

ROYAL STATE NATIONAL INSURANCE COMPANY, LIMITED

Honolulu, Hawaii

(Herein called We/Us/Our/Company)

Certificate of Insurance

Under

Group Policy Number GL-9000

Issued to

Hawaii Employer-Union Health Benefits Trust Fund

(Herein called the Policyholder or Fund)

insuring its members who are employees of the State of Hawaii or any of its Counties

(Herein called the Employer)

This certificate explains the essential features of this Group Policy (herein called the Plan or Policy). Subject to the Policyholder's records, certain participants are covered under this Plan. This Certificate replaces any prior Certificates, if any, that provide similar benefits. It is not and will not become the contract of insurance.

This Certificate includes an Accelerated Benefit. Accelerated Benefit payments may be taxable in some circumstances. Receipt of accelerated benefits may affect Medicaid and Supplemental Security Income ("SSI") eligibility. Consult with your tax and/ or legal advisor before applying for Accelerated Benefits.

COVERAGE INFORMATION

Eligibility Requirements

Eligibility and enrollment of employees under this Policy shall be in accordance with:

1. Chapter 87A, Hawaii Revised Statutes (HRS), the Hawaii Employer-Union Health Benefits Trust Fund Law, and its administrative rules; and
2. Chapter 431, HRS, the Hawaii Insurance Code.

Coverage for your spouse and dependent children is not provided.

Monthly Contributions are not Required or Allowed from Employees

The Policyholder pays the entire insurance premium.

Effective Date of Insurance

Insurance coverage is effective on the date you became actively employed or eligible for benefits under the administrative rules of the Policyholder, unless you reject insurance coverage in writing.

1. If you reject insurance coverage, you are not permitted to enroll until the next open enrollment.
2. If you cancel enrollment and wish to re-enroll, you must wait until the next open enrollment.
3. Open enrollment is declared by the Policyholder. If you enroll during the open enrollment period, the effective date is prescribed by the rules of the open enrollment.

Termination of Insurance

Your life insurance benefits under this Policy shall automatically terminate on the earliest of the following dates:

1. The date you are no longer eligible under the provisions governing this Policy pursuant to Chapter 87A, HRS;
2. The end of the last paid premium period made by the Policyholder on your account; and
3. The date this Policy ends.

CLASSIFICATION AND SCHEDULE OF INSURANCE BENEFITS

When you die, the Company will pay your beneficiary the applicable amount of life insurance benefits unless you are eligible and exercise the Accelerated Benefit. The classification and schedule of life insurance benefits are as follows:

Classification	Life Insurance Benefits
Active Employees	
Under age 65	\$38,361
Age 65 through 69	\$24,935
Age 70 through 74	\$17,262
Age 75 through 79	\$11,508
Age 80 and over	\$ 7,672
Retired Employees	\$ 2,034

Classification Change Date

Any change in your insurance classification shall become effective on the date of:

1. Your 65th, 70th, 75th and 80th birthday; and
2. Your retirement from active employment.

Accelerated Benefit (Active Employees Only)

Seventy five percent (75%) of your life insurance benefit payment may be paid to you during your lifetime for active employees. This is provided that you have met certain conditions. Your attending physician must certify that you suffer from a terminal illness and have a life expectancy of twelve (12) months or less. The benefit paid is according to the Classification and Schedule of Insurance Benefits, less a fee of \$100. Where benefit reduces due to an age change or change from active employee to retired employee status within the maximum 12-month life expectancy period, the benefit amount paid will be at the lower scheduled amount less a fee of \$100. The amount paid to you as an

Accelerated Benefit and applicable fee will be deducted from the Life Insurance Benefits paid to your beneficiary. If you have assigned all or part of your insurance, an Accelerated Benefit may not be paid unless you give us a signed written consent from the assignee.

Repatriation Benefit

We will pay a Repatriation Benefit if all of the following requirements are met:

1. A life insurance benefit is payable because of your death;
2. You die 200 miles or more from your primary place of residence; and
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

The amount of the Repatriation Benefit is the expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed 10% of the life insurance benefit. The Repatriation Benefit will be paid to the person who incurs the expenses.

Life Insurance Conversion

You may convert to the Company's individual whole life policy without evidence of good health. You must file an application within thirty-one (31) days of the following events:

1. Your insurance under this Policy ends because you are no longer eligible. You may convert in an amount equal to the amount you were insured at the time you became ineligible;
2. When you reach age 65, 70, 75, 80 and upon retirement. You may convert the benefit amount that is being reduced.

The premium for the individual whole life policy will be at Company's rates then in effect for:

1. The amount of insurance;
2. The class of risk to which you belong; and
3. Your attained age on the effective date of the individual whole life policy.

If this Policy terminates or the Fund benefit program is amended to terminate Life Insurance Benefits, and you have been continuously insured under this Policy for at least five (5) years prior to the termination of this Policy, you may convert to an individual whole life insurance policy. The type and premium will be as above. The amount of insurance may not exceed the lesser of the following:

1. The amount of the group term life insurance the individual has under this Policy minus any amount for which he or she becomes eligible under any group policy or plan which replaces this Policy within 31 days; or
2. \$10,000.

The individual whole life insurance policy will:

1. Only be issued if the application is made and the first premium is paid to us within 31 days after the date the group term life insurance under this Policy ends;
2. Take effect at the end of this 31 day application period; and
3. Be issued without disability or any other supplemental benefits.

If you die during the 31-day application period, the Company will pay your beneficiary the amount of insurance that you would have been eligible to convert. The death benefit will be paid under this group Policy and not the individual life insurance policy.

Portability of Life Insurance (Active Employees Only)

If your insurance under the Policy ends because you are no longer eligible, you may be eligible to buy portable group life insurance coverage for yourself without submitting evidence of good health. To be eligible you must satisfy the following requirements:

1. On the date you are no longer eligible under the Policy, you must be able to perform the material duties of a gainful occupation for which you are reasonably fitted by education, training, and experience;
2. On the date you are no longer eligible under the Policy, you are under age 65;
3. On the date you are no longer eligible under the Policy, you must have been continuously insured under the Policy for at least twelve (12) consecutive months; and
4. You must apply in writing and pay the first premium directly to us at our Home Office within 31 days after the date you are no longer eligible under the Policy.

(If one or more of the requirements are not met, see the Life Insurance Conversion provision for another option to continue life insurance coverage.)

This portable group life insurance will be provided under a master Group Life Portability Insurance Policy we have issued to Mutual Benefit Association of Hawaii. If approved, the certificate you will receive will be governed under the terms of the Group Life Insurance Portability Policy issued to Mutual Benefit Association of Hawaii and will contain provisions that differ from your coverage under the Policy.

The maximum amount of insurance that you are eligible to buy under this Portability of Life Insurance provision is the amount of the group term life insurance you have under the Policy. The combined amounts of insurance purchased under this Portability of Life Insurance provision and the Life Insurance Conversion provision cannot exceed the amount in effect under the Policy on

the day before your employment terminates.

Portable group insurance will become effective the day after you are no longer eligible under the Policy, if you apply within 31 days after the date you are no longer eligible. If death occurs within the 31 days after the date insurance ends under this group Policy, life insurance benefits, if any, will be paid according to the terms of this group Policy and not the terms of the Group Life Portability Insurance Policy issued to Mutual Benefit Association of Hawaii.

LIFE INSURANCE PROVISIONS

Payment of Benefits

Upon receipt of your death claim statement and due proof that you died while insured under this Policy, the Company will pay your beneficiary the applicable amount of life insurance benefit shown in the Classification and Schedule of Insurance Benefits, minus any Accelerated Benefit amounts paid and applicable fee, if any.

Beneficiary

If you die while insured under this Policy, the Company will pay in one lump sum to your beneficiary the amount of Life Insurance Benefits for which you are insured, minus any Accelerated Benefit amounts paid and applicable fee, if any.

If you name two or more beneficiaries and you do not state their respective share of the benefits, the benefits will be divided equally. If any beneficiary dies before you die, that beneficiary's share will pass to the surviving beneficiaries equally.

If you fail to name a beneficiary or if no beneficiary survives you, the Company may, at its option, pay Life Insurance Benefits in equal shares as follows:

1. To your surviving spouse, if any; or
2. If there is no surviving spouse, to your surviving children; or
3. If there is no surviving spouse or child, to your surviving parent(s); or
4. If there is no surviving spouse, child or parent, to your surviving brothers and sisters; or
5. If none of the above survives, to your estate.

The Company may rely on an affidavit or other written evidence deemed satisfactory to determine the identity or the nonexistence of beneficiaries not identified by name. If a benefit is to be paid to your estate or to a minor or other person that the Company consider legally incompetent, the Company will first review if a request for payment has been received from a duly appointed guardian or other legally appointed representative.

Any of these payments made in good faith will discharge the Company from any liability to the extent that these payments are made.

Escheat to the State of Hawaii

If the Company is not able to locate a beneficiary or claimant within a period of a year from the death date, proceeds may be escheated to the State of Hawaii Unclaimed Property Program.

Change of Beneficiary

You may change your beneficiary at any time by filing a beneficiary designation form approved by us.

How to File a Death Claim

Written notice of a death claim must be given to the Company. Claimant must also send an original death certificate to the Company's Home Office.

Proof of Claim

Proof of claim must be given to us within 90 days after the loss. If it is not reasonably possible to file claim within this time, the Company will allow more time. Proof of claim must then be filed as soon as possible, but not more than one year after date of death.

If notice of claim and proof of claim are not filed and received by the Company within one year after date of death, the Company under this Policy reserves the right not to pay for the loss. The Company may waive the one-year rule if the claimant is found not legally capable of filing earlier. The Company will pay all claims for up to one year after termination of this Policy.

GENERAL INFORMATION

This certificate is a summary of the provisions of the Group Policy and is merely evidence of the insurance provided under the Group Policy.

The Group Policy is a contract between the Policyholder and the Company. The Group Policy terms may be changed or terminated by written agreement between those parties.

At all times, the terms and conditions of the Plan are governed by the Group Policy between the Policyholder and the Company. A copy of the Group Policy may be reviewed at the Royal State National Insurance Company, Limited during regular business hours.

All claims and questions concerning this Plan benefits and claim filing should be directed to:

Royal State National Insurance Co., Ltd.
Attention: Claims Department - EUTF
819 South Beretania Street
Honolulu, Hawaii 96813
(808) 539-1621 Toll Free 1-888-942-2447