



**Sandia National Laboratories**  
A Department of Energy National Laboratory

# Voluntary Group Accident Insurance Plan

**Summary Plan Description**

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**Effective: January 1, 2002**

# Voluntary Group Accident Insurance Plan

The tremendous cost serious accidents can cause is a great concern to most families today, especially when they result in the loss of life, limb, eyesight, speech or hearing. It is for this reason that a Voluntary Group Accident Plan is included in Sandia's benefits program.

The purpose of this accident insurance plan is to help provide financial protection to employees and their families for covered accidents (whichever or whenever they occur) with the convenience of payroll deductions and with no physical examination or other evidence of good health.

This plan provides accident insurance only. It does not provide coverage for death or dismemberment due to illness, nor does it provide health plan coverage.

Continental Casualty Company, one of the CNA Insurance Companies, is the underwriter.

This Summary Plan Description booklet contains an outline of all the principal features of the Voluntary Group Accident Insurance Plan. Please read it carefully and share it with your family. We also suggest that you discard any previous issues and keep this booklet available for ready reference.

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# Voluntary Group Accident Benefits

## Eligibility

You are eligible to participate in the Voluntary Group Accident Insurance Plan if you are a Regular employee, Limited term employee (LTE), or a Post-doctoral appointee.

“Regular employee” means any full-time or part-time employee scheduled to work twenty (20) or more hours a week for an indefinite period, engaged in the usual activities of the business, and whose employment is expected to be permanent at the time of engagement, although it may be subsequently terminated by action on the part of the employee or Sandia.

If you elect Family Plan coverage, your spouse is eligible for coverage unless legally separated; and your dependent child/children (including stepchildren or legally adopted children) are eligible up to the age of 19 years (24 if enrolled as a full-time student) if unmarried and dependent on you for support and maintenance.

In no event can an employee be eligible for benefits as both an employee and dependent. Dependent children can be insured by one parent only. If husband and wife are both employees, both may select Employee Only coverage; or one may select the Family Plan insuring spouse and eligible children; or one may select the Family Plan insuring eligible children only with the other parent electing Employee Only coverage.

If any unmarried dependent child, on the date they reach the maximum age limitation, is incapable of self-sustaining employment by reason of mental or physical impairment and is chiefly dependent upon the insured for support and maintenance, Continental Casualty Company will continue coverage for such child so long as the policy remains in force and such incapacity continues. For this provision to apply, proof of such incapacity must be submitted to the Continental Casualty Company within thirty-one (31) days of the date such dependent's coverage would otherwise terminate.

## Choice of Coverage

You may choose 24 hour “all risks” coverage against any type of covered accident whether at work, at home, vacationing, commuting, traveling by train, airplane, automobile, or other private and common carriers. Air travel coverage includes riding as a passenger, and not as a pilot or crew member, in any aircraft being used for the transportation of passengers except in an aircraft owned, operated or leased by or on behalf of Sandia (See NOTE below). This coverage is available for you alone; or you can elect Family Plan coverage for you, your eligible spouse and dependent children.

You may also elect Common Carrier (Public Conveyance) coverage. This plan provides coverage while you are traveling as a passenger in or on, boarding or alighting from, or being struck by any air, land, or water common carriers licensed to carry passengers for hire — such as commercial airlines (including chartered flights), trains, buses, taxicabs — also aircraft of the Military Airlift Command. Your family is not covered under this plan.

You may choose any combination of these plans, as outlined later in this booklet.

**NOTE** This coverage includes an aggregate (total) benefit limit for any one air travel accident of \$500,000 if the aircraft is owned or leased by any employee of Sandia. There is no aggregate benefit limit for all insured involved in any other single covered travel or nontravel accident.

While traveling in an aircraft owned or leased by Sandia, you are covered by Sandia’s Aircraft Accident policy, Policy No. GTA-10634, underwritten by UNUM Life Insurance Company. The amount of coverage under this policy is equal to the amount of coverage elected by participants in the Voluntary Group Accident Insurance Plan, subject to a maximum aggregate liability for all employees of \$18,750,000. This special risk policy does not provide coverage for employee-owned aircraft.

## Coverage for Private Pilots

Employees desiring coverage while serving as a pilot or crew member of an airplane or hot air balloon may apply for supplemental coverage for this risk up to a Principal Sum maximum of \$50,000 (“Crew Members” of hot air balloons are considered passengers and are fully covered under the Voluntary Group Accident Insurance Plan). In order to be considered for supplemental coverage as an airplane pilot, a minimum of 500 flight hours is required. The Program Administrator, Mercer Human Resource Consulting, Inc., (505) 243-1377, will assist anyone interested in applying for this separate coverage.



## Plan II – Common Carrier (Public Conveyance)

This coverage is available for *employees only* and covers you for the elected Principal Sum for injuries resulting from a covered accident occurring while a passenger in or on, boarding or alighting from, or being struck by any public air, land or water conveyance provided by a common carrier licensed to carry passengers for hire – such as commercial airlines (including chartered flights), trains, buses, taxicabs – also aircraft of the Military Airlift Command or similar airlift service of Canada or Great Britain.

## Exclusions

The Voluntary Group Accident Insurance Plan does not cover loss caused by or resulting from suicide or any attempts while insane or self-destruction or any attempt while insane, acts of declared or undeclared war, service in the armed forces of any country, or any air travel other than as provided under Choice of Coverage. Parachuting, hang gliding, skydiving, and parasailing are not covered by the Voluntary Group Accident Insurance Plan. (For pilot and crew member coverage, contact the Program Administrator shown on page 11.)

## Monthly Cost

The minimum Principal Sum for Plan I or II is \$10,000. You may choose one of the Plans or any combination of I-A, I-B and/or II, not to exceed a maximum combined benefit of \$300,000. The cost for this coverage is based on the Principal Sum elected, as shown in the table below.

Monthly Cost			
Principal Sum	Plan I-A Employee Only 24 Hour Coverage	Plan I-B Family Plan 24 Hour Coverage	Plan II Employee Only Common Carrier
\$ 10,000	\$ .27	\$ .43	\$ .05
25,000	.68	1.08	.13
50,000	1.35	2.15	.25
75,000	2.03	3.23	.38
100,000	2.70	4.30	.50
150,000	4.05	6.45	.75
200,000	5.40	8.60	1.00
250,000	6.75	10.75	1.25
300,000	8.10	12.90	1.50

Participants on an approved leave of absence for reasons other than military service may extend their Voluntary Group Accident Insurance coverage for up to one year by paying the required premiums in advance by check.

## Your Benefits

If injuries result in death or dismemberment within 365 days following a covered accident, or in permanent total disability as described below, Plans I and II provide the following benefits:

Loss of Life .....	Principal Sum
Loss of Both Hands or Both Feet .....	Principal Sum
Loss of Entire Sight of Both Eyes.....	Principal Sum
Loss of One Hand or One Foot .....	½ Principal Sum
Loss of Entire Sight of One Eye.....	½ Principal Sum
Loss of Speech .....	½ Principal Sum
Loss of Hearing in Both Ears .....	½ Principal Sum
Loss of Thumb and Index Finger of Same Hand .....	¼ Principal Sum
Permanent Total Disability (Employee Only).....	Principal Sum

“Loss” as above used with reference to hand or foot means the actual and complete severance through or above the wrist or ankle joint; as used with reference to eye means irrecoverable loss of entire sight thereof; as used with reference to speech means complete and irrecoverable loss of speech; as used with reference to hearing means complete and irrecoverable loss of hearing in both ears; and as used with respect to thumb and index finger means the actual and complete severance through or above the metacarpophalangeal joints.

A benefit is not payable for both loss of thumb and index finger of same hand and loss of one hand for injury to the same hand as the result of any one accident. In no event will the benefits payable under this provision due to the same accident exceed the insured person’s applicable Principal Sum.

### **APPLICABLE TO PLAN I-A OR I-B**

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Permanent Total Disability means complete inability to perform any gainful work or service, commencing within 365 days after a covered accident and continuing uninterruptedly for three hundred sixty-five (365) days, and after which you are judged by a legally qualified physician (other than one’s self) unable, for the rest of your life, to engage in any occupation suitable to your education, training or experience. Permanent Total Disability is not applicable to spouse or dependent children.

### **APPLICABLE TO PLAN II**

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Permanent Total Disability means complete inability to perform any gainful work or service, commencing within 180 days after a covered accident and continuing uninterruptedly for three hundred sixty-five (365) days after which you are judged by a legally qualified physician (other than one’s self) unable, for the rest of your life, to engage in any occupation suitable to your education, training or experience. Permanent Total Disability is not applicable to spouse or dependent children.

## Education Benefit

### APPLICABLE ONLY TO PLAN I-B

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If an insured employee has elected Family Plan coverage and dies in a covered accident, Continental Casualty Company will pay, in addition to all other benefits payable under the policy, an “education benefit” equal to 2% of the Insured Employee’s Principal Sum amount on behalf of any dependent child who, on the date of accident, was enrolled as a full-time student in any institution of higher learning beyond the 12th grade level, or, was at the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within one year following the date of accident.

The “education benefit” is payable annually for a maximum of four consecutive annual payments but only if the dependent child continues his education as a full-time student in an institution of higher learning.

If, at the time of accident, Family Plan coverage is in force but there are no dependent children who qualify, Continental Casualty Company will pay an additional benefit equal to 2% of the Insured Employee’s Principal Sum amount to the designated beneficiary.

## Safe Driving Benefit

Your benefit amount will be increased by \$25,000, or the insured’s Principal Sum if less than \$25,000, if you or an insured family member suffer a covered loss as a result of the accident while:

- wearing a seat belt; and
- driving or riding in a vehicle driven by a driver who is not under the influence of drugs or alcohol.

Covered family member benefit amounts will increase based on the Family Plan benefit formula.

## Common Disaster Benefit

### APPLICABLE ONLY TO PLAN I-B

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If an insured has elected Family Plan coverage and both the employee and the spouse die within 365 days of the same accident from injuries received in that accident, or from separate accidents occurring within 24 hours of each other, the spouse’s Loss of Life Benefit will be increased to equal 100% of the Insured Employee’s Principal Sum amount.

## Conversion Privilege

You and your insured family member may apply for a conversion policy of accidental death and dismemberment insurance if insurance under the policy terminates for any reason except:

- Non-payment of premium; or
- When the terminated coverage is replaced within 31 days by similar coverage sponsored or arranged by your employer.

Coverage is limited to that amount in force under this policy before termination, subject to a minimum of \$10,000 and a maximum of \$250,000.

Contact the Program Administrator for additional information.

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# General Provisions

## When You May Apply

For active employees, application for insurance or change in coverage may be made only during the Open Enrollment Period, which is normally held during October of each year. However, if you experience a family status change, you may apply for coverage or make a change to your current coverage within 31 days of the family status change. Family status changes include marriage, birth or adoption of a child, changes in employment status, etc.

New employees and employees newly reinstated from a leave of absence may apply within 30 days following their reporting dates.

## How to Apply

For initial enrollment, simply fill out the application and payroll deduction authorization form (Sections A through E).

To change your amount or type of coverage, complete the entire form, including the cancellation of previous authorization. Check both sections E and F on the enrollment form in order to cancel old and effect new coverage.

Please return the completed forms to the Sandia Benefits Office, Sandia/New Mexico or Sandia/California.

## Effective Date

Your coverage will become effective on the first day of the month following the month in which Sandia's Payroll Department makes the total required deduction from your pay.

## **Beneficiary Designations**

The beneficiary of this insurance shall be the person or persons designated on the enrollment form. If you elect Plan I-B, Family Plan coverage, you are automatically the beneficiary for your spouse and dependent children. Beneficiary designations may be changed at any time by completing the proper beneficiary change request form. If no such designation is in effect at that time, the benefits shall be paid to the surviving person or persons in the first of the following classes of successive preference beneficiaries of which a member survives the insured:

The insured's (a) spouse; (b) children, including legally adopted children; (c) parents; (d) brothers and sisters; or (e) estate. In determining such person or persons, the Company may rely upon an affidavit by a member of any of the classes of preference beneficiaries. Payment based upon such affidavit shall be full acquittance, hereunder unless, before such payment is made, the Company has received at its Claim Office written notice of valid claim by some other person. If two or more persons become entitled to benefits as preference beneficiaries, they shall share equally.

## **Assignment by Insured Person**

All Rights of any insured person arising as a result of any incidents of ownership in the policy are freely assignable. Any such assignee may thereafter exercise the right so transferred as the owner thereof.

## **Forms**

Enrollment, payroll deduction authorization, cancellation authorization, change of beneficiary, and change of address forms can be obtained from the Sandia Benefits Office or Mercer Human Resource Consulting, Inc.

## **Termination of Coverage**

As long as the plan is in force, you are an eligible employee, and you pay your premium, your coverage remains in effect. Your eligible family members will remain insured as long as you are covered and their premium is paid.

You may cancel your insurance at any time by sending to your Sandia Benefits Office a written cancellation of your Payroll Deduction Authorization.

In the event of such cancellation, retirement, leave of absence for military service, or termination of employment, your insurance coverage will cease automatically at the end of the last month for which you paid the total required premium through payroll deduction.

Continental Casualty Company and Sandia reserve the right to discontinue this program.

## Questions Concerning Your Insurance

Sandia's role will be only that of remitting agent for authorized payroll deductions. All matters, such as a change of beneficiary or a claim for benefits, are to be taken up directly with the Program Administrator:

Mercer Human Resource Consulting, Incorporated  
201 Third Street, NW, Suite 1450  
Albuquerque, New Mexico 87102  
(505) 243-1377

## Other Important Information

Benefits under this accident insurance plan are in addition to any other life insurance and accidental death and dismemberment insurance coverage you may have. This accident insurance will provide extra protection for your family, but it should not be considered as a substitute for regular life insurance in your estate planning.

An employee who is not actively at work is not eligible to increase the level of coverage during Open Enrollment. The Principal Sum to be paid will be that amount in effect when an absence from work started and cannot be increased until he/she returns to active work status as defined in the Description of Eligible Persons.

Should benefits become payable under this insurance plan, your beneficiary will have the option to receive his or her benefit amount through deposit into an Assured Access Account. This account provides immediate access to the insurance proceeds at all times and earns interest at competitive money market rates while giving your beneficiary time to make important financial decisions. The account works much like any checking account. The benefit amount will be made available to your beneficiary through a personalized account that begins earning interest from the first day of deposit. Your beneficiary will receive a supply of checks that can be written against the balance of the insurance proceeds in the account. There are no restrictions on withdrawals other than a \$250 per check minimum. The Assured Access Account is a convenient service offered to you at no cost.

Participants in this plan are eligible to receive Travel Assistance Services. Through the Voluntary Group Accident Insurance Plan, pre-trip assistance, emergency medical assistance and other non-monetary types of travel assistance are available to you while traveling on business or vacation. These services, provided by Worldwide Assistance Services, Inc. (WA), are designed to provide information or facilitate the delivery of services. You pay any cost associated with a service you might need. However, you pay nothing for the assistance provided by WA.

To obtain additional information about Travel Assistance Services you may contact the Program Administrator, Mercer Human Resource Consulting, Inc. (505) 243-1377.

This booklet contains only a partial description of the principal provisions of the policy. Consult the following pages for a further description of the terms and conditions of this coverage. The complete terms, conditions and definitions governing the insurance coverage will be found in the master contract.

# Certificate of Insurance

**Continental Casualty Company**

CNA Plaza  
Chicago, Illinois 60685

A Stock Company  
Herein called the Company

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having issued a  
MASTER ACCIDENT POLICY NO. SR-83027511 to  
SANDIA CORPORATION  
(Herein called the Holder)

HEREBY CERTIFIES that the insurance benefits and all provisions applicable are described herein and are effective with respect to eligible employees of the Holder (herein called the Insured) and their eligible dependents for whom premiums have been paid (herein individually called Insured Dependent) subject to all provisions, definitions, limitations and conditions of said policy; provided such person enrolls, becomes insured and remains insured in accordance with the terms of the policy.

## Eligibility

### PART I.

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Class I: All active Regular\*, Limited Term (LTE), or Post-doctoral appointee Employees of Sandia.

Class II: The Spouse of a Class I Insured Employee, unless legally separated, and any dependent children (including step-children and legally adopted children) of a Class I Insured Employee.

\* "Regular Employee" means any full-time or part-time Employee scheduled to work twenty or more hours a week for an indefinite period, engaged in the usual activities of the business, and whose employment is expected to be permanent at the time of engagement, although it may be subsequently terminated by action on the part of the Employee or Sandia.

# Definitions

## PART II.

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“Injury” wherever used herein means bodily injury caused by an accident occurring while the policy is in force as to the Insured Person and resulting directly and independently of all other causes in loss covered by the policy.

“Principal Sum” wherever used herein means the amount applicable to the Insured Person according to the provisions of Part IV of this certificate.

“Insured Person” wherever used herein means the insured and each dependent insured under the policy.

“Dependent” wherever used herein means the Insured’s spouse (unless legally separated) and the Insured’s unmarried child or children who are under 19 years of age (if attending college or school on a full-time basis under the age of 24 years), provided the child is dependent on the insured for support and maintenance.

# Effective Date of Insurance

## PART III.

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With respect to eligible employees for whom enrollment is made on or before the effective date of the policy, insurance as to the Insured and his/her Dependents, if insured, is effective on the effective date of the Master Policy. With respect to eligible employees enrolling after the effective date of the policy, insurance is effective on the first day of the second following month if the enrollment form is filed and required premiums paid.

# Schedule of Benefits

## PART IV.

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The Principal Sum applicable to the Insured is the amount selected by the Insured on his written payroll deduction authorization on file with the Holder, provided the Insured selects a plan of insurance subject to the following limitations. However, in no event can the amount of indemnities applied for exceed \$300,000 under any one plan or for any combination of plans.

## Insured Only (Plan I-A and/or Plan II)

The insured may select various indemnities in increments of \$5,000 from \$10,000 up to \$300,000\*.

## Insured and Insured Dependents (Plan I-B)

The Insured may select various indemnities in increments of \$5,000 from \$10,000 up to \$300,000\*. The Principal Sum Applicable to Dependents, if insured, shall be based on the Principal Sum of the Insured and shall be determined as follows:

With respect to the Insured's Spouse, an amount equal to 40% of the Principal Sum amount applicable to the Insured, except that if at the time of the accident there are no Dependent Children insured, the amount shall be equal to 50% of the Principal Sum amount applicable to the Insured. With respect to each Dependent Child of the Insured, an amount equal to 10% of the Principal Sum applicable to the Insured. If the Insured does not have a spouse eligible for coverage, such Dependent Child's benefit shall be an amount equal to 15% of that payable for the Insured.

\*The total Principal Sum under any one plan or combinations of plans cannot exceed \$300,000.

## Plan I-A and I-B Benefits

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When Injury results in any of the following losses to an Insured Person within 365 days of the date of the accident, the Company will pay in one sum the indicated percent of the Principal Sum for:

Loss of Life.....	100%
Loss of Both hands or Both Feet .....	100%
Loss of Entire Sight of Both Eyes .....	100%
Loss of One Hand or One Foot.....	50%
Loss of Entire Sight of One Eye .....	50%
Loss of Speech.....	50%
Loss of Hearing in Both Ears.....	50%
Loss of Thumb and Index Finger of Same Hand .....	25%
Permanent Total Disability (Employee Only) .....	100%

“Loss” as above used with reference to hand or foot means the actual, complete, and permanent severance through or above the wrist or ankle joint; as used with reference to eye means irrecoverable loss of entire sight thereof; as used with reference to speech means complete and irrecoverable loss of speech; as used with reference to hearing means complete and irrecoverable loss of hearing in both ears; and as used with respect to thumb and index finger means the actual, complete, and permanent severance through or above the metacarpophalangeal joint.

A benefit is not payable for both loss of thumb and index finger of same hand and loss of one hand for Injury to the same hand as the result of any one accident. In no event will the benefits payable under this provision due to the same accident exceed the Insured Person's applicable Principal Sum.

## **Permanent Total Disability Indemnity**

**(EMPLOYEE ONLY)**

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When as the result of Injury and commencing within 365 days of the date of the accident, an Insured is totally and permanently disabled and prevented from engaging in each and every occupation or employment for compensation or profit for which he is reasonably qualified by reason of his education, training or experience, the Company will pay in one sum the Principal Sum less any other amount paid or payable under the policy as the result of the same accident. Payment will be made provided disability has continued for a period of 365 days and is total, continuous and permanent at the end of this period.

## **Plan I-B Benefits**

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### **Common Disaster Benefit**

If the Insured and the Insured Spouse both suffer loss of life due to covered injuries caused by the same accident or separate accidents which occur within 24 hours of each other, the Principal Sum for the Insured Spouse will be increased to equal that of the Insured, provided both suffer loss of life within 365 days of the accident.

### **Education Benefit**

If the Insured's eligible dependents are covered under the policy on the date of such Insured's death due to an Injury for which benefits are payable under the policy, the Company will pay the Education Benefit stated below for each of the Insured's dependent children, as full-time students:

- In a school for higher learning above the 12th grade level; or
- In the 12th grade but who enroll as full-time students in a school for higher learning within 365 days after the date of death of the Insured.

The Education Benefit is equal to 2% of the Insured's Principal Sum per year for each year the Insured Dependent Child described above continues his education on a full-time basis in a school for higher learning but not to exceed 4 years, which must run consecutively, with respect to any one Insured Dependent Child.

The benefit will be paid each year immediately upon receipt of satisfactory proof that the child is enrolled as a full-time student in a school for higher learning.

“School for higher learning” includes, but is not limited to, any state university, private college or trade school.

In the event the Insured’s Dependent Child does satisfy the requirements indicated above, such child shall be deemed the beneficiary with respect to the benefits payable under this provision. In the event none of the Insured’s Dependent Children satisfied the requirements indicated above or the Insured has no Dependent Children, an amount equal to 2% of the Insured’s Principal Sum shall be paid to the Insured’s beneficiary.

## Safe Driving Benefit

Whenever a loss is compensable under the policy, your Principal Sum will be increased by \$25,000 or the Insured’s Principal Sum if less than \$25,000, if, at the time of accident, the Insured Person was:

- Wearing a properly fastened Seat Belt; and
- Driving or riding in a Vehicle driven by a driver who was neither intoxicated nor under the influence of drugs, unless taken as prescribed by a physician, at the time of the accident. Intoxication and being under the influence of drugs is as defined by the jurisdiction in which the accident occurs.

Due proof of Seat Belt use must be provided as part of the written proof of loss.

“Vehicle”, wherever used in this provision, means a passenger car, station wagon, van, jeep-type automobile or truck.

“Seat belt” means those belts that form a restraint system and includes infant and child restraint systems when properly used with a seat belt.

## Accidental Death and Dismemberment Indemnity

### PART VI. EMPLOYEE ONLY (PLAN II BENEFITS)

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When the Insured, because of Injuries received while a passenger (not as a pilot or member of the crew) riding in, boarding, alighting from or being struck by:

- any public land, air or water conveyance provided by a licensed common carrier primarily for passenger service, or
- any transport-type aircraft operated by the Military Airlift Command (MAC) of the United States or by the similar air transport service of Canada or Great Britain,

shall suffer any of the following specific losses within 365 days from the date of the accident, the Company will pay in one sum the indicated percentage of the Principal Sum for:

Loss of Life.....	100%
Loss of Both Hands or Both Feet .....	100%
Loss of Entire Sight of Both Eyes .....	100%
Loss of One Hand or One Foot.....	50%
Loss of Entire Sight of One Eye .....	50%
Loss of Speech.....	50%
Loss of Hearing in Both Ears.....	50%
Loss of Thumb and Index Finger of Same Hand.....	25%

“Loss” as above used with reference to hand or foot means the actual and complete severance through or above the wrist or ankle joint; as used with reference to eye means irrecoverable loss of entire sight thereof; as used with reference to speech means complete and irrecoverable loss of speech; as used with reference to hearing means complete and irrecoverable loss of hearing in both ears; and as used with respect to thumb and index finger means the actual and complete severance through or above the metacarpophalangeal joints. A benefit is not payable for both loss of thumb and index finger of same hand and loss of one hand for injury to the same hand as the result of any one accident. In no event will the benefits payable under this provision due to the same accident exceed the Insured Person’s applicable Principal Sum.

## **Permanent Total Disability Indemnity**

### **(EMPLOYEE ONLY)**

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If Injuries received by the Insured while a passenger (not as a pilot or member of the crew) riding in, boarding, alighting from or being struck by:

- any public land, air or water conveyance provided by a licensed common carrier primarily for passenger service, or
- any transport-type aircraft operated by the Military Airlift Command (MAC) of the United States or by the similar air transport service of Canada or Great Britain,

shall result in an Injury commencing within 180 days of the date of the accident and an Insured is totally and permanently disabled and prevented from engaging in each and every occupation or employment for compensation or profit for which he is reasonably qualified by reason of his education, training or experience, the Company will pay in one sum, provided such disability has continued for a period of 365 days and is total, continuous and permanent at the end of this period, the Principal Sum less any other amount paid or payable under the policy as the result of the same accident.

# Air Travel Coverage

## PART VII.

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Air travel coverage under the policy is provided while riding as a passenger, and not as a pilot or crew member, in any aircraft being used for the transportation of passengers.

Coverage under this policy does not include riding in an aircraft owned, operated or leased by or on behalf of the Holder or by the employer of the Insured if other than the Holder, unless we have amended this policy to provide such coverage.

## Extension of Air Travel Coverage

The air travel coverage provision is extended to cover an Insured Person for loss which results from Injury while riding as a pilot or crew member in an aircraft properly certificated for the transportation of passengers.

Pilot coverage is limited to a maximum principal sum of \$50,000. The company's agreement to provide such coverage will be contingent upon submission and approval of the Company's pilot history questionnaire and requires the payment in advance of a prepaid annual additional premium at the rate determined by the company.

## Aggregate Limit of Liability – Aircraft Accident

### PART VIII.

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The company's aggregate limit of liability for all losses arising out of any one aircraft accident involving an aircraft owned or leased by an employee of the policyholder is \$500,000. In the event said aggregate limit of liability is insufficient to pay the full indemnity for each Insured suffering a loss sustained in such accident, then the amount payable to each such Insured shall be in the same proportion as the Company's aggregate limit of liability bears to the total indemnity that would have been payable except for such aggregate limit of liability.

## Exposure and Disappearance

### PART IX.

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Loss from exposure to the elements by reason of a covered Injury will be covered if such loss is otherwise payable under this policy.

If an Insured Person is not found within one year after the disappearance, sinking or wrecking of a conveyance in which the Insured Person was riding at the time a covered accident occurred, the

Insured Person will be presumed to have suffered loss of life resulting from Injury caused by the accident.

## Exclusions

### PART X.

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The policy does not cover any loss caused by or resulting from:

- Riding in any vehicle or device for aerial navigation, except provided under “Air Travel Coverage”;
- Declared or undeclared war or act of either;
- Service in the armed forces of any country. However, orders to active military service for 2 months or less shall not constitute service in the armed forces;
- Suicide or a suicide attempt while sane or self-destruction or an attempt to self-destroy while insane; or
- Sickness or disease, except pyogenic infections which occur through an accidental cut or wound.

## Individual Terminations

### PART XI.

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The insurance of any Insured will cease on the earliest of the following dates:

- On the date the policy is terminated;
- At the end of the Grace Period if the Holder fails to pay the required premium;
- On the premium due date that falls on or next follows the date the Insured ceases to be associated with the Holder in a capacity that makes him eligible for this insurance.

The insurance of any Insured family member(s) will cease on the earliest of the following dates:

- On the date Your insurance for the Insured terminates; or
- On the premium due date that falls on or next follows the date such person ceases to be an eligible family member as described on the prior page.

Termination will not affect a covered loss which began before the date of termination.

The insurance of an Insured Dependent Child can be continued beyond the date such child ceases to be eligible because of attained age, provided:

- On the date the Insured Dependent Child's insurance would otherwise terminate due to age, the child is incapable of self-sustaining employment because of mental or physical impairment; and
- We have received proof of such incapacity within 31 days after the normal termination date due to attained age.

The insurance of such a child will be continued under the policy for as long as the Insured's coverage remains in effect and the child remains a Dependent Child incapable of self-sustaining employment.

## Conversion Privilege

The right to be Insured under a conversion policy of accidental death and dismemberment insurance shall be available to any Insured Person whose insurance under this policy terminates for any reason except: (1) the non-payment of premium; or (2) the termination of the policy or a class of eligible persons under this policy when the terminated coverage is replaced within 31 days by similar coverage provided under an insurance policy sponsored or arranged by the Holder.

The conversion coverage will be issued without evidence of insurability subject to the following conditions:

- Written application and the first premium must be sent to the Company within 31 days after the termination of coverage under this policy.
- The amount of insurance will not exceed that amount in force under the policy before termination, subject, however, to a minimum of \$10,000 and a maximum of \$250,000.
- The conversion coverage will be at the premium rate and on the form then being made available by the Company for such conversion.
- The effective date will be the date that the insurance under this policy ceases.

## Uniform Provisions

### PART XII.

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**NOTICE OF CLAIM:** Written notice of claim must be given to the Company within 20 days after any loss covered by the policy. If notice cannot be given within that time, it must be given as soon as reasonably possible.

The notice will be sufficient if it identifies the Insured Person and this policy. It must be sent to the Company at CNA Plaza, Chicago, Illinois 60685, or to William M. Mercer.

**CLAIM FORMS:** After the Company receives the written notice of claim, we will furnish claim forms within 15 days. If the Company does not furnish claim forms within 15 days, the claimant will be considered to have met the requirements for written proof of loss if the Company is given written proof as described below. The proof must describe the occurrence, extent and nature of the loss.

**WRITTEN PROOF OF LOSS:** Written proof of loss must be given to the Company within 90 days after the date of such loss. If it is not reasonably possible to give the proof within 90 days, the claim is not affected if the proof is given as soon as possible. Unless the Insured Person is legally incapacitated, written proof must be given within 1 year of the time it is otherwise due.

**TIME OF PAYMENT OF CLAIM:** Benefits payable under this policy will be paid immediately after the Company receives due written proof of loss.

**PAYMENT OF CLAIM:** Benefits for loss of life of the Insured will be payable in accordance with the beneficiary designation in effect at the time of payment. If no such designation is in effect at that time, the benefits shall be paid to the surviving person or persons in the first of the following classes of successive preference beneficiaries of which a member survives the insured:

The Insured's (a) spouse; (b) children, including legally adopted children; (c) parents; (d) brothers and sisters; or (e) estate. In determining such person or persons, the Company may rely upon an affidavit by a member of any of the classes of preference beneficiaries. Payment based upon such affidavit shall be full acquittance hereunder unless, before such payment is made, the Company has received at its Claim Office written notice of valid claim by some other person. If two or more persons become entitled to benefits as preference beneficiaries, they shall share equally.

Benefits for loss of life of any Insured family member will be payable to the Insured, if living, otherwise in the same manner as above.

Benefits for other than loss of life are payable to the Insured. All accrued benefits unpaid at the death of the Insured will be payable in the same manner as above.

Any benefits payable to a minor may be paid to the legally appointed guardian of the minor or, if there is no such guardian, to such adult or adults as have in the Company's opinion assumed the custody and principal support of such minor.

Any payment made by the Company in good faith pursuant to this provision shall fully discharge the Company to the extent of such payment.

**PHYSICAL EXAMINATION AND AUTOPSY:** At the Company's expense, we will have the right to examine an Insured Person as often as reasonably necessary while a claim is pending. In the event of loss of life, we also have the right to have an autopsy performed unless forbidden by Law.

**LEGAL ACTIONS:** No action at law or in equity can be brought until after 60 days following the date written proof of loss is given. No action can be brought after 3 years (Kansas 5 years and South Carolina 6 years) from the date written proof is required.

Any Insured who has not made an irrevocable designation of beneficiary may designate a new beneficiary at any time, without the consent of the beneficiary, by filing with the Company or William M. Mercer a written request for change, but such change shall become effective only upon receipt of such request by the Company or William M. Mercer. When such a request is received by the Company or William M. Mercer, whether the insured is living or not, the change of beneficiary shall date back to and take effect on the date of the execution of the request, but without prejudice to us on account of any payment made by the Company thereafter.

**CONFORMITY WITH STATE STATUTES:** If any provision of the policy is in conflict with the statutes of the state in which the policy is delivered or issued for delivery, the provision is automatically amended to meet with minimum requirements of the statute.

## General Provisions

The Company has the right to examine the Holder's records for this policy at any reasonable time. This right will extend until 2 years after the expiration of this policy or until final adjustment and settlement of all claims hereunder, whichever is later.

This policy is not in lieu of and does not affect any requirements for coverage by Workers' Compensation Insurance.

This Certificate of Insurance replaces and cancels all other certificates, if any, issued to the Insured named hereon under said Master Policy.



Chairman of the Board

Program Administered by:  
William M. Mercer, Incorporated  
201 Third Street, NW, Suite 1450  
Albuquerque, New Mexico 87102

SR83027511