

Certificate of Insurance

**HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY**

Hartford, Connecticut

**Policyholder:** City of Salem

**Policy Number:** 01-ADD-7499

**Policy Effective Date:** January 1, 1995



We have issued a policy to the Policyholder. Our name, the Policyholder name and the Policy Number are shown above. The provisions of the policy which are important to you are summarized in this Certificate; consisting of this Certificate and any additional forms which have been made a part of this Certificate. This Certificate replaces all certificates which may have been given to you earlier for the policy. The policy alone is the only contract under which payment will be made. Any difference between the policy and this Certificate will be settled according to the provisions of the policy.

Richard G. Costello, *Secretary*

Thomas M. Marra, *President*

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**SCHEDULE**

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**Eligible Persons:**

All active employees of the Policyholder working at least 20 hours per work week.  
(Temporary or seasonal employees or full-time members of the Armed Forces are not eligible.)

**Principal Sum:**

The Principal Sum applicable to you is the amount for which:

- a) you are eligible to request as determined below;
- b) you have given us a Written Request; and
- c) the required premium is paid.

Principal Sum Amount:  
Minimum Amount: \$25,000  
Maximum Amount: \$300,000  
Increments of: \$25,000

The Principal Sum requested cannot exceed \$150,000 unless the amount requested is equal to or less than the lesser of 10 times your salary on the date of the request, or the Maximum shown above.

**Eligible Dependents:** Eligible Person's Spouse and Child(ren)

**Policy Age Limit:** Insured Person - None  
Spouse - 70

**Accidental Death and Dismemberment Reduction on and after Age 70:** On the Premium Due Date on or next following your attainment of ages 70, 75, 80 and 85, your amount of Principal Sum will reduce. The reduced amount will be determined by multiplying the Amount of Principal Sum determined in the Schedule and applicable to you by the percentage shown below for your attained age:

Insured Person's Age	Percentage of Principal Sum
Age 70 - 74	65%
Age 75 - 79	45%
Age 80 - 84	30%
Age 85 or over	15%

If you are age 70 or over you will not be eligible for a Principal Sum Amount that is more than the Percentage of Principal Sum shown above for your attained age.

**Principal Sum for Each of Your Eligible Dependents  
(Please see Accidental Death and Dismemberment Benefit)**

**Seat Belt Coverage**

Percentage of Principal Sum: 10%  
Maximum Amount: \$25,000

**Education Benefit**

Maximum Amount: \$5,000  
Percentage of Principal Sum: 5%  
Minimum Amount: \$1,500

**Spouse Education Benefit**

Maximum Amount: \$5,000  
Percentage of Principal Sum: 5%  
Minimum Amount: \$1,500

**Rehabilitation Benefit**

Percentage of Principal Sum: 5%  
Maximum Amount: \$5,000

**Conversion Privilege Benefit (Insured Person Only)**

Conversion Limit: \$150,000

**Extended Dependents Coverage Benefit**

**Day Care Benefit (Insured Person Only)**

Maximum Amount: \$2,500  
Percentage of Principal Sum: 2.5%  
Minimum Amount: \$1,250

**DEFINITIONS:** **We, us** or **our** means the insurance company named on the face page. **You, your** or **Insured Person** means an Eligible Person while he or she is covered under the policy. **Covered Person** means you or your Eligible Dependent while you, he or she is covered under the policy. **Injury** means bodily injury resulting directly from accident and independently of all other causes which occurs while the Covered Person is covered under the policy. Loss resulting from: a) sickness or disease, except a pus-forming infection which occurs through an accidental wound; or b) medical or surgical treatment of a sickness or disease; is not considered as resulting from Injury. **On**, when used with reference to any conveyance (land, water or air), means in or on, boarding or alighting from the conveyance. **Civil** or **Public Aircraft** means an aircraft which: a) has a current and valid Airworthiness Certificate; b) is piloted by a person who has a valid and current certificate of competency of a rating which authorizes him or her to pilot the aircraft; and c) is not operated by the militia or armed forces of any state, national government or international authority. **Airworthiness Certificate** means: a) the "Standard" Airworthiness Certificate issued by the United States Federal Aviation Agency; or b) a foreign equivalent issued by the governmental authority with jurisdiction over civil aviation in the country of its registry. **Military Transport Aircraft** means an aircraft that: a) is used for transport; and b) is operated: 1) by the Military Airlift Command (MAC) of the United States; or 2) by a MAC type service of a national government recognized by the United States. **Written Request** means any form provided by us for the particular request.

**INSURED PERSONS PERIOD OF COVERAGE: Effective Date:** If you give us a Written Request, your coverage becomes effective on the later of: a) the Policy Effective Date; or b) the first day of the month on or next following the date we receive the request; or c) if evidence of insurability is required, the first day of the month on or next following the date we determine that you are insurable. (If there is an insurability requirement, it will be stated in the Schedule). **Termination:** Your coverage terminates on the earlier of: a) the date the policy is terminated; or b) the Premium Due Date on or next following the date you: 1) cease to be an Eligible Person; 2) attain the Policy Age Limit, if any, shown in the Schedule; or 3) fail to pay any required premium contribution. **Request For Change In Coverage:** If you give us a Written Request for a change in your coverage, and if you: a) are not eligible for the coverage requested, the change will not become effective; b) are eligible for the coverage requested, the change will become effective on the first day of the month on or next following the later of: 1) the date we receive the request; or 2) if evidence of insurability is required, the date we determine that you are insurable. (If there is an insurability requirement, it will be stated in the Schedule.)

**DEPENDENTS PERIOD OF COVERAGE: Eligibility:** Eligible Dependents are defined below. In any event, you are not an Eligible Dependent. **Spouse** means your spouse unless: a) you and your spouse are legally separated or divorced; or b) your spouse has attained the Policy Age Limit, if any, shown in the Schedule. **Child** or **Children** means your unmarried child, stepchild, legally adopted child or foster child: a) who is less than age 21 and dependent on you for support and maintenance; or b) who is at least age 21 but less than age 25 who: 1) regularly attends an institution of learning; and 2) is primarily dependent on you for support and maintenance. **Effective Date:** Each Eligible Dependent will become covered under the policy on the later of: a) the date you become an Insured Person; b) the first day of the month on or next following the date we receive your Written Request for coverage of Dependents; c) the date the person qualifies as an Eligible Dependent; or d) if insurability is required, the first day of the month on or next following the date we determine that each Eligible Dependent is insurable.

(If there is an evidence of insurability requirement, it will be stated in the Schedule.). **Termination:** Coverage of each Eligible Dependent terminates on the Premium Due Date next following the earlier of: a) the date you cease to be an Insured Person; or b) the date he or she ceases to qualify as an Eligible Dependent. **Incapacitated Child:** Coverage of a child who, on the date he or she reaches age 21 or 25, is: a) covered under the policy; b) mentally or physically incapable of earning his or her own living; and c) unmarried and primarily dependent on you for support and maintenance; will not terminate solely due to age. However, you must give us notice of the incapacity within 31 days of the termination date. Coverage will continue as long as: a) the incapacity continues; and b) the required premium is paid. We may, from time to time, require proof of continued incapacity and dependency. After the first two years, we cannot require proof more than once each year. **Request For Change In Coverage:** If you give us a Written Request for a change in the coverage of your Eligible Dependents, and if he or she: a) is not eligible for the coverage requested, it will not become effective; or b) is eligible for the coverage requested, the change will become effective on the first day of the month on or next following the later of: 1) the date we receive the request; or 2) if evidence of insurability is required, the date we determine that each Eligible Dependent is insurable. (If there is an evidence of insurability requirement, it will be stated in the Schedule.)

**EXCLUSIONS:** The policy does not cover any loss resulting from: 1) intentionally self-inflicted Injury, suicide or attempted suicide, whether sane or insane; 2) war or act of war, whether declared or undeclared; 3) Injury sustained while full-time in the armed forces of any country or international authority; 4) Injury sustained while riding On any aircraft except a Civil or Public Aircraft, or Military Transport Aircraft; 5) Injury sustained while riding On any aircraft: a) as a pilot, crewmember or student pilot; b) as a flight instructor or examiner; or c) if it is owned, operated or leased by or on behalf of the Policyholder, or any employer or organization whose eligible persons are covered under the policy.

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT:** If a Covered Person's Injury results in any of the following losses within 365 days after the date of accident, we will pay the sum shown opposite the loss. We will not pay more than the Principal Sum for all losses due to the same accident. Your amount of the Principal Sum is determined in the Schedule. The amount of Principal Sum for each of your Covered Dependents is shown below as a percent of your Principal Sum.

You with:*	Spouse	Each Child
Spouse only	50%	0%
Spouse & Children	40%	10%
Children only	0%	15%

\*As determined on the date of accident.

For Loss of:

Life .....	The Principal Sum
Both Hands or Both Feet or Sight of Both Eyes .....	The Principal Sum
One Hand and One Foot .....	The Principal Sum
Speech and Hearing .....	The Principal Sum
Either Hand or Foot and Sight of One Eye .....	The Principal Sum
Movement of Both Upper and Lower Limbs (Quadriplegia) .....	The Principal Sum
Movement of Both Lower Limbs (Paraplegia) .....	Three-Quarters The Principal Sum
Movement of Both Upper and Lower Limbs of One Side of Body (Hemiplegia) .....	One-Half The Principal Sum
Either Hand or Foot .....	One-Half The Principal Sum
Sight of One Eye .....	One-Half The Principal Sum
Speech or Hearing .....	One-Half The Principal Sum
Thumb and Index Finger of Either Hand .....	One-Quarter The Principal Sum

**Loss** means with regard to: a) hands and feet, actual severance through or above wrist or ankle joints; b) sight, speech or hearing, entire and irrecoverable loss thereof; c) thumb and index finger, actual severance through or above the metacarpophalangeal joints; d) movement of limbs, complete and irreversible paralysis of such limbs. **EXPOSURE:** Exposure to the elements will be presumed to be Injury if: a) it results from the forced landing, stranding, sinking or wrecking of a conveyance in which the Covered Person was an occupant at the time of the accident; and b) the policy would have covered Injury resulting from the accident. **DISAPPEARANCE:** A Covered Person will be presumed to have suffered loss of life if: a) his or her body has not been found within one year after the disappearance of a conveyance in which he or she was an occupant at the time of its disappearance; b) the disappearance of the conveyance was due to its accidental forced landing, stranding, sinking or wrecking; and c) the policy would have covered Injury resulting from the accident.

**SEAT BELT COVERAGE:** If a Covered Person's Injury results in a covered Loss while: a) a passenger riding in; or b) the licensed operator of; a duly registered Automobile, and while wearing a Seat Belt at the time of Accident as verified on the police report, then the amount of the Principal Sum will be increased by the Seat Belt Benefit Amount stated in the Schedule. **Accident,** for the purposes of Seat Belt Coverage, means the unintentional collision of an Automobile during which the Covered Person is wearing a Seat Belt. **Automobile** means a four-wheeled, private passenger car, station wagon, van or jeep-type vehicle which is not being used as a Common Carrier. **Common Carrier** means a conveyance operated by a concern, other than the Policyholder, organized and licensed for the transportation of passengers for hire and operated by an employee of that concern. **Seat Belt** means: a) a belt, lap restraint, or shoulder restraint installed by the manufacturer of the Automobile; or b) a child's car seat properly placed in the Automobile. **Exclusions:** This Seat Belt Coverage does not cover any loss if the Covered Person: a) is under the influence of any intoxicant, excitant, hallucinogen, or any narcotic or other drug, or similar substance as verified in the police accident report (unless administered under the advice of a physician); and b) is operating the Automobile.

**EDUCATION BENEFIT:** If: a) your Eligible Dependents are covered under the policy; and b) a Principal Sum is payable under the Accidental Death and Dismemberment Benefit because of your death; we will pay an Education Benefit to each Student as provided below. A Student is a person for whom we receive proof that he or she: a) is covered as your Eligible Dependent on the date of your death; and b) is a full-time post-high school student in a school for higher learning on the date of your death; or c) became a full-time post-high school student in a school for higher learning within 365 days after your death and was a student in the 12th grade on the date of your death. He or she is not considered to be a Student after the first to occur of: a) our payment of the fourth Education Benefit to or on behalf of that person; or b) the end of the 12th consecutive month during which we have not received proof that he or she is a Student. The Education Benefit is an amount equal to the lesser of: a) the Maximum Amount; or b) an amount determined by applying the Percent to the amount of your Principal Sum. We will not pay more than one Education Benefit to any one Student during any one school year. The Education Benefit is payable to each person: a) on the date; and b) for whom; we have received proof that he or she is a Student. If he or she is a minor, we will pay the benefit to the Student's legal representative. If: a) a Principal Sum is payable because of your death; and b) no person qualifies as a Student; we will pay the Minimum Amount in accordance with the claim provision for payment of benefits for loss of life. The Principal Sum is determined in the Schedule. The Maximum Amount, Percentage of Principal Sum, and Minimum Amount are shown in the Schedule.

**SPOUSE EDUCATION BENEFIT:** If your Injury results in loss of life and: a) your Eligible Dependents are covered under the policy; and b) a Principal Sum is payable under the Accidental Death and Dismemberment Benefit; we will pay an Education Benefit to your Surviving Covered Spouse as provided below. Your Surviving Covered Spouse, to qualify for the Education Benefit, must enroll in an Occupational Training program: a) for the purpose of obtaining an independent source of income; b) within one (1) year of the date of your death. The Education Benefit is an amount equal to the lesser of: a) the Expense Incurred for Occupational Training; b) a Percentage of your Principal Sum; or c) the Maximum Amount. The expense must be incurred within two (2) years of the date of your death. We will pay the Education Benefit due immediately after we receive proof that your Spouse has enrolled in an Occupational Training program. **Occupational Training** means any: a) education; b) professional; or c) trade training; program which prepares your Spouse for an occupation for which he or she otherwise would not have been qualified. **Expense Incurred** means: a) the actual tuition charged, exclusive of room and board; and b) the actual cost of the materials needed; for the Occupational Training program. If a Principal Sum is payable because of your death and there is no Surviving Covered Spouse, we will pay the Minimum Amount in accordance with the **Payment of Claims** provision. Your amount of the Principal Sum is determined in the Schedule. The Maximum Amount, Minimum Amount, and Percentage of Principal Sum are shown in the Schedule.

**REHABILITATION BENEFIT:** If your Injury results in any loss, other than loss of life, payable under the policy, within 365 days after the date of accident, we will pay a benefit equal to the lesser of: a) the Expense Incurred for Rehabilitative Training; b) a Percentage of your Principal Sum; or c) the Maximum Amount; for Rehabilitative Training. The expense must be incurred within 2 years of the date of accident. Your amount of Principal Sum is determined in the Schedule. The Percentage of Principal Sum, and Maximum Amount are shown in the Schedule. **Rehabilitative Training** means any training which: a) is required due to your Injury; b) prepares you for an occupation in which you would not have engaged except for the Injury. **Expense Incurred** means the actual cost: a) of the training; and b) of the materials needed for the training.

**CONVERSION PRIVILEGE:** If you cease to be covered under the policy because you cease to be eligible for coverage and: a) the policy has not terminated; and b) you have not failed to pay any required premium; you have a conversion privilege as provided below. The conversion right allows you to request coverage under a conversion policy from the Insurer, without giving medical evidence of insurability, to cover yourself but not your dependents. **Insurer**, as used on this page, means us or another insurance company which has agreed with us to issue converted policies according to this conversion privilege. You must: a) give the Insurer a Written Request for the converted policy; and b) pay the Insurer the initial premium; within 31 days after you cease to be covered under the policy. The converted policy: a) will have the provisions, limitations and exclusions on the form the Insurer is issuing for this purpose at conversion; b) will provide coverage on a twenty-four hour-a-day basis; c) will provide benefits for accidental death and dismemberment alone; d) will take effect on the date you cease to be covered under the policy; e) may exclude any condition excluded by the policy; f) will not pay for any loss covered by the policy; g) will provide a Principal Sum for yourself which will be: 1) the amount of your Principal Sum under the policy on the date of conversion, rounded to the nearest \$1,000, subject to a minimum of \$25,000.00 and a maximum of \$150,000.00, if you are under age 70; 2) \$25,000.00, if you are age 70 or older but less than age 75; or 3) \$12,500.00, if you are age 75 or older; h) will have premiums based on the Insurer's rates in effect for new applicants of your class and age at conversion.

**EXTENDED DEPENDENTS COVERAGE BENEFIT:** If you die while your Eligible Dependents are covered under the policy, we will: a) waive the payment of premium; and b) continue coverage under the policy; for your Eligible Dependents. The waiver of premium and continued coverage will cease for a Covered Dependent on the first to occur of: a) the date your Covered Spouse remarries; b) the date he or she ceases to qualify as an Eligible Dependent; c) the date which ends a 12 month period which began on the date of your death; or d) the date the policy terminates.

**DAY CARE BENEFIT:** We will pay a Day Care Benefit for each of your Eligible Dependents who are covered under the policy if: a) a Principal Sum is payable under the Accidental Death and Dismemberment Benefit because of your death; and b) such dependent is under age 7 at the time of your death; and c) proof of enrollment in a Day Care Program is provided as described below. Payment will be made to the person who has legal physical custody of the Eligible Dependent and who has primary responsibility for the Eligible Dependent's Expenses. Payment will be made in accordance with the Claims provision of the Policy. Proof of enrollment for each child in a Day Care Program may be in the form of, but will not be limited to, the following: a) a copy of the child's approved enrollment application in a Day Care Program; or b) cancelled check(s) evidencing payment to a Day Care facility or Day Care Provider; or c) a letter from the Day Care facility or Day Care provider stating that the child: 1) is attending a Day Care Program; or 2) has been enrolled in a Day Care Program and will be attending within

365 days of the date of your death. Proof of enrollment must be sent to us prior to the last day of the 12th month on or next following the date of your death. One Day Care Benefit payment will be made each year, for a maximum of 4 Day Care Benefit payments, for each Eligible Dependent. The Day Care Benefit is the lesser amount of: a) the Maximum Amount; or b) an amount determined by applying the Day Care Percent to the amount of your Principal Sum. We will pay the Minimum Amount stated in the Schedule in accordance with the Claims Provision for payment of benefits for loss of life if: a) a Principal Sum is payable because of your death; and b) no person qualifies as an Eligible Child for a Day Care Benefit. The Maximum Amount, Minimum Amount and Percentage of Principal Sum are shown in the Schedule. **Day Care Program** means a program of child care which: a) is operated in a private home, school or other facility; and b) provides, and makes a charge for, the care of children; and c) is licensed as a Day Care center or is operated by a licensed Day Care provider, if such licensing is required by the state of jurisdiction in which it is located; or d) if licensing is not required, provides child care on a daily basis for 12 months a year.

**CLAIMS: Notice of Claim:** The person who has the right to claim benefits (the claimant or beneficiary) must give us written notice of a claim within 20 days after a covered loss begins. If notice cannot be given within that time, it must be given as soon as reasonably possible. The notice should include your name and the policy number. Send it to our office in Hartford, Connecticut, or give it to our agent. **Claim Forms:** When we receive the notice of claim, we will send forms to the claimant for giving us proof of loss. The forms will be sent within 15 days after we receive the notice of claim. If the forms are not received, the claimant will satisfy the proof of loss requirement if a written notice of the occurrence, character and nature of the loss is sent to us. **Proof of Loss:** Proof of loss must be sent to us in writing within 90 days after: a) the end of a period of our liability for periodic payment claims; or b) the date of the loss for all other claims. If the claimant is not able to send it within that time, it may be sent as soon as reasonably possible without affecting the claim. The additional time allowed cannot exceed one year unless the claimant is legally incapacitated. **Time of Claim Payment:** We will pay any daily, weekly or monthly benefit due: a) on a monthly basis, after we receive the proof of loss, while the loss and our liability continue; or b) immediately after we receive the proof of loss following the end of our liability. We will pay any other benefit due immediately after we receive the proof of loss. **Payment of Claims:** We will pay any benefit due for loss of your life: a) according to the beneficiary designation in effect under the policy at the time of your death; otherwise b) to your estate. All other benefits due and not assigned will be paid to you, if living. Otherwise, the benefits may, at our option, be paid: a) according to the beneficiary designation; or b) to your estate. If a benefit due is payable to: a) your estate; or b) you or a beneficiary who is either a minor or not competent to give a valid release for the payment; we may pay up to \$1,000 of the benefit due to some other person. The other person will be someone related to you or the beneficiary by blood or marriage who we believe is entitled to the payment. We will be relieved of further responsibility to the extent of any payment made in good faith. **Physical Examinations and Autopsy:** While a claim is pending we have the right at our expense: a) to have the person who has a loss examined by a physician when and as often as we feel is necessary; and b) to make an autopsy in case of death where it is not forbidden by law. **Legal Actions:** You cannot take legal action against us: a) before 60 days following the date proof of loss is sent to us; b) after 3 years following the date proof of loss is due. **Naming a Beneficiary:** You may name a beneficiary or change a revocably named beneficiary by giving your Written Request to the Policyholder. Your request takes effect on the date you execute it, regardless of whether you are living when the Policyholder receives it. We will be relieved of further responsibility to the extent of any payment we made in good faith before the Policyholder received your request. **Assignment:** We will recognize any assignment you make under the policy, provided: a) it is duly executed; and b) a copy is on file with us. We and the Policyholder assume no responsibility for the validity or effect of an assignment.