

NOTICE CONCERNING COVERAGE UNDER THE TENNESSEE LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

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

The state law that provides for this safety-net coverage is called the Tennessee Life and Health Insurance Guaranty Association Act. The following is a brief summary of this law's coverages, exclusions and limits. **This summary does not cover all provisions of the law or describe all of the conditions and limitations relating to coverage. This summary does not in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association.**

COVERAGE

Generally, individuals will be protected by the Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance contract, an annuity, or if they are insured under a group insurance contract, issued by an insurer authorized to conduct business in Tennessee. Health insurance includes disability and long term care policies. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

1. they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insured who live outside that state);
2. the insurer was not authorized to do business in this state; or
3. their policy was issued by an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does not provide coverage for:

1. any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
2. any policy of reinsurance (unless an assumption certificate was issued);
3. interest rate yields that exceed an average rate;
4. dividends;
5. credits given in connection with the administration of a policy by a group contractholder;
6. employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them).
7. unallocated annuity contracts (which give rights to group contractholders, not individuals).

LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the Guaranty Association is obligated to pay out. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. For any one insured life, the Guaranty Association guarantees payments up to a stated maximum no matter how many

policies and contracts there were with the same company, even if they provided different types of coverage. These aggregate limits per life are as follows:

- \$300,000 for policies and contracts of all types, except as described in the next point
- \$500,000 for basic hospital, medical and surgical insurance and major medical insurance issued by companies that become insolvent after January 1, 2010

Within these overall limits, the Guaranty Association cannot guarantee payment of benefit greater than the following:

- life insurance death benefits - \$300,000
- life insurance cash surrender value - \$100,000
- present value of annuity benefits for companies insolvent before July 1, 2009 - \$100,000
- present value of annuity benefits for companies insolvent after June 30, 2009 - \$250,000
- health insurance benefits for companies declared insolvent on or after January 1, 2010:
 - \$100,000 for limited benefits and supplemental health coverages
 - \$300,000 for disability and long term care insurance
 - \$500,000 for basic hospital, medical and surgical insurance of major medical insurance

The Tennessee Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in Tennessee. You should not rely on coverage by the Tennessee Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

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

**The Tennessee Life and Health Insurance Guaranty Association
1200 One Nashville Place
150 4th Avenue North
Nashville, Tennessee 37219**

**Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243**



STANDARD INSURANCE COMPANY

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

GROUP LIFE INSURANCE POLICY

| | |
|-----------------|-------------------|
| Policyholder: | City of Knoxville |
| Policy Number: | 170706-A |
| Effective Date: | January 1, 2023 |

The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to the **Policyholder Provisions** and the **Incontestability Of Group Policy**, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Coverage Features**, and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

This policy includes an Accelerated Death Benefit. Death benefits will be reduced if an Accelerated Death Benefit is paid. The receipt of this benefit may be taxable and may affect your eligibility for Medicaid or other government benefits or entitlements. However, if you meet the definition of "terminally ill individual" in Internal Revenue Code section 101, your Accelerated Death Benefit may be non-taxable. You should consult your personal tax and/or legal advisor before you apply for an Accelerated Death Benefit.

All provisions on this and the following pages are part of this Group Policy. Unless defined differently within a particular provision, the terms "you" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in bold face type.

STANDARD INSURANCE COMPANY

By

President and CEO

Corporate Secretary

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COVERAGE FEATURES

PREMIUM RATES AND RENEWALS

Premium Rates:

Life Insurance:

Plan 1: \$0.070 monthly per \$1,000 of Life Insurance

Plan 2:

Age of Member
On 1st Day of Month
Coinciding with or Next
Following Change in Age

Monthly Rate Per Multiple of \$1,000

| | Non-Tobacco Rate | Tobacco Rate |
|--|------------------|--------------|
|--|------------------|--------------|

| | | |
|---------------|---------|---------|
| 29 or under | \$0.044 | \$0.114 |
| 30 through 34 | \$0.044 | \$0.114 |
| 35 through 39 | \$0.071 | \$0.203 |
| 40 through 44 | \$0.122 | \$0.286 |
| 45 through 49 | \$0.176 | \$0.360 |
| 50 through 54 | \$0.294 | \$0.589 |
| 55 through 59 | \$0.507 | \$0.933 |
| 60 through 64 | \$0.810 | \$1.343 |
| 65 through 69 | \$1.351 | \$1.949 |
| 70 through 74 | \$2.129 | \$3.013 |
| 75 or over | \$3.234 | \$4.544 |

Dependent Life Insurance:

For Your Spouse and Child:

Plan 1: \$0.440 monthly per Member with one or more Dependents

For Your Spouse:

Plan 2:

Age of Spouse
On 1st Day of Month
Coinciding with or Next
Following Change in Age

Monthly Rate Per Multiple of \$1,000

| | Non-Tobacco Rate | Tobacco Rate |
|--|------------------|--------------|
|--|------------------|--------------|

| | | |
|---------------|---------|---------|
| 29 or under | \$0.044 | \$0.114 |
| 30 through 34 | \$0.044 | \$0.114 |
| 35 through 39 | \$0.071 | \$0.203 |
| 40 through 44 | \$0.122 | \$0.286 |
| 45 through 49 | \$0.176 | \$0.360 |
| 50 through 54 | \$0.294 | \$0.589 |
| 55 through 59 | \$0.507 | \$0.933 |
| 60 through 64 | \$0.810 | \$1.343 |
| 65 through 69 | \$1.351 | \$1.949 |
| 70 through 74 | \$2.129 | \$3.013 |
| 75 or over | \$3.234 | \$4.544 |

| | |
|--------------------------------|--|
| For Your Child: | |
| Plan 2: | \$0.200 monthly per \$1,000 of Dependents Life Insurance for each Member electing Dependents Life Insurance for their Children, regardless of the number of Children covered |
| AD&D Insurance: | \$0.020 monthly per \$1,000 of AD&D Insurance |
| Premium Due Dates: | January 1, 2023 and the first day of each calendar month thereafter. |
| Renewal Date: | January 1 |
| Grace Period: | 60 days |
| Initial Rate Guarantee Period: | January 1, 2023 to January 1, 2026 |
| Notice of Rate Change: | 180 days |
| Minimum Participation: | |
| Life Insurance: | |
| Number: | 10 insured Members |
| Percentage: | |
| Plan 1: | 100% of Members eligible for Plan 1 |
| Plan 2: | The greater of 10 insured Members or 20% of Members eligible for Plan 2 |
| Dependents Life Insurance: | |
| Plan 1: | 100% |
| Plan 2: | 20% of insured Members with Dependents eligible for Plan 2 must elect to insure those Dependents |

GROUP POLICY

Group Policy means the entire contract between the Policyholder and us. We will provide benefits according to the terms of the Group Policy. The Group Policy consists of the following:

1. This group life insurance policy issued by us to the Policyholder and identified by the Group Policy Number.
2. The Policyholder's attached application.
3. Group life insurance Certificates with the same Group Policy Number.
4. Any amendments to the Group Policy or Certificates.

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

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INCONTESTABILITY OF GROUP POLICY

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

No misrepresentation by the Policyholder or your Employer will be used to deny a claim or to deny the validity of the Group Policy unless all of the following requirements are met:

1. The Group Policy would not have been issued if we had known the truth.
2. We have given the Policyholder or your Employer a copy of a Written instrument signed by the Policyholder or your Employer which contains the misrepresentation.

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TERMINATION OR AMENDMENT OF THE GROUP POLICY

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium.

The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us Written notice. The effective date of the termination will be the date stated in the notice. If no date is stated in the notice, then the effective date of termination will be the last day of the calendar month for which the premium was paid.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in Writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed, Written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

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POLICYHOLDER PROVISIONS

A. Premiums

The premium due on each Premium Due Date is the sum of the premiums for all persons then insured. Premium Rates are shown in the **Coverage Features**.

B. Contributions From Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance.

C. Changes In Premium Rates

We may change Premium Rates at any time when:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations.
2. Factors material to underwriting the risk we assumed under the Group Policy, including, but not limited to, number of persons insured, age, Annual Earnings, gender and occupational classification, change by 25% or more.
3. We and the Policyholder mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in the **Coverage Features**.

Thereafter, except as provided above, we may change Premium Rates upon advance Written notice to the Policyholder. The minimum advance notice is shown in the **Coverage Features** as Notice of Rate Change. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

D. Payment Of Premiums

All premiums are due on the Premium Due Date shown in the **Coverage Features**.

Each premium is payable on or before its Premium Due Date directly to us. The payment of each premium by the Policyholder as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

E. Grace Period And Termination For Nonpayment

If a premium is not paid on or before its Premium Due Date, it may be paid during the following Grace Period. The length of the Grace Period is shown in the **Coverage Features**. The Group Policy or an Employer's coverage under the Group Policy will remain in force during the Grace Period.

If the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

F. Termination For Other Reasons

The Policyholder may terminate the Group Policy by giving us Written notice. The effective date of termination will be the later of:

1. The date stated in the notice.
2. The date we receive the notice.

We may terminate the Group as follows:

1. On any Premium Due Date if the number of persons insured is less than the Minimum Participation Number or less than the Minimum Participation Percentage shown in the **Coverage Features**.
2. On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.
3. On any Premium Due Date by giving the Policyholder not less than 31 days advance Written notice. The minimum advance notice of such termination by us is 60 days.

G. Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 months just before the date we receive a request for premium adjustment.

H. Certificates

We will issue printed or electronic Certificates to the Policyholder or Employer showing the coverage under the Group Policy. The Policyholder or Employer will distribute a certificate to each insured Member. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

I. Records And Reports

The Policyholder or Employer will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder or Employer which relate to insurance under the Group Policy.

J. Agency and Release

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company. The Policyholder, Employer, and such individuals have no authority to alter, expand, or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and Employer are liable for their own negligent, intentional or wrongful acts or omissions, and those of any insurance broker/agent or administrator acting for or on behalf of either of them, arising from or connected with the administration of the Group Policy.

K. Notice Of Suit

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

L. Entire Contract, Changes

The Group Policy constitutes the entire contract between the parties. A copy of the Policyholder's application is attached to the Group Policy when issued.

The Group Policy may be changed in whole or in part. No change in the Group Policy will be valid unless it is approved in Writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy or an Employer's coverage under the Group Policy, or to waive any of its provisions.

M. Effect On Workers' Compensation, State Disability Insurance

The coverage provided under the Group Policy is not a substitute for coverage under a workers' compensation or state disability income benefit law and does not relieve the Policyholder or Employer of any obligation to provide such coverage.

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