

**TRANSAMERICA
OCCIDENTAL LIFE**

Transamerica
Occidental Life
Insurance Company

Home Office: Los Angeles California

ARIZONA COUNTIES INSURANCE POOL

Group Accidental Death & Dismemberment Plan
POLICY NUMBER: 07937000
GROUP POLICY EFFECTIVE DATE: MARCH 1, 1998

Description of Benefits

This Description of Benefits explains only the general purpose of the insurance described, but in no way changes or affects the insurance afforded under the Master Policy. All coverages are subject to the actual provisions, terms, conditions and limitations of the Master Policy.

Principal Amount

A benefit amount equal to five times (5 x) the Insured Employee's Annual Base Salary. The benefit amount shall be rounded to the next higher multiple of \$1,000.00, if not already a multiple thereof, and shall be subject to a maximum amount of \$500,000.00. Definition of Annual Base Salary is stated in the Group Master Policy held by ACIA.

Dear Group Member,

This is your Certificate while you are insured under the Policy and replaces any other Certificate which may have been given to you under the Policy.

The text on the pages which follow describes your Group Insurance benefits and includes the limitations and all other Policy provisions which apply to you. The insured Member is referred to as "you", and the Insurance Company as "we" or us

Any reference to Dependents* Insurance applies to you only if you have dependents insured.

The complete Policy, of which this Certificate is a part, is on file in the Policyholders office.

CC: 07937000398

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DEFINITIONS

FOR ALL BENEFITS:

Policyholder means the Employer named on the front page of this Certificate.

Policy Year means the period from the Policy Effective Date, or from any Anniversary Date, to the next Anniversary Date.

Member, Insured Person, or You means a person who is insured under the Policy as an employee of the Policyholder.

Active Work or **Actively at Work** means being on the job as required of an employee of the Policyholder

Month means any of the 12 calendar months of the year.

Time Effective. When any date is referred to, the effective time shall be 12:01 A.M. at the address of the Policyholder.

Doctor means a person who is practicing within the scope of his or her license as (1) a doctor of medicine; (2) a doctor of osteopathy; (3) a dentist; (4) a podiatrist; (5) a chiropractor; (6) an optometrist; or (7) a psychologist. Doctor does not include the Member nor the spouse, parent, child, brother or sister of the Member or of the spouse of the Member.

FAA means the Federal Aviation Administration or its foreign equivalent.

INSURANCE PROVISIONS

WHEN INSURANCE STARTS

Eligible Status. You are eligible for insurance if you are: an active regular full-time employee or a county official.

Exception: You are not eligible if you are in full time service in any armed forces for more than 30 days.

Your Effective Date. Subject to the PROVISIO, your insurance will start on the date you become eligible.

If you become entitled to greater or lesser benefits because you change to a different Class of Members, any change will become effective on the date of such change in Class.

INSURANCE PROVISIONS - Continued

PROVISO. If you are not Actively at Work on the date your insurance would otherwise start, it will not start until the date you return to Active Work. This also applies when your insurance is being increased or benefits added while you are insured under the Policy.

Contributions Are Not Required. You are not required to pay any part of the premiums for Members* Insurance.

WHEN INSURANCE STOPS

Your insurance will stop on the earliest of the following dates:

- (1) The date the Policy terminates.
- (2) The end of the last Month for which the Policyholder pays us the premiums for your insurance.
- (3) The date you cease to be eligible as a Member.

PLAN SUMMARY FOR YOU

(No Dependent Coverage)

ACCIDENTAL DEATH

Principal Amount

ACCIDENTAL DISMEMBERMENT

- (1) Loss of both hands or both feet, sight of both eyes, one hand and one foot, speech and hearing of both ears, or either hand or foot and sight of one eye, Quadriplegia (total paralysis of both upper and lower limbs)

Principal Amount

- (2) Paraplegia (total paralysis of both lower limbs)

**Three-Fourths the
Principal Amount**

- (3) Hemiplegia (total paralysis of upper and lower limbs on one side of the body), either hand or foot, sight of one eye, speech or hearing of both ears

**One-Half the
Principal Amount**

- (4) Loss of hearing of one ear, or thumb and index finger of same hand

**One-Quarter the
Principal Amount**

The **Principal Amount** of your Accidental Death and Dismemberment Benefits is stated on the front cover of this Certificate.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

If you suffer accidental bodily injury which, independently of all other causes, results in any of the losses described herein, we will pay the benefits shown in the Plan Summary provided that:

- (1) such loss must occur (a) while insured for this benefit; and (b) within 365 days of the accident that causes the loss; and
- (2) such loss must be a result of an accident that occurs as described in the numbered Hazards herein.

Payment for Dismemberment will be made to you. Payment for loss of life will be made under the terms of the Beneficiary and Assignment Provisions. If more than one loss is sustained as a result of the accident, payment shall be made for only the one loss for which the largest amount is payable. No loss sustained prior to such accident shall be included in determining the amount payable.

Accidental Death. For loss of life.

Dismemberment. For loss of:

- Both hands or both feet or sight of both eyes.
- One hand and one foot.
- Speech and hearing of both ears.
- Either hand or foot and sight of one eye.
- Either hand or foot.
- Sight of one eye.
- Speech or hearing of both ears.
- Hearing of one ear.
- Thumb and index finger of same hand.

For Dismemberment benefits, the term "loss" also means:

- Quadriplegia.
- Paraplegia.
- Hemiplegia.

Definitions. Loss of sight means total and permanent loss of sight. Loss of hearing means total and permanent loss of hearing. Loss of speech means total and permanent loss of speech. Loss of a hand means severance at or above the wrist. Loss of a foot means severance at or above the ankle. Loss of thumb and index finger means severance at or above metacarpophalangeal joints. Quadriplegia means the total and permanent paralysis of both upper and lower limbs. Paraplegia means the total and permanent paralysis of both lower limbs. Hemiplegia means the total and permanent paralysis of upper and lower limbs of one side of the body.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE - Continued

Limitations. Unless we agree in writing, no benefits will be paid if loss directly or indirectly results from:

- Suicide or intentionally self-inflicted injury, while sane or insane. In Missouri suicide or intentionally self-inflicted injury, while sane.
- Your commission of or attempt to commit an assault or felony.
- Bodily or mental infirmity, disease of any kind, or medical or surgical treatment for any such infirmity or disease.
- Except as prescribed by a Doctor, your use of (1) PCP (also known as "Angel Dust"); (2) LSD or other hallucinogens; (3) cocaine, heroin or other narcotics; (4) amphetamines or other stimulants; (5) barbiturates or other sedatives or tranquilizers; or (6) any combination of two or more of these substances.
- S Any poison or gas voluntarily taken administered, absorbed, or inhaled.
- Travel or flight in any kind of aircraft, except as provided by the Hazard Provisions herein.
- Travel or flight as a pilot or crew member in any kind of aircraft, except if provided by a Specified Aircraft Provision.
- Travel or flight in any kind of aircraft used for: (1) firefighting; (2) exploration; (3) pipe or power line work; or(4) aerial photography.
- Any bacterial infection, except when caused by accidental bodily injury.
- War, whether or not declared, except if provided by a War Risk Provision.
- Taking part in an insurrection.

Common Accident Aggregate Limit. We will not pay benefits in excess of the Aggregate Limit. The Aggregate Limit means all benefits payable as the result of a Common Accident.

If, as a result of a Common Accident, the total benefits payable exceed the Aggregate Limit we will pay each Insured Person or beneficiary, a share of the Aggregate Limit. Each share will be an amount that is in the same proportion to the benefit payable for the covered loss suffered by each Insured Person as the Aggregate Limit is to the total of all benefits that would have been payable for all covered losses suffered in the Common Accident.

Aggregate Limit: \$625,000.00

EXPOSURE AND DISAPPEARANCE PROVISION

Subject to all other Policy provisions:

- (1) Loss that results from unavoidable exposure to the elements shall be considered accidental bodily injury and benefits will be payable under the Policy; and
- (2) Benefits will be payable under the Policy if after one year, your body has not been found after the conveyance in which you were traveling:
 - (a) disappeared;
 - (b) made a forced landing;
 - (c) sank; or
 - (d) was wrecked. CE

MONTHLY COMA BENEFIT

“Coma” and “Comatose” mean being in a state of complete mental unresponsiveness with no evidence of appropriate responses to stimulation.

If, while insured for this benefit, you suffer a covered accident which, within 365 days of such accident and independently of all other causes, results in your being in a coma continuously for at least 31 consecutive days, a Monthly Coma Benefit will be paid. The Monthly Coma Benefit will be payable for each month of continuous coma, but in no event shall more than 100 months of Monthly Coma Benefit be paid. No Monthly Coma Benefit will be payable after the comatose condition has ceased, whether by death, recovery, or any other change of condition.

The Monthly Coma Benefit will be 1% of the difference between the benefit that would be payable for the accidental death and the amount of any benefits paid or payable under this policy for other losses as a result of such accident. Under no circumstances will the total benefits payable for all losses which are caused by the same accident, exceed the amount that would be payable for the accidental death.

Your Monthly Coma Benefit will be paid according to the Beneficiary and Assignment Provisions Applicable to Benefits for Loss of Life.

If, after qualifying for a Monthly Coma Benefit, you suffer another loss covered under the terms of this contract, due to the same accident that caused the comatose condition, the benefit paid for such other loss will be the benefit stated in the Plan Summary reduced by the total amount of benefits paid, including Monthly Coma Benefits paid, with respect to you as a result of that accident. If you are comatose and continue to qualify for a Monthly Coma Benefit after such other loss, the amount of Monthly Coma Benefit will be redetermined using the calculation stated above.

The Beneficiary is responsible for providing to Transamerica Occidental Life Insurance Company proof of the continuing comatose condition. Transamerica Occidental Life Insurance Company retains the right to investigate to determine whether coma exists and continues.

Except as provided herein, all other provisions, exclusions, and limitations of the policy apply to this benefit.

MONTHLY SEAT BELT BENEFIT

In consideration of the reduced chance of accidental loss of life when seat belts are used properly, the following is added to the policy:

A seat belt benefit will be payable subject to the exclusions and limitations of this policy and endorsement, if an insured person dies as the result of a covered accident when:

- (1) the insured person was the operator of or passenger in an automobile at the time that accident occurred; and
- (2) the insured person was properly using a seat belt at the time that accident occurred; and
- (3) that accident occurs while this endorsement is effective as to the insured person; and
- (4) seat belt usage has been verified in the police accident report. If no statement regarding seat belt usage was made in the police accident report, a signed statement by a doctor; paramedic, police officer, coroner, or other person of competent authority who was at the scene of the accident will be accepted. The statement must verify that seat belts were being utilized properly, and the verifying party must not be related to the insured person or his beneficiary.

The seat belt benefit will be an amount equal to 10% of the amount payable for accidental loss of life of the insured person, subject to a maximum seat belt benefit of \$25,000.00 per insured person.

“Automobile” means a validly registered or licensed four wheel private passenger motor vehicle.

“Automobile” does not include: a motorcycle or motor scooter, or any sidecar thereof; a bus; any motor vehicle intended for off-road use; a semi-tractor trailer; a tractor or any other farm or ranch vehicle; any motor vehicle being used without its owners permission.

“Seat belt” means: (1) any passive restraint device which meets published federal safety standards, which has been installed by the automobile manufacturer, and which has not been altered after such installation; or (2) any child passive restraint device, which meets published federal safety standards and is approved by the National Transportation Safety Boards and is properly secured and used only as recommended by its manufacturer.

SEAT BELT BENEFIT - Continued

EXCLUSIONS

No seat belt benefits are payable if loss results, directly or indirectly from:

- (1) except as prescribed by a doctor, the use of any of the following by the insured person or the operator of the automobile in which the insured person is a passenger - alcohol; PCP (also known as Angel Dust), LSD or other hallucinogens; cocaine, heroin, or other narcotics; amphetamines or other stimulants; barbiturates or other sedatives or tranquilizers; or any combination of these substances;
- (2) any poison or gas voluntarily taken, administered, absorbed, or inhaled by the insured person or the operator of the automobile in which the insured person is a passenger;
- (3) the use of the automobile, in which the insured person is a passenger or operator, in a race, speed or endurance test, or for acrobatic or stunt driving, or for any illegal purposes;
- (4) the use of the automobile, in which the insured person is a passenger or operator, on other than regularly maintained roadways.

In all other respects the provisions and conditions of the policy remain the same.

BENEFICIARY AND ASSIGNMENT PROVISIONS APPLICABLE TO BENEFITS FOR LOSS OF LIFE

Named Beneficiary. means the party or parties which you designate to receive the Policy benefits which are payable on account of your death.

Payment to Beneficiary. Benefits for loss of life are payable to the Named Beneficiary if such party survives you. If there is no Named Beneficiary or if the Named Beneficiary does not survive you, the benefits are payable to the surviving person(s) in the first of the following classes of successive preference beneficiaries: your (1) beneficiary named in writing under any group life insurance policy issued to the Policyholder; (2) spouse; (3) children, including legally adopted children; (4) parents; (5) brothers and sisters; (6) estate. We may rely on an affidavit by a person in any of the classes of preference beneficiaries as the basis for our payment. Payment made before we have received written notice at our Home Office of a valid claim by some other person releases us from further obligation.

Your Named Beneficiary, if any, will be the person(s) named by you in your most recent written beneficiary designation placed on file in the records of the Policyholder. Payment made by us to such Named Beneficiary releases us from further obligation.

If two or more persons become entitled to benefits: (1) as the Named Beneficiary, and you have not specified their respective interests; or (2) as preference beneficiaries, they will share equally.

Benefits for loss of life will be paid in accordance with the beneficiary designation in effect under the Former Plan unless you notify the Policyholder of a change. Former Plan means the group policy which is replaced by this Policy immediately after the Former Plan terminated.

Assignment. You may assign all rights and interests in and to those benefits which are payable on account of your death. The assignment shall not be made to, nor be for the benefit of the Policyholder.

After your death, the beneficiary may assign the benefits which are payable to him or her.

The owner's rights and those of any beneficiary will be subject to the assignment on and after the date it is received by us at our Home Office. We are not responsible for the adequacy of any assignment.

Benefits for loss of life payable to a minor will be paid to the legally appointed guardian of the minor's estate. If there is no guardian, the benefits may be paid to the adult or adults whom we determine have assumed the custody and main support of the minor.

REPLACEMENT OF COVERAGE

The following provisions shall apply to each person who had valid coverage under the Former Plan on the date it ceased and is in a class which is eligible on the Policy Effective Date. If the required premiums are paid, the person shall become insured on such Effective Date, whether or not the active employment or effective date requirements have been met. The following provisions shall apply:

- ! If insurance for your group starts after the Policy Effective Date, the latter term as applied to you means the date insurance for your group starts under the Policy.
- ! No benefits will be paid for loss sustained before the Policy Effective Date.
- ! Any waiting period required by the Policy shall be reduced by the length of time such person was continuously covered for similar benefits under the Former Plan immediately prior to the Policy Effective Date.

Former Plan means the group policy which is replaced by this Policy immediately after the Former Plan terminated.

ADDITIONAL PROVISIONS

Notice of Claim. Written notice of claim must be given within 20 days after a covered loss occurs or starts, or as soon after that as possible. The notice may be given either to us at our Home Office or to one of our agents. The terms of the notice shall identify clearly the Insured Person.

Claim Forms. When we receive a notice of claim, we will furnish forms for filing proofs of loss. If the forms are not furnished within 45 days after we receive notice, written proof from the claimant as to the nature and extent of the loss sent to us within the time limit stated in the Proofs of Loss section below, will be deemed proof of loss.

Proofs of Loss. In case of a continuing loss for which we make recurrent payments, the Insured Person must give us written proof of loss within 90 days after the end of each period for which an amount is payable. For any other loss, written proof must be given within 90 days after the date of loss.

Failure to furnish proof within the time required will not void or reduce a claim if the proof is furnished as soon as it was reasonably possible to do so. Except in the event of legal incompetence, this extension of the time limit shall in no event exceed one year.

Time of Payment of Claim. All payments will be made when we receive proof of loss; however, for any loss for which recurrent payments are provided, benefit amounts shall be paid as they accrue, but not less often than monthly. Any unpaid balance at the end of the period for which we are liable will be paid when we receive proof of loss.

ADDITIONAL PROVISIONS - Continued

Payment of Claims. Payment for loss will be made when we receive proof of such loss. Except as stated below, all benefits will be paid to the Insured Person.

Loss of life benefits, if any, will be paid in accordance with the provisions which apply to such benefits. Any other benefits accrued but unpaid at death may be paid to the deceased person's estate or, at our option, to the beneficiary.

At our option, benefits which are payable to a deceased person's estate or to a person who is a minor or who is not competent to give a valid release may instead be paid by us to any person who is related by blood or marriage and whom we deem to be entitled to receive them. Such payment shall not exceed \$1,000 and will fully discharge us to the extent of the payment.

Physical Examination and Autopsy. We reserve the right to have the Insured Person examined, at our own expense, as often as is reasonably necessary while a claim is pending. We may also have an autopsy performed unless forbidden by law.

Legal Actions. No attempt to recover on the Policy through legal action may be made until at least 60 days after written proof of loss has been furnished as required by the Policy. No such action may be started later than three years from the time written proof of loss is required to be furnished.

Conformity with Laws. Any provision of the Policy which, on its effective date, is in conflict with the laws of the Governing Jurisdiction, is hereby amended to conform to the minimum requirements of such laws.

Home Office: Los Angeles, California

ENDORSEMENT NUMBER I

This Endorsement is to be attached to and form a part of Policy No. 07937000, issued to ARIZONA COUNTIES INSURANCE POOL.

The effective date of this Endorsement is MARCH 1, 1998.

In consideration of the payment of premium for the Policy, the following is hereby understood and agreed:

1. The Principal Amount for each Insured Employee automatically reduces to the following percentages on the Insured Employee's 70th and 75th Birthdays. Percentages are based upon the Principal Amount in effect the day prior to the Insured Employee's 70th Birthday:

Percentage of Principal Amount	Effective
50%	70th Birthday
25%	75th Birthday

2. Hazard A is hereby added to this policy and shall hereby read as follows:

HAZARD A

COMMUTATION ACCIDENT PROTECTION

Excluding Policyholder Owned or Leased Aircraft
(Inside or Outside City Limits)

Benefits will be payable under the Policy provided the accident that causes the covered loss occurs:

- (1) while you are commuting directly to and from your place of employment in any private or public vehicle; or
- (2) while you are commuting directly to and from your place of employment in any land or water conveyance licensed for the transportation of passengers for hire.

Private Vehicle means any validly registered or licensed four wheel private passenger motor vehicle, including a motorcycle or city/county owned vehicle.

Public Vehicle means any Land conveyance licensed for the transportation of passengers for hire.

3. The following named counties shall constitute the Named Schedule of Insured counties covered under this program:
Apache County, Cochise County, Gila County, Graham County, Greenlee County, La Paz County, Mojave County, Navajo county, Pinal County, Santa Cruz county, and Yavapai County.

In all other respects the provisions and the conditions of the policy remain the same.

The company has executed this endorsement at Los Angeles, California.

**Information Required by the
Employee Retirement Income
Security Act of 1974, as amended (“ERISA”)**

Appeal of Claim Denial. If a claim is denied in whole or in part, the claimant will receive: (1) a written explanation giving detailed reasons for the denial; (2) specific reference to policy provisions on which the denial is based; (3) a description of any additional material or information necessary for the claimant to perfect the claim; (4) an explanation of why such material or information is necessary; (5) an explanation of our claim appeal procedure.

If the claimant is not satisfied, or does not agree with the reasons for the denial of the claim, the claimant may appeal the decision to us, Transamerica Life Companies, ERISA Appeals Unit, Suite T-12-06, P.O. Box 30852, Los Angeles, California 90030-0852. We provide the benefits under the Group Master Policy identified on the front cover of your Certificate.

We are the fiduciary under the plan designated to review any claim appeals with respect to the policy by the claimant. We are vested with discretionary authority to determine eligibility for benefits and to construe and interpret the plan/policy terms and provisions. Our decision with respect to eligibility and plan/policy terms and provisions is final, conclusive and binding as to all parties.

The appeal must be in writing, and can be made by the claimant or the claimant's duly authorized representative. It must set out the claimant's reasons for the appeal and the claimant's dissatisfaction or disagreement. Any evidence or documentation to support the claimant's position should be submitted with the written appeal. Upon written request, the claimant may review pertinent documents that pertain to the claim and its denial.

The appeal must be made within 60 days of the date the claimant receives the letter denying the claim.

We will promptly review the claim and appeal. We will advise the claimant of our decision in writing, giving specific reasons for the decision with specific references to pertinent policy provisions on which the decision is based. This written decision will be sent to the claimant not later than 80 days after our receipt of the written appeal, unless special circumstances require an extension of time for processing the appeal, or obtaining more information, or conducting an investigation of the facts. In no event will the written decision be sent later than 120 days after we receive the written appeal.

If the claimant disagrees with our decision on appeal, the claimant may file suit in federal or state court asking the court to overturn our decision as an abuse of discretion. If the court rules in the claimant's favor, it may order us to pay the claimant's court costs and legal fees. If the claimant loses, the court may order the claimant to pay our court costs and legal fees (for example, if the court finds the claimant's suit to be frivolous).