate* describes all the benefits available under the Group Policy underwritten by *Principal Life*. However, if you have elected to not accept any available benefits, those benefits described in this booklet-*certificate* will not apply to you.

The group insurance policy and your insurance under the Group Policy may be discontinued or altered by the Policyholder or *Principal Life* at any time without your consent.

*Principal Life* reserves complete discretion to construe or interpret the provisions of this group insurance, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. *Principal Life's* decisions in such matters will be controlling, binding, and final as between *Principal Life* and persons covered by the Group Policy, subject to the Claim Procedures shown on page GH 113 of this booklet-*certificate*.

ACCELERATED BENEFITS - Benefits paid as shown in this booklet-*certificate* for Accelerated Benefits are an advance of a portion of your Life Insurance benefit. This provision:

- accelerates and reduces your benefit;

- is not intended to be used as long-term care insurance.

Effect on Government Benefits. If you receive payment of Accelerated Benefits, you may lose your right to receive certain public funds, such as Medicare, Medicaid, Social Security, Supplemental Security, Supplemental Security Income (SSI), and possibly others.

Tax Consequences. Receiving Accelerated Benefits from the Group Policy may have tax consequences for you. *Principal Life* cannot give you advice about this. You may wish to obtain advice from a tax professional or an attorney before you decide to receive Accelerated Benefits from the Group Policy.

The insurance provided in this booklet-*certificate* is subject to the laws of the state of ARKANSAS.

PRINCIPAL LIFE INSURANCE COMPANY  
Des Moines, IA 50392-0001

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**SUMMARY OF BENEFITS**  
**(revised effective *April 1, 2007*)**

This section highlights the benefits provided under this insurance. The purpose is to give you quick access to the information you will most often want to review. **Please read the other sections of this booklet-*certificate* for a more detailed explanation of benefits and any limitations or restrictions that might apply.**

***PARTICIPANT LIFE INSURANCE***

If you die, your beneficiary will be paid the Scheduled Benefit then in force for you (however, see the exception noted below). The Scheduled Benefit is based on your class:

<b>Class</b>	<b>*Scheduled Benefit</b>
<i>ALL PARTICIPANTS</i>	An amount in increments of [ <i>\$5,000</i> ] as applied for by you and approved by <i>Principal Life</i> . The Maximum Scheduled Benefit amount will be [ <i>\$500,000</i> ] and the Minimum Scheduled Benefit amount will be [ <i>\$5,000</i> ], subject to the provisions below.

*Participant* Life Insurance benefits are subject to all reductions provided in the Group Policy including reductions due to salary changes, and age changes, and receipt of an Accelerated Benefit payment.

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as described in the booklet-*certificate* on GH 110. If, because of these Proof of Good Health requirements, *Principal Life* approves an amount of insurance that is different than the Scheduled Benefit, the approved amount will be paid.

For the age(s) shown below, your amount of insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

<b>Age</b>	<b>% of Scheduled Benefit (or approved amount, whichever applies)</b>
<i>Age [70] and Over</i>	<i>[50%]</i>

## DEPENDENT LIFE INSURANCE

Unless a Beneficiary has been designated, if one of your Dependents dies, you will be paid the Scheduled Benefit then in force for that Dependent. The specific Scheduled Benefit is shown on your Scheduled Benefits Summary and based on the status of your Dependent:

### Class

*ALL PARTICIPANTS*

### Dependent

### \*Scheduled Benefit

Spouse

An amount in increments of *[\$5,000]* as applied for by you and approved by *Principal Life*. The Maximum Scheduled Benefit amount for your Dependent spouse will be *[\$100,000]* and the Minimum Scheduled Benefit amount for your spouse will be *[\$5,000]*, subject to the provisions below.

Dependent Children (age at death)

0 days old but less than 14 days

*[\$1,000]*

14 days and older

*[\$10,000]*

\*The Scheduled Benefit is subject to the Proof of Good Health requirements as described in the booklet-*certificate* on GH 111. If, because of these Proof of Good Health requirements, *Principal Life approves* an amount of insurance that is different than the Scheduled Benefit, the approved amount will be paid.

For the age(s) shown below, your spouse's amount of insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

### Age

### % of Scheduled Benefit (or approved amount, whichever applies)

Age *[65]* but less than age *[70]*

*[65%]*

Age *[70]* and Over

*[50%]*

In no event will a Dependent's Scheduled Benefit be more than *100%* of your Scheduled Benefit amount. If you elect a Dependent Life benefit in excess of *100%* of your Scheduled Benefit amount, the Dependent will be given the highest amount available, not to exceed *100%*.

## HOW TO BE INSURED - PARTICIPANTS

### PARTICIPANT LIFE INSURANCE

#### Eligibility

To be eligible for insurance you must be a *Participant*.

*You will be eligible on the 1st day of the month following meeting eligibility and enrolling. Eligibility will be determined by Dillard's.*

In no circumstance will you be eligible for *Participant* Life Insurance under the Group Policy if you are eligible under any other Group Voluntary Term Life Insurance policy underwritten by *Principal Life*.

#### Effective Dates - Actively at Work

If you are not Actively at Work on the date your insurance would otherwise be effective, your insurance will not be in force until the day you return to Active Work.

This Actively at Work requirement will be waived for *Participants* who:

- are absent from Active Work because of a regularly scheduled day off, holiday, or vacation day; and
- were Actively at Work on their last scheduled work day before the date of their absence; and
- were capable of Active Work on the day before the scheduled effective date of their insurance or change in their insurance, whichever is applicable.

This Actively at Work requirement may also be waived as described below.

When insurance under the Group Policy replaces coverage under a Prior Policy, the Active Work requirement may be waived for those *Participants* who:

- are eligible and enrolled under the Group Policy on the date insurance would otherwise be effective; and
- were covered under the Prior Policy on the date of its termination.

In no event will the Active Work requirement be waived for those *Participants* who, on the date of termination of the Prior Policy, either:

- had the option, under the terms of the Prior Policy, to convert their coverage under the Prior Policy to an individual policy; or
- were eligible under the terms of the Prior Policy to have their premiums waived due to Total Disability.

NOTE: When insurance under the Group Policy replaces coverage under a Prior Policy and the Active Work requirement is waived, any Benefits Payable will be the lesser of the Scheduled Benefit of the Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

### **Individual Incontestability**

All statements made by any *Participant* (you or one of your Dependents) will be representations and not warranties. In the absence of fraud, these statements may not be used to contest the *Participant's* insurance unless:

- the insurance has been in force for less than two years during the *Participant's* lifetime; and
- the statement is in Written form Signed by the *Participant*; and
- a copy of the form, which contains the statement, is given to the *Participant* or the *Participant's* beneficiary at the time insurance is contested.

However, the above will not preclude the assertion at any time of defenses based upon the person not being eligible for insurance under the Group Policy or upon other provisions of the Group Policy.

In addition, if a person's age is misstated, *Principal Life* may, at any time, adjust premiums and benefits to reflect the correct age.

### **Assignments**

No assignments of *Participant* Life Insurance will be allowed under the Group Policy.

### **Proof of Good Health**

In some instances, Proof of Good Health will be required to place your insurance in force. *Principal Life* will determine the type and form of required proof. You will need to file Proof of Good Health:

- If you request insurance more than 30 days after the date you are eligible including any insurance you refuse and later request.

- If you were eligible for insurance under the Prior Policy, but elected to waive coverage and are requesting insurance under the Group Policy.
- If you have failed to provide required Proof of Good Health or you have been refused insurance under the Group Policy at any prior time.
- If you elect to terminate insurance and, more than 30 days later, you request to be insured again.
- \*To become insured for any *Participant* Life Insurance Scheduled Benefit amount for you that is, initially or through later increases, in excess of:
  - [\$200,000] if you are under age [70]; and
  - [\$10,000] if you are age [70] or over.

No Proof of Good Health is required for the initial excess amounts for *Participants* insured on *June 1, 2006*.

\*If you are insured on the date the Group Policy is effective and this insurance replaces insurance in force on the day immediately before effective date of the Group Policy: the lesser of the amount shown above or the amount for which you were insured under the replaced insurance.

- If less than 20% of the eligible employees participate or less than ten *Participants* are insured, to become insured for any *Participant* Life Insurance Scheduled Benefit amount.
- To become insured for any request for a Scheduled Benefit amount increase.
- To become insured for any *Participant* Life Insurance Scheduled Benefit amount increase in excess of 10% due to change in your Annual Compensation.
- To become insured for any *Participant* Life Insurance Scheduled Benefit amount increase if any previous Scheduled Benefit increase has been declined.

Note: For insurance applied for during the Open Enrollment Period, the above Proof of Good Health requirements will not apply. Refer below for Proof of Good Health During the Open Enrollment Period.

**Effective Date for Initial Insurance  
(Proof of Good Health Not Required)**

You must request initial insurance in a form provided by *Principal Life*.

Your insurance will normally be in force on:

- the date you are eligible, if you make your request on or before that date; or
- the first of the Insurance Month coinciding with or next following the date of your request, if you make your request within 30 days after the date you are eligible.

However, if you are not Actively at Work on the date insurance would otherwise be effective, your insurance will not be in force until the day you return to Active Work.

**Effective Date for Initial Insurance  
(Proof of Good Health Required)**

If Proof of Good Health is required, your insurance will normally be in force on the later of:

- the date insurance would have been effective had Proof of Good Health not been required; or
- the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by *Principal Life*.

However, if you are not Actively at Work on the date insurance would otherwise be effective, your insurance will not be in force until the day you return to Active Work.

**Effective Date for Benefit Changes Due to Change in Insurance Class**

Unless Proof of Good Health is required, a change in your Scheduled Benefit amount because of a change in your insurance class will normally be effective on the Policy Anniversary that next follows the date of the change. However, if you are not Actively at Work on the date the Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the day you return to Active Work. Exception: decreases in *Participant Life Insurance* Scheduled Benefit amounts are effective on the date of the change, whether or not you are Actively at Work.

Any termination of *Participant Life Insurance* Scheduled Benefit amounts due to a change in your insurance class will be effective on the date of the change, whether or not you are Actively at Work.

If Proof of Good Health is required, a change in your *Participant Life Insurance* Scheduled Benefit amounts due to a change in your insurance class, will be effective on the later of:

- the date the change would otherwise be effective if Proof of Good Health had not been required; or
- the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by *Principal Life*.

### **Effective Date for Benefit Changes Due to Changes by Policy Amendment**

A change in your Scheduled Benefit amount because of a change in the Schedule of Insurance (as described on GH 109) by amendment to the Group Policy for which Proof of Good Health is not required (see above) will be effective on the date of change. However, if you are not Actively at Work on the date an increase in the Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force will continue to apply to you until the day you return to Active Work. When you return to Active Work, the Scheduled Benefit increase will then be in force for you. Exception: decreases in *Participant Life Insurance* Scheduled Benefit amounts due to a change by amendment to the Group Policy are effective on the date of change, whether or not you are Actively at Work.

A change in your Scheduled Benefit amount because of a change in the Schedule of Insurance (as described on GH 109) by amendment to the Group Policy for which Proof of Good Health is required (see above) will be effective on the later of:

- the date the change would otherwise be effective if Proof of Good Health had not been required; or
- the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by *Principal Life*.

### **Effective Date for Benefit Changes Due to Changes Requested by the *Participant***

If Proof of Good Health is not required, a change in your *Participant Life Insurance* Scheduled Benefit amounts due to your request, will be effective on the Policy Anniversary that next follows the date of the request. However, if you are not Actively at Work on the date the Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the day you return to Active Work. Exception: decreases in *Participant Life Insurance* Scheduled Benefit amounts are effective on the date of the change, whether or not you are Actively at Work.

If Proof of Good Health is required, a change in your *Participant Life Insurance* Scheduled Benefit amounts due to your request, will be effective on the later of:

- the date the change would otherwise be effective if Proof of Good Health had not been required; or
- the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by *Principal Life*.

## **Effective Date for Benefit Changes Due to a Change in the *Participant's* Family Status**

You may request an increase in Scheduled Benefits, a decrease in Scheduled Benefits, or the addition of Scheduled Benefits for which you were not previously insured if a change in your family status as described below has occurred, provided a request for such increase, decrease, or addition is made in Writing within 30 days after the date of the change in family status:

- marriage or divorce;
- death of your spouse or child;
- birth or adoption of a child;
- termination of employment by your spouse or a change in your spouse's employment that causes loss of group insurance;
- your employment or your spouse's employment changes from part-time to full-time or from full-time to part-time;
- you or your spouse takes an unpaid leave of absence.

If Proof of Good Health is not required, a change in the Scheduled Benefits because of a request by you when a change in family status has occurred will normally be effective on the first of the Insurance Month coinciding with or next following the date of the request. However, if you are not Actively at Work on the date the change would otherwise be effective, the change will not be in force until the day you return to Active Work. Exception: any decrease in Scheduled Benefit amounts due to your request, are effective on the date of the change, whether or not you are Actively at Work.

If Proof of Good Health is required, a change in the Scheduled Benefits because of a request by you when a change in family status has occurred will normally be effective on the later of:

- the date the change would otherwise be effective if Proof of Good Health had not been required; or
- the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by *Principal Life*.

## **Open Enrollment Period**

An Open Enrollment Period will be available for any *Participant* or Dependent every year who:

- failed to enroll:

- during the first period in which he or she was eligible to enroll; or
- during any previous Open Enrollment Period; or
- are currently enrolled for coverage and want to change their coverage; or
- previously terminated insurance under this group policy and wants to re-enroll.

To qualify for enrollment during the Open Enrollment Period, you or your Dependent must meet the eligibility requirements described in the Group Policy.

The Open Enrollment Period is the calendar month period immediately prior to *May 1*.

The effective date for any such individual requesting insurance during the Open Enrollment Period will be the first of the Insurance Month coinciding with or next following the date of completion of the Open Enrollment Period, when Proof of Good Health is not required.

The effective date for any such individual requesting insurance during the Open Enrollment Period when Proof of Good Health is required (see below) will be the later of:

- the first of the Insurance Month coinciding with or next following the date of completion of the Open Enrollment Period; or
- the first of the month following the date insurance is approved by *Principal Life*.

Proof of Good Health for *Participant* or Dependent insurance purchased during the Open Enrollment Period will be:

- To make effective any Scheduled Benefit increase in excess of:
  - *[\$200,000]* for *Participants* who are under age *[70]*; and
  - *[\$10,000]* for *Participants* who are age *[70]* or over.
- To make effective any Dependent Life Insurance Scheduled Benefit increase in excess of:
  - *[\$50,000]* if your spouse is under age *[70]*; and
  - *[\$10,000]* if your spouse is age *[70]* or over.

### **Termination**

Your insurance under the Group Policy will cease on the earliest of:

- the date the Group Policy terminates; or
- the date the last premium is paid for your insurance; or

- any date desired, if requested by you before that date; or
- the date you cease to be a *Participant*; or
- the date you cease to belong to a class for which insurance is provided; or
- the date you retire; or
- the date you cease Active Work.

***Termination of Coverage Due to Failing to Continue to Meet Dillard's Eligibility***

*Your coverage will terminate on the 1st day of the new benefit quarter following two consecutive benefit quarters where you did not work the average number of hours to maintain eligibility as defined by Dillard's and determined by Dillard's accounting calendar.*

**Termination for Fraud**

*Principal Life* may at any time terminate your eligibility under the Group Policy:

- in Writing and with 31-day notice, if you submit any claim that contains false or fraudulent elements under state or federal law;
- in Writing and with 31-day notice, upon finding in a civil or criminal case that you have submitted claims that contain false or fraudulent elements under state or federal law;
- in Writing and with 31-day notice, when you have submitted a claim, which, in good faith judgment and investigation, you knew or should have known, contains false or fraudulent elements under state or federal law.

**Insurance While Outside of the United States**

If you or a Dependent are temporarily outside the United States, you may choose to continue insurance, subject to premium payment for a period of six months or less for one of the following reasons:

- travel; or
- a business assignment; or
- Full-Time Student status, provided you are either:
  - enrolled and attending an accredited school in a foreign country; or

- participating in an academic program in a foreign country, for which the institution of higher learning at which you are enrolled in the U.S. grants academic credit;

The six-month period will not be reduced for any time covered under a Prior Policy.

If you or your Dependent are outside the United States for any other reason than those listed above, insurance for the person concerned will automatically terminate.

### **Continuation**

If you cease Active Work because of sickness or injury, you may be eligible for limited continuation of insurance.

If you cease Active Work because of layoff or leave of absence, insurance may be continued on a limited basis.

Your insurance may also be continued under the continuation provisions described on GH 118 and GH 118 A and subject to the provisions of the Group Policy.

Your insurance may also be continued under the Portability option described under GH 307 and subject to the provisions of the Group Life Portability Policy.

If you are interested in continuing your insurance beyond the date it would normally terminate, you should consult with the Policyholder before your insurance terminates.

## HOW TO BE INSURED - DEPENDENTS

### DEPENDENT LIFE INSURANCE

#### Eligibility

You will be eligible for insurance for your Dependents on the latest of:

- the date you are eligible for *Participant* insurance; or
- the date you first acquire a Dependent; or
- the date you enter a class for which Dependent insurance is provided.

#### Effective Date

Dependent Life Insurance is available only with respect to Dependents of *Participants* currently insured for *Participant* Life Insurance. If a *Participant* is insured for Dependent Life Insurance, such insurance will be in force under the same terms as described earlier for *Participant* insurance, except:

- In no event will Dependent Life Insurance be in force unless you are insured for *Participant* Insurance.
- If a Dependent spouse is in a Period of Limited Activity on the date initial Dependent Insurance would otherwise be effective, the Dependent will not be covered until the Period of Limited Activity ends.

However, this Period of Limited Activity requirement may be waived as described below.

When insurance under the Group Policy replaces coverage under a Prior Policy, the Period of Limited Activity requirement may be waived for those Dependents who:

- are eligible and enrolled under the Group Policy on the date insurance would otherwise be effective; and
- were covered under the Prior Policy on the date of its termination.

In no event will the Period of Limited Activity requirement be waived for those Dependents who, on the date of termination of the Prior Policy had the option, under the terms of the Prior Policy, to convert their coverage, under the Prior Policy, to an individual policy.

NOTE: When insurance under the Group Policy replaces coverage under a Prior Policy and the Period of Limited activity requirement is waived any Benefits Payable will be the lesser of the Scheduled Benefit of the Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

- For your spouse, to become insured, initially, for any Dependent Life Insurance Scheduled Benefit amount in excess of:
  - [\$50,000] if your spouse is under age [70]; and
  - [\$10,000] if your spouse is age [70] or over.

Exception: No Proof of Good Health is required for the initial excess insurance for your spouse insured on *June 1, 2006*.

- If a Dependent is confined in a Hospital or Skilled Nursing Facility on the date an increase in Dependent Life Insurance Scheduled Benefits would otherwise be effective, the increase will not be in force until the confinement ends.
- Any required Proof of Good Health will be with respect to the health of your Dependents.
- If Dependent insurance is then in force for any other Dependent, a new Dependent (other than a newborn child) will be insured on the date acquired, provided the new Dependent is not then confined in a Hospital or Skilled Nursing Facility. Requests for insurance and Proof of Good Health are not required provided *Principal Life* has been notified of the new Dependent within 30 days after the date the Dependent is acquired.
- If Dependent insurance is then in force for any other Dependent, a newly born child will be insured from the moment of live birth, provided the child meets the definition of a Dependent Child.

### **Individual Incontestability**

Your Dependents will be subject to the Individual Incontestability as described earlier for *Participant* insurance.

### **Termination**

Insurance for all of your Dependents will terminate on the earliest of:

- the date your *Participant* insurance ceases; or
- the date Dependent Life Insurance is removed from the Group Policy; or

- the date the last premium is paid for your Dependent's insurance; or
- any date desired, if requested by you before that date; or
- the date you cease to belong to a class for which Dependent insurance is provided; or
- for Dependent Life , the date you retire; or
- the date you die.

Insurance for any one Dependent will terminate on the date he or she ceases to be your Dependent.

However, insurance will be continued beyond the maximum age for a Dependent Child who is incapable of self-support because of a Developmental Disability or Physical Handicap and is dependent on you for primary support. You must apply for this continuation when the child reaches the maximum age.

### **Termination for Fraud**

Your Dependents will be subject to the Termination for Fraud provisions as described earlier for *Participant* insurance.

### **Insurance While Outside of the United States**

Your Dependents will be subject to the Insurance While Outside of the United States provisions as described earlier for *Participant* insurance.

### **Continuation**

Your Dependent's insurance may also be continued as described under the continuation provisions described on GH 118 and GH 118 A and subject to the provisions of the Group Policy.

Your Dependent's insurance may also be continued under the Portability option described under GH 307 and subject to the provisions of the Group Life Portability Policy.

## CONTINUATION

### **Federal Family and Medical Leave Act (FMLA)**

Federal law requires that Eligible Employees be provided a continuation period in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA).

This is a general summary of the FMLA and how it affects the Group Policy. See your employer for details on this continuation provision.

### **FMLA and Other Continuation Provisions**

If your employer is an Eligible Employer and if the continuation portion of the FMLA applies to your insurance, these FMLA continuation provisions:

- are in addition to any other continuation provisions of the Group Policy, if any; and
- will run concurrently with any other continuation provisions of the Group Policy for sickness, injury, layoff, approved leave of absence, if any.

If continuation qualifies for both state and FMLA continuation, the continuation period will be counted concurrently toward satisfaction of the continuation period under both the state and FMLA continuation periods.

### **Eligible Employer**

Eligible Employer means any employer who is engaged in commerce or in any industry or activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year.

### **Eligible Employee**

Eligible Employee means an employee who has worked for the Eligible Employer:

- for at least 12 months; and
- for at least 1,250 hours (approximately 24 hours per week) during the year preceding the start of the leave; and
- at a work-site where the Eligible Employer employs at least 50 employees within a 75-mile radius.

For this purpose, "employs" has the meaning provided by the Federal Family and Medical Leave Act (FMLA).

## **Mandated Unpaid Leave**

Eligible Employers are required to allow 12 workweeks of unpaid leave during any 12-month period to Eligible Employees for one or more of the following reasons:

- The birth of a child of an Eligible Employee and in order to care for the child.
- The placement of a child with the Eligible Employee for adoption or foster care.
- To care (physical or psychological care) for the spouse, child, or parent of the Eligible Employee, if they have a "serious health condition."
- A "serious health condition" that makes the Eligible Employee unable to perform the functions of his or her job.

## **Reinstatement**

An Eligible Employee's terminated insurance may be reinstated in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA), subject to the Actively at Work and Period of Limited Activity requirements of the Group Policy.

### **Reinstatement of Insurance for you or your Dependent When Insurance Ends due to Living Outside of the United States**

If insurance for you or your Dependent terminates because you or your Dependent are outside of the United States, you or your Dependent may become eligible again for insurance under the Group Policy, but only if:

- you or your Dependent return to the United States within six months of the date on which insurance terminated because the person is outside of the United States; and
- in your case, you return to Active Work in the United States for the Policyholder for a period of at least 30 consecutive days. You will be eligible for insurance on the day immediately following completion of the 30 consecutive days of Active Work; and
- in the case of your Dependent, he or she remains in the United States for 30 consecutive days. If your Dependent does so, he or she will be eligible for reinstatement of insurance on the day after completion of the 30 consecutive days of residence.

The reinstated insurance will be on the same basis as that being provided on the date insurance is reinstated. However, any restrictions on this insurance, which were in effect before reinstatement, will continue to apply. If you or your Dependent do not complete the 30 consecutive days of residence, the insurance for such person concerned will not be reinstated.

See your employer for details on this reinstatement provision.

## CONTINUATION OF INSURANCE

### *Participant (State Required - Arkansas)*

If you cease Active Work because you are Totally Disabled, you may continue your Life Insurance until the earlier of:

- the date nine months after your Total Disability began; or
- the date the Group Policy terminates.

## DESCRIPTION OF BENEFITS

### *PARTICIPANT LIFE INSURANCE*

#### **Death Benefit**

If you die while insured for *Participant Life Insurance*, *Principal Life* will pay your beneficiary the Scheduled Benefit (or approved amount, if applicable) in force on the date of your death, less any unpaid premium and less any Accelerated Benefit payment as discussed later in this section. If your beneficiary does not survive you, *Principal Life* will make payment in the following order of precedence:

- to your spouse;
- to your children born to or legally adopted by you;
- to your parents;
- to your brothers and sisters;
- if none of the above, to the executor or administrator of your estate or other persons as provided in the Group Policy.

However, if a beneficiary is suspected or charged with your death, the Death Benefit may be withheld until additional information has been received or the trial has been held. If a beneficiary is found guilty of your death, such beneficiary may be disqualified from receiving any benefit due. Payment may then be made to any contingent beneficiary or to the executor or administrator of your estate.

Upon your death, the Scheduled Benefit (or approved amount, if applicable) in force on the date of your death, less any unpaid premium and less any Accelerated Benefit payment as discussed later in this section will be placed in an interest-bearing draft account at an interest rate determined by *Principal Life*, unless a lump sum or other settlement option has been elected. With the interest-bearing draft account, the balance will be available to your beneficiary at any time, in total or in part, as provided in the Group Policy.

See your employer if you would like more information on the Interest Draft Account or on any of the other settlement options that are available to your beneficiary upon your death.

In the event the Interest Draft Account is not available or otherwise does not apply, *Principal Life reserves* the right to make payment of proceeds according to other settlement options if agreed to, in Writing, by *Principal Life*.

If you die by suicide within 24 months after the effective date of your Life Insurance, *Principal Life* will pay your beneficiary the amount of any premium paid by you to *Principal Life* during the period of time your insurance was in force in lieu of the Scheduled Benefit (or approved amount, if applicable) in force on the date of your death. Any such payment will discharge *Principal Life* to the full extent of such payment.

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided you were insured under the Prior Policy and coverage was in force for you on the date the Group Policy became effective.

### **Beneficiary**

You should name a beneficiary at the time you enroll for insurance. You may later change your beneficiary by filing a Written request with the Policyholder. See the Policyholder for change request forms. A change in your beneficiary will not be in force until the Policyholder record(s) the change.

### **Accelerated Benefit**

An Accelerated Benefit is an advance (before death) payment of a part of your *Participant Life* Insurance benefit. To qualify for an Accelerated Benefit, you must:

- be insured for a *Participant Life* Insurance benefit of at least \$10,000; and
- be Terminally Ill (expected to die within 12 months); and
- send a request for Accelerated Benefit payment to *Principal Life*; and
- send proof, satisfactory to *Principal Life*, of your Terminal Illness.

Proof of Terminal Illness will consist of a statement from your Physician, and any other medical information that *Principal Life* believes is needed to confirm your status.

If you qualify, will pay you any amount you request, except that:

- only one Accelerated Benefit payment will be made during your lifetime; and
- you must request a payment of at least \$5,000; and
- *Principal Life* will not pay you more than the lesser of: (1) 75% of your *Participant Life* Insurance benefit; or (2) \$250,000.

*Principal Life* will pay you the Accelerated Benefit payment in a lump sum.

If an Accelerated Benefit is paid, the *Participant* Life Insurance benefit otherwise payable to your beneficiary upon your death will be reduced by the sum of any Accelerated Benefit payment.

Following is an EXAMPLE of how this benefit affects the final death benefit.

BENEFIT EXAMPLE		
<i>Participant</i> Life Insurance Benefit Amount	\$	100,000
Accelerated Benefit Amount Requested ( <i>Participant</i> would receive \$75,000)	\$	75,000
Accelerated Benefit paid on August 15 <i>Participant</i> death occurs on November 15 (92 days after payment)		
Payment to <i>Participant's</i> Beneficiary (\$100,000 - \$75,000)	\$	25,000

During the two-year period following payment of an Accelerated Benefit:

- termination of Active Work because of your Terminal Illness will not result in termination of your *Participant* Life Insurance; and
- your *Participant* Life Insurance and Dependent Life Insurance will be provided without premium charge.

### **Individual Purchase Rights**

You will have the right to buy an individual life insurance policy without submitting Proof of Good Health:

- If your total *Participant* Life Insurance, or any portion of it, terminates because you end Active Work or cease to be in a class eligible for insurance. In these instances, the maximum amount you may buy will be your *Participant* Life Insurance amount in force on the date of termination or the portion of your *Participant* Life Insurance that has terminated, less any individual amount purchased earlier under these rights, and less any Accelerated Benefit payment as discussed earlier in this section.
- If the Group Policy terminates or is amended to exclude your insurance class after you have been insured for at least five years. In these instances, the maximum amount you may buy will be the smaller of: (1) \$10,000; or (2) your *Participant* Life Insurance amount in force on the date of termination, less any Accelerated Benefit payment as discussed earlier in the section and less any amount for which you become eligible under any group policy within 31 days.

- If your Accelerated Benefit Premium Waiver Period ceases and you do not qualify for Coverage During Disability. In this instance, the maximum amount you may buy will be the benefit amount in force on the date you cease Active Work, less any individual amount purchased earlier under these rights, and less any Accelerated Benefit as discussed earlier in this section.

You must apply for individual purchase and pay the first premium to *Principal Life* within 31 days after your insurance under the Group Policy ceases.

See the Policyholder for the proper forms. Any individual policy issued will be effective on the 32nd day.

The individual policy will be for life insurance only (other than term insurance). No Disability or other benefits will be included. The premium you pay will be at *Principal Life* normal rate for your age and for the risk class to which you belong on the individual policy's date of issue.

If you die within the 31-day purchase period, your beneficiary will be paid the life insurance amount, if any, you had the right to buy. This payment will be made whether or not you have applied for an individual policy.

**DESCRIPTION OF BENEFITS**  
**DEPENDENT LIFE INSURANCE**

**Death Benefit**

If one of your Dependents dies while insured for Dependent Life Insurance, *Principal Life* will pay the Scheduled Benefit (or approved amount, if applicable) in force for that Dependent, less any unpaid premium.

Unless a Beneficiary has been designated, payment will be to you if you survive the Dependent. If you do not survive the Dependent and a beneficiary for Dependent Life has not been named, *Principal Life* will pay the beneficiary you named for *Participant* Life Insurance. However, if you are suspected or charged with your Dependent's death, the Death Benefits may be withheld until additional information has been received or the trial has been held. If you are found guilty of the Dependent's death, you may be disqualified from receiving any benefit due. Payment may then be made to the executor or administrator of the Dependent's estate.

No payment will be made before *Principal Life* receives Written proof of the Dependent's death.

If your Dependent dies by suicide within 24 months after the effective date of his or her Dependent Life Insurance, *Principal Life* will pay the amount of any premium, attributable to that Dependent, paid by you to *Principal Life* during the period of time the Dependent Life Insurance for your Dependent was in force in lieu of the Scheduled Benefit (or approved amount, if applicable) in force on the date of your Dependent's death. Any such payment will discharge *Principal Life* to the full extent of such payment.

However, the 24 months may be reduced by any time satisfied under the Prior Policy, provided your Dependent was insured under the Prior Policy and coverage was in force for your Dependent on the date the Group Policy became effective.

**Beneficiary**

You may name or later change the named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If *Principal Life* properly *pays* any benefit before a change request is received, that payment may not be contested.

**Individual Purchase Rights**

Your Dependent will have the right to buy an individual life insurance policy without submitting Proof of Good Health:

- If Dependent Life Insurance for your Dependent, or any portion of it, ceases because your Dependent ceases to qualify as a Dependent; or you are divorced or separated, or because you die, end Active Work, or cease to be in a class eligible for insurance. In these instances, the maximum amount your Dependent may buy will be the amount of Dependent Life Insurance in force for the Dependent on the date of termination or the portion of Dependent Life Insurance that has terminated, less any individual amount purchased earlier under these rights.
- If the Group Policy terminates or is amended to eliminate Dependent Life Insurance or your insurance class after your Dependent has been insured for at least five years. In these instances, the maximum amount your Dependent may buy will be the smaller of: (1) \$10,000; or (2) the amount of Dependent Life Insurance in force for the Dependent on the date of termination, less any amount for which the Dependent becomes eligible under any group policy within 31 days.
- If Dependent Life Insurance for your Dependent ceases because your Accelerated Benefit Premium Waiver Period ceases and you do not qualify for Coverage During Disability. In this instance, the maximum amount your Dependent may buy will be the amount of Dependent Life Insurance in force for the Dependent on the date of termination, less any individual amount purchased earlier under these rights.

Your Dependent must apply for individual purchase and pay the first premium to *Principal Life* within 31 days after the date his or her insurance under the Group Policy ceases. See the Policyholder for the proper forms. Any individual policy issued will be effective on the 32nd day.

The individual policy will be for life insurance only (other than term insurance). No Disability or other benefits will be included. The premium to be paid will be at *Principal Life* normal rate for your Dependent's age and risk class on the individual policy's date of issue.

If your Dependent dies within the 31-day purchase period, *Principal Life* will pay the life insurance amount, if any, the Dependent had the right to buy. This payment will be made whether or not your Dependent has applied for an individual policy.

## DESCRIPTION OF BENEFITS

### PORTABILITY

When insurance would otherwise end under the Group Policy as described below, the *Participant* may be eligible to continue insurance under a Group Life Portability Insurance Policy underwritten by *Principal Life*. The Group Life Portability Insurance Policy will contain provisions that differ from the Group Policy. If you elect to continue insurance under this option, you will receive a certificate outlining the Group Life Portability Insurance Policy provisions.

NOTE: You or your Dependent may elect to purchase an individual policy of life insurance (see Individual Purchase Rights as described on GH 203 and GH 305) in place of this portability option.

#### ***Participant* Life Insurance and Dependent Life Insurance**

##### **Eligibility**

If *Participant* Life or Dependent Life Insurance under the Group Policy ends because you cease to meet the definition of a *Participant*, you may be eligible to continue insurance under the Group Life Portability Insurance Policy without submitting Proof of Good Health.

In order to continue insurance under the Group Life Portability Insurance Policy:

- for *Participant* Life Insurance, you must be less than age 75; and
- for Dependent Life Insurance, your Dependent spouse must be less than age 75; and
- for a Dependent Child, *Participant* Life insurance must be continued.

Insurance may not be continued under the Group Life Portability Insurance Policy if:

- you have received a benefit under Accelerated Benefits provisions described on GH 203; or
- your insurance under the Group Policy ends because the Group Policy terminates, and is replaced by another group voluntary policy; or
- you or your Dependent spouse have exercised your Individual Purchase Rights described on GH 203; or
- your Dependent spouse ceased to be a Dependent as defined on GH 114; or
- you die.

### **Amount of Insurance**

The insurance amount that is available for continuation will be the *Participant* Life or Dependent Life Scheduled Benefit amount (or approved amount) in force on the date insurance terminates under the Group Policy.

### **Termination of Ported Insurance**

Ported insurance under the Group Life Portability Insurance Policy will terminate on the earliest of:

- the date ending the period for which the last premium is paid; or
- for *Participant* Life, the May 1 next following your 75th birthday; or
- for Dependent spouse the May 1 next following your Dependent spouse's 75th birthday; or
- the date the *Participant* no longer qualifies as your Dependent, due to divorce or your death; or
- for your Dependent Child, the date the child no longer meets the definition of a Dependent Child as defined in the ported certificate; or
- for a Dependent Child, the date *Participant* Life Insurance terminates.

Note: When insurance under the Group Life Portability Insurance ends, you or your Dependent may qualify and elect to purchase an individual policy or life insurance.

### **Application/Effective Date**

Notice of the Portability option must be given to you by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

When notice of eligibility to continue insurance under the Group Life Portability Insurance Policy is provided to *Principal Life* within 60 days following the termination of insurance under the Group Policy, insurance will automatically be ported and become effective the day following termination of insurance under the Group Policy.

When notice of eligibility to continue insurance under the Group Life Portability Insurance Policy is not provided to *Principal Life* following the termination of insurance under the Group Policy, you must apply for insurance and pay the first premium within 60 days of your termination date. Any continued insurance under the Portability option will be in force on the day following termination of insurance under the Group Policy.

Payment of premium constitutes your consent to port your insurance.

If you or your Dependent die(s) within the 60-day portability option period, *Principal Life* will pay the named beneficiary the life insurance amount, if any, you or your Dependent had the right to continue. This payment will be made whether or not you have applied for the portability option.

## CLAIM PROCEDURES

### Notice of Claim

Written notice of claim must be given to *Principal Life* within 20 days after the date of loss. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

### Claim Forms

Claim forms and other information needed to prove loss must be filed with *Principal Life* in order to obtain payment of benefits. The Policyholder will provide forms to assist you in filing claims. If the forms are not provided within 15 days after *Principal Life receives* such notice, you will be considered to have complied with the requirements of the policy upon submitting, within the time specified below for filing proof of loss, Written proof covering the occurrence, character and extent of the loss.

### Proof of Loss

Completed claim forms and other information needed to prove loss should be filed promptly. Written proof of loss should be sent to *Principal Life* within 90 days after the date of loss. Proof required includes the date, nature, and extent of the loss. *Principal Life* may request additional information to substantiate your loss or require a Signed unaltered authorization to obtain that information from the provider. Your failure to comply with such request could result in declination of the claim.

### Payment, Denial, and Review

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, *Principal Life* will send a Written explanation prior to the expiration of the 45 days. A claimant is then allowed up to 45 days to provide all additional information requested. *Principal Life is* permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to a claimant regarding the extension.

In actual practice, benefits under the Group Policy will be payable sooner, provided *Principal Life receives* complete and proper proof of loss. Further, if a claim is not payable or cannot be processed, *Principal Life* will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by Written request to *Principal Life* within 180 days of the receipt of notice of the denial. *Principal Life* will make a full and fair review of the claim. *Principal Life* may require additional information to make the review. *Principal Life* will notify you in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because *Principal Life* did not receive the requested additional information, *Principal Life is* permitted a 45-day extension for the review. Written notification will be sent to a claimant regarding the extension. After

exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means *Participant*, Dependent, or Beneficiary.

### **Medical Examinations and Evaluations**

*Principal Life* may require you or your Dependent whose loss is the basis for claim, be examined by a Physician, or undergo an evaluation, at reasonable intervals, during the course of a claim. *Principal Life* will pay for these examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for denial of your benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for denial of your benefits. If you or your Dependent fail to attend an examination or an evaluation, any charges incurred for not attending an appointment as scheduled may be your responsibility.

### **Autopsy**

If payment for loss of life is claimed, *Principal Life* may require an autopsy. *Principal Life* will pay for any such autopsy.

### **Legal Action**

Legal action to recover benefits under the Group Policy may not be started earlier than 90 days after proof of loss is filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

### **Time Limits**

All time limits listed in this section will be adjusted as required by law.

## DEFINITIONS

Several words and phrases used to describe your insurance are capitalized whenever they are used in this booklet-*certificate*. These words and phrases have special meanings as explained in this section.

### **Active Work; Actively at Work** (*Effective 04/01/2007*)

You are considered Actively at Work if you are able and available for active performance of all of your regular duties. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

### **Active Work; Actively at Work** (*Effective 05/01/2007*)

*You are considered Actively at Work if your coverage is not terminated. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.*

### **Dependent** means:

- Your spouse, if your spouse:
  - is legally married to you; and
  - is not in the Armed Forces of any country; and
  - is not insured under the Group Policy as a *Participant*.
- Your Dependent Child (or Children) as defined below.

### **Dependent Child; Dependent Children** means:

- Your natural child, if that child:
  - is not married; and
  - is not in the Armed Forces of any country; and
  - is not insured under the Group Policy as a *Participant*; and

- is less than 19 years of age.
- Your stepchild, if that child:
  - meets the requirements above; and
  - receives principal support from you.
- Your foster child, if that child:
  - meets the requirements above; and
  - lives with you; and
  - receives principal support from you; and
  - is approved in Writing by *Principal Life* as a Dependent Child.
- Your adopted child, if that child meets the requirements above and you:
  - are a party in a law suit in which you are seeking the adoption of the child; or
  - have custody of the child under a court order that grants custody of the child to you.

An adopted child will be considered a Dependent Child on the earlier of: the date the petition for adoption is filed; or the date of entry of an order granting the adoptive parent custody of the child for the purpose of adoption.

- The child of your Dependent Child, if the child can be claimed as your dependent for federal income tax purposes.
- Your child 19 years but less than 25 years of age who otherwise qualifies above, if that child receives principal support from you and is a Full-Time Student, as defined.
- Your child 19 years but less than 25 years of age, if that child is a Mormon missionary for a period of two years or less; and
  - otherwise qualifies above; and
  - receives principal support from you.

**Developmental Disability** means a Dependent Child's substantial handicap, as determined by *Principal Life*, which:

- results from mental retardation, cerebral palsy, epilepsy, or other neurological disorder; and
- is diagnosed by a Physician as a permanent or long-term continuing condition.

**Full-Time Student** means your Dependent Child attending a school that has a regular teaching staff, curriculum and student body and who:

- attends school on a full-time basis, as determined by the school's criteria; and
- is dependent on you for principal support.

**Group Policy** means the policy of group insurance issued to the Policyholder by *Principal Life* which describes benefits and provisions for insured *Participants* and Dependents.

**Hospital** means an institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, Skilled Nursing Facility, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

**Insurance Month** means calendar month.

*Participant is any full-time employee or part-time employee who has enrolled and works the required number of hours during each benefit quarter as determined by Dillard's accounting calendar.*

**Period of Limited Activity** means any period of time during which a person is:

- confined in a Hospital for any cause or confined in a Skilled Nursing Facility; or
- Home Confined. "Home Confined" means that, due to sickness or injury, the person is unable to carry on the regular and usual activities of a healthy person of the same age and sex and unable to leave his or her home except to receive medical treatment.

**Physical Handicap** means a Dependent Child's substantial physical or mental impairment, as determined by *Principal Life*, which:

- results from injury, accident, congenital defect or sickness; and
- is diagnosed by a Physician as a permanent or long-term dysfunction or malformation of the body.

**Physician** means:

- a licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or

- any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Policy.

The term Physician does not include you, one of your employees, your business or professional partner or associate, any person who has a financial affiliation or business interest with you, anyone related to you by blood or marriage, or anyone living in your household.

**Policyholder** means *DILLARD'S, INC.*

**Prior Policy** means the Group Voluntary Term Life coverage of either:

- the Policyholder; or
- a business entity which has been obtained by the Policyholder through a merger or acquisition;

for which the Group Policy is a replacement.

**Proof of Good Health** means Written evidence that a person is insurable under *Principal Life* underwriting standards. This proof must be provided in a form satisfactory to *Principal Life*.

**Qualifying Event** means for Accelerated Benefits, a medical condition that would, in the absence of extensive or extraordinary medical treatment, result in a drastically limited life span. Such conditions may include, BUT ARE NOT LIMITED TO, one or more of the following:

- coronary artery disease resulting in an acute infarction or requiring surgery;
- permanent neurological deficit resulting from cerebral vascular accident;
- end stage renal failure; or
- acquired immune deficiency syndrome (AIDS).

**Scheduled Benefits Summary** means the page, which is issued as part of your certificate that contains benefits and other information pertaining to your insurance under the Group Policy.

**Signed or Signature** means any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by *Principal Life*.

**Skilled Nursing Facility** means an institution (including one providing sub-acute care), or distinct part thereof, that is licensed by the proper authority of the state in which is it located to provide skilled nursing care and that:

- is supervised on a full-time basis by a Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) or a licensed registered nurse (R.N.); and

- has transfer arrangements with one or more Hospitals, a utilization review plan, and operating policies developed and monitored by a professional group that includes at least one M.D. or D.O.; and
- has an existing contract for the services of an M.D. or D.O., maintains daily records on each patient, and is equipped to dispense and administer drugs; and
- provides 24-hour nursing care and other medical treatment.

Not included are rest homes, homes for the aged, nursing homes, or places for treatment of mental disease, drug addiction, or alcoholism.

**Terminally Ill** means you have experienced a Qualifying Event and you are expected to die within 12 months of the date you request payment of Accelerated Benefits.

**Total Disability; Totally Disabled** means for you, your inability, as determined by *Principal Life*, due to sickness or injury, to perform the majority of the material duties of any occupation for which you are or may reasonably become qualified based on education, training or experience.

**Written or Writing** means a record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

## BOOKLET-CERTIFICATE NOTICE

Arkansas insurance law requires that, if a Group Policy covers any residents of Arkansas, the certificate must include the address and telephone number of: (1) the insurance company issuing the Group Policy, and (2) the Arkansas Insurance Department. The information is as follows:

- (1) Principal Life Insurance Company  
711 High Street  
Des Moines, Iowa 50392-0001

Life claim-related inquiries:  
Attn: Group Claim - Life Info Line Services  
Telephone: 1-800-245-1522

For administration-related inquiries:  
Attn: Group Call Center  
Telephone: 1-800-843-1371

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

If you call or write either of the above, please provide all relevant information pertaining to your inquiry, including the group account number and your full name and address.

This Notice is for your information only and does not become a part or condition of this booklet-certificate.

*SERFF Tracking Number:*      *PRLF-125595392*                      *State:*                      *Arkansas*  
*Filing Company:*              *Principal Life Insurance Company*              *State Tracking Number:*      *39167*  
*Company Tracking Number:*  
*TOI:*                      *L04G Group Life - Term*                      *Sub-TOI:*                      *L04G.500 Other*  
*Product Name:*              *grp VTL DIL*  
*Project Name/Number:*      */*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: PRLF-125595392 State: Arkansas  
Filing Company: Principal Life Insurance Company State Tracking Number: 39167  
Company Tracking Number:  
TOI: L04G Group Life - Term Sub-TOI: L04G.500 Other  
Product Name: grp VTL DIL  
Project Name/Number: /

## Supporting Document Schedules

<b>Satisfied -Name:</b> Certification/Notice	<b>Review Status:</b>	04/04/2008
<b>Comments:</b>		
<b>Attachments:</b>		
Readability.pdf		
gc 803 ar vtl dil policy notice.pdf		
gh198 ar dil bklt notice.pdf		
<b>Satisfied -Name:</b> Application	<b>Review Status:</b>	04/04/2008
<b>Comments:</b>		
<b>Attachment:</b>		
GP56002.pdf		
<b>Satisfied -Name:</b> footnotes	<b>Review Status:</b>	06/02/2008
<b>Comments:</b>		
<b>Attachment:</b>		
FOOTNOTE vtl.pdf		



Principal Life Insurance Company

STATE OF ARKANSAS INSURANCE DEPARTMENT

CERTIFICATION OF READABILITY

I, Mark L. Hill, an Officer of Principal Life Insurance Company hereby certify that the attached form(s) has (have) achieved a Flesch Reading Ease Score of:

Table with 3 columns: Form No., Form Name, Flesch Score. Rows include GC 6000 DIL (VTL), et al and GH 106 DIL (VTL), et al.

and complies with the requirements of Ark. Stat. Ann. Sections 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

PRINCIPAL LIFE INSURANCE COMPANY

Handwritten signature of Mark L. Hill

Mark L. Hill, Director Group Life and Health Compliance

June 2, 2008 Date

## **POLICY NOTICE**

Arkansas insurance law requires each Group Policy covering Arkansas residents to include the address and telephone number of: (1) the insurance company issuing the Group Policy, and (2) the Arkansas Insurance Department. The information is as follows:

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711 High Street  
Des Moines, Iowa 50392-0001

Life claim-related inquiries:  
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Telephone: 1-800-245-1522

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Attn: Group Call Center  
Telephone: 1-800-843-1371

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

This Notice is for the Policyholder's information only and does not become a part or condition of this Group Policy.

## BOOKLET-CERTIFICATE NOTICE

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Attn: Group Call Center

Telephone: 1-800-843-1371

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

If you call or write either of the above, please provide all relevant information pertaining to your inquiry, including the group account number and your full name and address.

This Notice is for your information only and does not become a part or condition of this booklet-certificate.



Mailing Address: Des Moines, IA 50392-0002

Principal Life Insurance Company Health Statement for Self Administered Plans

Account Number / Unit Number H35922

Employer to Complete This Section: After completing make a copy of Page 1 for your records before you give the form to your employee.

Employer name Dillard's, Inc.

Direct all employer's correspondence regarding this statement to: Name Benefits Department

Address (street) 1600 Cantrell Road

City State ZIP code Phone Little Rock AR 72201 (501) 376-5933

Employee's name AIN number Date of hire Annual salary \$

Effective date as per contractual provisions open enrollment - effective date June 1st

This statement is: (place a "(v)") in each box that applies for employee add new coverages increase in current coverages for dependent(s) late

Please check the coverages (and indicate the new amount or increase in amount) being applied for at this time. See your benefit plan/contract for proof of good health rules that apply to your plan.

Table with 3 columns: Coverage type, Current amount, Requested amount. Rows include basic life, voluntary term life (employee/spouse/child), short term disability, and long term disability.

**Employee to Complete This Section**

**120-0**

Your name (last, first, middle initial) \_\_\_\_\_ Home phone number \_\_\_\_\_

Home address (street) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

Date of birth \_\_\_\_\_ Are you married?  male  female  yes  no Date of marriage \_\_\_\_\_

Name of spouse \_\_\_\_\_ Spouse's date of birth \_\_\_\_\_

This statement is for:

myself		my spouse		my children			
Name of each dependent child applying for coverage (last, first, middle initial)	Sex	Date of birth	Full-time student	Foster/step child*	Disabled or handicapped* child		
1.							
2.							
3.							
4.							

Are additional children listed on separate page?  yes Please sign and date all pages.

\* Foster and stepchildren, eligibility is determined by employer. For disabled, handicapped children, complete the appropriate form.

**Health Information for All Coverages Being Applied for**

Answer only for those individuals requesting coverage. To prevent delays answer each question and give full details to "yes" answers. All statements and descriptions on this form shall be deemed to be representations and not warranties.

Employee's height \_\_\_\_\_ ft. \_\_\_\_\_ in. weight \_\_\_\_\_ lbs. Spouse's height \_\_\_\_\_ ft. \_\_\_\_\_ in. weight \_\_\_\_\_ lbs.

1.	yes	no	Is any person on whom coverage is requested currently using tobacco products, including cigarette, pipe, cigar or chewing tobacco? If so, how long? _____ Which applicant(s)? _____																				
2.	yes	no	Is any person on whom coverage is requested <b>currently</b> receiving medical treatment, taking medication, or pregnant?																				
3.	yes	no	<b>In the past 5 years</b> , has any person on whom coverage is requested had surgery, been hospitalized or consulted with a doctor, had blood or other diagnostic tests (other than for HIV antibody), or been advised to receive medical treatment?																				
4.	yes	no	<b>In the past 5 years</b> , has any person on whom coverage is requested been diagnosed with or received treatment for any of the following (check all that apply)? <table border="0" style="width: 100%;"> <tr> <td>cancer</td> <td>liver disorder</td> <td>bone disorder</td> <td>mental disorder</td> </tr> <tr> <td>tumors</td> <td>kidney disorder</td> <td>joint disorder</td> <td>nervous disorder</td> </tr> <tr> <td>heart condition</td> <td>muscle disorder</td> <td>urinary disorder</td> <td>diabetes</td> </tr> <tr> <td>high blood pressure</td> <td>multiple sclerosis/ neurological disorder</td> <td>respiratory disorder</td> <td>hepatitis</td> </tr> <tr> <td>stroke</td> <td></td> <td></td> <td></td> </tr> </table>	cancer	liver disorder	bone disorder	mental disorder	tumors	kidney disorder	joint disorder	nervous disorder	heart condition	muscle disorder	urinary disorder	diabetes	high blood pressure	multiple sclerosis/ neurological disorder	respiratory disorder	hepatitis	stroke			
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heart condition	muscle disorder	urinary disorder	diabetes																				
high blood pressure	multiple sclerosis/ neurological disorder	respiratory disorder	hepatitis																				
stroke																							
5.	yes	no	<b>In the past 10 years</b> , has any person on whom coverage is requested been treated for, diagnosed as having or tested positive for Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC), or any other immune disorder?																				

**Health Information for All Coverages Being Applied for (continued)**

**120-0**

Provide details for all "yes" answers. If more space is needed, attach a separate page giving full details. Sign and date all pages.

Name	Date diagnosed/treated	Duration of illness or condition
Diagnosis of illness or condition	Type of treatment/names of all medications	
Any current symptoms or problems		
Names and addresses of doctors, hospitals or other providers		

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Names and addresses of doctors, hospitals or other providers		

**Authorization, Acknowledgment, and Signatures**

- I represent information, statements, and answers on this form, and any attachments, are complete and true to the best of my knowledge. They are a part of this request for coverage under the group policies. I agree Principal Life Insurance Company is not liable for anyone's claim which happens or begins before the effective date of coverage or approval of any life and disability coverage.
- I have read, or had read to me, the questions and responses and realize any false statements, omissions or material misrepresentation regarding age or health information could cause life and disability coverages, if issued, to be cancelled as never effective.
- Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement, may be guilty of insurance fraud.
- I understand all policy provisions for medical coverage will apply. If approved for life and disability coverages, all policy provisions will apply including, but not limited to, preexisting conditions restriction, the Actively at Work and Period of Limited Activity provisions.
- I understand an agent cannot change or waive any rates, benefits, or provisions of any policy, if issued, without the written approval of an officer of Principal Life.
- For life and disability coverages, I authorize any doctor, health care provider, hospital, clinic or medically related facility, insurance company, consumer reporting agency or employer, that has any personal information, including physical, mental, drug or alcohol use history, regarding me or any dependent, to give to Principal Life, its agents and employees performing business transactions, any such data.

**Authorization, Acknowledgment, and Signatures (continued)**

**120-0**

- I authorize Principal Life to release any such data as required by law. When signed in connection with any application for, reinstatement of, or request for change in benefits, this form shall be valid for two years after the date shown below. I understand I may revoke this authorization for information not then obtained. A photocopy of this form shall be as valid as the original.
- I understand the data obtained by use of this authorization will be used by Principal Life for claims administration and to determine eligibility for life and disability coverage. This information will not be used for any purposes prohibited by law.

Employee's signature	Date signed
Spouse's signature*	Date signed

\*Spouse signature only required if Voluntary Term Life coverage is elected.

**Notice of Information Practices for Life and Disability Coverages**

In order to properly underwrite and consider your request for coverage, we must collect information to determine if you (and your dependents if also requesting dependent coverage) qualify for insurance with Principal Life. We will do this by having you complete this Health Statement. In addition, we may contact sources besides yourself for personal data about any proposed insured, including (a) spouse, (b) employer, (c) medical professionals or institutions, and (d) insurance companies to which you may have applied for insurance in the past. The personal data may include age, medical history, job, income, habits and other personal characteristic information. We may also ask that medical exams or other tests be completed.

We will keep your data confidential. Only employees performing business transactions regarding your coverage will see your data. In certain circumstances, we may provide data to (a) government agencies, (b) attending physicians, (c) insurance organizations without identification, and (d) the employer, if applicable, for the purpose of reporting claims experience or conducting audits.

You or your dependents, if applicable, have certain rights in connection with this request for coverage. Those rights are:

1. to find out what personal information is contained in Principal Life files (medical information may be disclosed only to your attending physician).
2. to correct or amend information in Principal Life files.

Upon written request, Principal Life will furnish to you (or your dependent) information concerning:

1. the nature and scope of personal data in our records;
2. the types of disclosures which may be made; and
3. rights of access to the information collected and how such information may be corrected or amended.

We will respond to such written request within 30 days from the date of receipt.

For further information about your file or rights, you may contact: Group Operations, Medical Underwriting, Principal Life Insurance Company, Des Moines, IA 50392-0432.

**Instructions for Employee**

After this form is completed and signed, send original to Principal Life Insurance Company, Des Moines, IA 50392-0002, and make a copy for your records.

EXPLANATORY FOOTNOTES FOR SUBMISSION FOR GROUP VOLUNTARY TERM  
LIFE FORMS GC 6000 (VTL) DIL et al

Policy Form GC 6007 (VTL) DIL – Effective Date

- [1] The policyholder elected a current plan of benefits based on increments of compensation. Upon request by policyholder and if agreed to by The Principal, the Participant may be able to increase their scheduled benefit amount up one increment without providing additional proof of good health.

Policy Forms GC 6013 (VTL) DIL – Member Life Insurance

- [2] Current plan of benefits elected by the Policyholder. Per request and if agreed to by The Principal, these specifications may be revised.

Policy Forms GC 6016 (VTL) DIL – Dependent Life Insurance

- [3] This is the current elected plan of benefits elected by the policyholder. Upon request and if agreed to by The Principal, these specifications may be revised.

Although the various footnotes have been added only to the policy forms, they also apply to the corresponding provisions in the booklet-certificate.