FIREFIGHTER, PEACE OFFICER AND CORRECTIONS OFFICER CANCER INSURANCE POLICY PROGRAM

ISSUED BY:
THE FIREFIGHTER, PEACE OFFICER AND CORRECTIONS OFFICER CANCER INSURANCE POLICY PROGRAM ("THE PROGRAM")

AS ADMINISTERED BY:
THE BOARD OF TRUSTEES OF THE ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ("SYSTEM"), AN AGENCY OF THE STATE OF ARIZONA, OR ITS DESIGNATED AGENT (REFERRED TO AS "US," "WE" OR "OUR").

This Plan is issued pursuant to, and is governed by, Arizona Revised Statutes ("A.R.S.") §§ 38-641 to -645 (the “Enabling Legislation”) and any amendments thereto, as well as the provisions of Title 38, Chapter 5, Article 4, A.R.S. and Title 12, Chapter 7, Article 2, A.R.S. and any other Arizona statute or common law rule applicable to actions involving public entities such as the Program. This Plan is not subject to Titles I and IV of the Employee Retirement Income Security Act, 29 U.S.C. § 1001 et seq.

This Plan is issued to the Covered Member in consideration of payment of premiums by the Covered Member’s employer or the Covered Member as provided in the Enabling Legislation.

We agree to pay benefits to the Covered Member in accordance with all the provisions of this Plan, including the attached schedule of benefits (the “Schedule”) and any official authorized Riders attached.

Premiums are payable to us or our designated agent in amounts determined by this Plan, the Program or as otherwise set forth in the Enabling Legislation. The first premium is due as provided in the Enabling Legislation. Future premiums are due thereafter as provided by the terms of this Plan or as otherwise specified in the Enabling Legislation.

EFFECTIVE DATE

EFFECTIVE DATE: This Plan and the insurance provided by it becomes effective 12:01 A.M. Mountain Time on the Effective Date shown on the Schedule or the beginning of the Plan Month following the date the Covered Member’s employer or the Covered Member pays the first premium due on the Plan, whichever is later. The Effective Date of coverage is shown on the Schedule.

The provisions found on the following attached pages and official authorized Riders form a part of this Plan as if recited over the signatures shown below.

This Revised Plan is executed on the Effective Date at Phoenix, Arizona.

Brian Tobin, Chairman
Jared Smout, Acting Administrator

-1-
Effective date of Revised Benefits: July 1, 2015

SCHEDULE OF REVISED BENEFITS

Benefits are determined by this Schedule and the terms of this Plan.

<table>
<thead>
<tr>
<th>BENEFITS PROVISION</th>
<th>AMOUNTS AND LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cancer Intensive Care Benefit</strong></td>
<td></td>
</tr>
<tr>
<td>Daily Benefit:</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>Pharmacy Benefit</strong></td>
<td>Not to exceed actual out of pocket expenses</td>
</tr>
<tr>
<td><strong>Death Benefit</strong></td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Not subject to Lifetime max</td>
<td></td>
</tr>
<tr>
<td><strong>Experimental Treatment Benefit</strong></td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Maximum Benefit Amount:</td>
<td></td>
</tr>
<tr>
<td><strong>Diagnosis of Cancer Benefit</strong></td>
<td>$15,000.00*</td>
</tr>
<tr>
<td>First Diagnosis (*This will be reported as taxable income)</td>
<td></td>
</tr>
<tr>
<td><strong>Skin Cancer First Occurrence Benefit</strong></td>
<td>$500.00</td>
</tr>
<tr>
<td>Per Each Positive Diagnosis</td>
<td></td>
</tr>
<tr>
<td>Lifetime Maximum Benefit</td>
<td>$2,500.00</td>
</tr>
<tr>
<td><strong>Home Hospice Care Benefit</strong></td>
<td></td>
</tr>
<tr>
<td>Daily Benefit</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>Hospice Care Benefit</strong></td>
<td></td>
</tr>
<tr>
<td>Daily Benefit</td>
<td>$180.00</td>
</tr>
<tr>
<td><strong>Hospital Confinement Daily Benefit</strong></td>
<td></td>
</tr>
<tr>
<td>Daily Benefit Per Illness Period</td>
<td>$200.00 per day</td>
</tr>
<tr>
<td><strong>Radiology and Chemotherapy Benefit</strong></td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Lifetime Maximum Amount for This Benefit:</td>
<td></td>
</tr>
<tr>
<td><strong>Skilled Nursing Facility Benefit</strong></td>
<td>$40.00</td>
</tr>
<tr>
<td>Daily Benefit:</td>
<td></td>
</tr>
<tr>
<td><strong>Overall Lifetime Maximum Benefit under Plan:</strong></td>
<td>$100,000.00</td>
</tr>
</tbody>
</table>

Coverage for the above benefits is based on years of credited service earned by the Covered Member with the Public Safety Personnel Retirement System. For each year of credited service accumulated, a Covered Member will be eligible for five months of Cancer coverage under this Plan. When a Covered Member has used his or her allotted coverage period, coverage under this Plan will terminate, as provided in the Enabling Legislation.
DEFINITIONS

When used in this Plan, the following words and phrases have the meaning given. The use of any personal pronoun includes both genders. Unless otherwise specified herein, any terms used in this Plan that are specifically defined in the Enabling Legislation or A.R.S. § 38-841 et seq. shall have the meanings ascribed to such words in such legislation.

ADEQUATE PROOF means evidence sufficient to demonstrate a fact or the validity of a claim herein beyond a reasonable doubt.

CANCER means a disease manifested by the presence of a malignant neoplastic disorder characterized by:

(1) the uncontrolled growth and spread of malignant cells;
(2) the invasion of tissue;
(3) leukemia; or
(4) Hodgkin's disease.

Cancer must be positively diagnosed by a Physician certified by the American Board of Pathology to practice Pathologic Anatomy; or by an Osteopathic Pathologist (each, a “Certified Pathologist”). The diagnosis must be on the basis of:

(1) a microscopic examination of fixed tissues; or
(2) preparations from the hemic system.

Such diagnosis must be made while the Covered Member is alive or during post-mortem examination. The pathologist's judgment must be based solely on the criteria of malignancy accepted either by:

(1) American Board of Pathology; or
(2) Osteopathic Board of Pathology.

Such diagnosis must be made after a study of the histocytologic architecture or pattern of the suspect tumor, tissue or specimen. We will accept clinical evidence if it substantially documents the diagnosis of Cancer, provided a diagnosis cannot otherwise be made due to an inoperable condition.

CHEMOTHERAPY means a cancericidal chemical substance that is used for the purpose of modification or destruction of tissue invaded by Cancer.

CONFINED or CONFINEMENT means that the Covered Member is a registered bed patient in a Hospital or Skilled Nursing Facility and is charged room and board by the facility. He must be in the facility on the advice of a Physician and under the regular care and treatment of a Physician.

Confinement does not include Treatment received in the Outpatient department of the facility. Outpatient Treatment means service rendered for a period of less than 24 hours.

COVERED MEMBER means a person eligible for benefits under this Plan as specified herein and/or the Enabling Legislation.
EXPERIMENTAL TREATMENT means:
(1) drugs or chemical substances as approved by the U.S. Food and Drug Administration for experimental use in the treatment of human Cancer; and
(2) surgery or therapy endorsed by either the National Cancer Institute or the American Cancer Society for experimental studies. Included in such definitions are: (a) Chemotherapy or Immunotherapy using experimental drugs or chemicals; (b) Hyperthermia; and (c) Atomic Particle Therapy.

HOSPICE means a facility other than the Covered Member’s home or that of his friends or relatives that:
(1) provides a Hospice Care Program;
(2) is separated from any other facility; and
(3) fulfills any licensing requirements of the state or locality in which it operates.

HOSPICE CARE PROGRAM means a coordinated, interdisciplinary program for meeting the special needs of dying individuals and their families, by providing palliative and supportive medical, nursing and other health services during the illness and bereavement:
(1) to individuals who have no reasonable prospect of cure; and as estimated by a physician to have a life expectancy of less than six months; and
(2) to the families of those individuals.

HOSPITAL means an institution which meets all of the following requirements:
(1) it must be operated according to law;
(2) it must give 24 hour medical care, diagnosis and Treatment to the sick or injured on an in-patient basis for which a charge is made
(3) it must provide diagnostic and surgical facilities supervised by Physicians;
(4) Registered Nurses must be on 24 hour call or duty;
(5) The care must be given either on the Hospital's premises or in facilities available to the Hospital on a pre-arranged basis.

A Hospital is not a Hospice, rest, convalescent, extended care, rehabilitation or Skilled Nursing Facility. It is not a place which primarily treats mental illness, alcoholism or drug addiction; nor does it include any ward, wing or other section of the Hospital that is used for such purposes. It is not a facility where, in the absence of insurance, there is no legal obligation to pay.

INCURRED EXPENSE means the amount that the Covered Member paid for a service to a Doctor or Facility.

NURSE means a Registered Graduate Nurse (R.N.), Licensed Practical Nurse (L.P.N.), or Licensed Vocation Nurse (L.V.N.). He may not be you or a member of your immediate family.

PHYSICIAN means a doctor of medicine or a doctor of osteopathy licensed by the state in which he is resident to practice medicine or osteopathy. He must be practicing within the scope of his license for the service or Treatment given. He may not be the Covered Member or a member of his immediate family.

PLAN means the instant contract issued to the Covered Member providing the benefits described.
PLAN MONTH means the period of time starting on the first day of the month and ending on the last day of the same month.

SKILLED NURSING FACILITY means an institution which meets all of the following requirements:

1. it must be operated pursuant to law;
2. it must be approved for payment of Medicare benefits or be qualified to receive such approval if requested;
3. it must be primarily engaged in providing, in addition to room and board accommodations, skilled Nursing Services under a Physician’s supervision;
4. Registered or Licensed Practical Nurses must supervise the Facility 24 hours a day; and
5. a daily record for each patient must be maintained.

This definition does not include a:

1. rest home or similar facility;
2. home or facility for the aged;
3. home or facility for drug addicts or alcoholics;
4. home or facility for care or Treatment of mental diseases or disorders;
5. home or facility for custodial or educational care; or a
6. Hospice.

SKIN CANCER means a malignant neoplasm originating in the skin. Skin Cancer includes tumors arising from the epidermis, dermis and subcutaneous tissue, including basal, cell carcinoma, squamous cell carcinoma, Melanocarcinoma in-situ, and Bowen's disease in-situ.

TREATMENT means medical and surgical care by a licensed provider, Nurse or Physician to detect, address, remedy, assuage or cure Cancer. This includes examination, diagnostic procedures, surgery (including pre- and post-operative care), prescribed medication, and the application of remedies and therapy. It does not include any diagnostic procedures or examinations performed to diagnose Cancer or to monitor a previous removal or remedy of Cancer, provided there is no positive diagnosis of Cancer or a recurrence of Cancer.

ELIGIBILITY AND EFFECTIVE DATE OF PLAN

All Covered Members who are active or retired members of the Public Safety Personnel Retirement System (“System”) and serve (or have served) as firefighters and police officers regularly assigned to hazardous duty of the type normally expected of firefighters and police officers or correctional officers employed by the state department of corrections or the state department of juvenile corrections or a detention officer employed by a county, city or town if the department, county, city or town has voluntarily established a program and the corrections officer or detention officer voluntarily enrolled in the program and who, prior to their membership in the System, have not been medically treated for or diagnosed as having a Cancer for which they make claim under this Plan, are eligible for reimbursement of the Covered Expenses referenced in this Plan, subject to the limitations, exclusions and restrictions otherwise stated in said Plan.

1. Each Covered Member under the Public Safety Personnel Retirement System will become insured under this Plan at the beginning of the Plan Month following his employer’s payment of the first premium due under this Plan or the Effective Date, whichever is later. The Effective Date of coverage will be shown on the Schedule.
2. If a Covered Member is confined for any condition in a Hospital or an institution which provides medical care and Treatment on the date the Covered Member hereunder would otherwise become effective, he will be insured the day following his formal discharge from the Hospital or institution.

3. Any increase in benefits hereunder will be subject to a new Effective Date of Coverage on the increased amount of benefit only.

4. A Corrections Officer will become insured under this Plan if the following criteria are met;
   a. The Covered Members’ Employer has accepted to be part of the Cancer program and set up criteria for accepting member’s payments under this plan.
   b. The Covered Member shall make an election to participate and pay an annual amount to continue eligibility under this plan.

   **CANCER BENEFIT**

   Except as provided under Exclusions, we will pay benefits according to the Schedule of Benefits for Cancer that manifests itself while the Covered Member is insured under the Plan and any attached, official authorized Riders. These benefit payments to the Covered Member will begin for Covered Expenses incurred up to 90 days before the date the first pathological diagnosis of Cancer is made. Except as otherwise specified herein, benefits are only payable hereunder to a Covered Member suffering from Cancer, and except as otherwise expressly stated herein, no benefits are provided in this Plan to a Covered Member’s dependents, family, associates or relations.

   If the Covered Member receives Treatment for Cancer but positive diagnosis of such Cancer is not made during his lifetime, we will make payment to either his surviving spouse or designated beneficiary of any applicable benefits if positive diagnosis that the Covered Person suffered from Cancer is made after the Covered Member’s death. We will pay for Covered Expenses incurred up to 90 days before the date of diagnosis of Cancer by a Certified Pathologist.

   **CANCER INTENSIVE CARE INDEMNITY BENEFIT**

   Upon our receipt of Adequate Proof that a Covered Member is confined in an Intensive Care Unit for the Treatment of Cancer, we will pay a benefit for each day of Confinement. The benefit payable is subject to the following conditions:

   (1) the Covered Member is Hospital Confined;
   (2) the Confinement must be caused by Cancer; and
   (3) the Confinement begins while coverage under the Plan is in force for the Covered Member.

   The benefit payable for each day of Confinement is shown on the Schedule. This benefit is paid in lieu of the Hospital Confinement Benefit.

   Intensive Care Unit means a facility in a Hospital other than the patient's bedroom or an operating or a recovery room. It must be designated by the Hospital as a department providing the highest level of Intensive Care.
DEATH BENEFIT

Upon our receipt of Adequate Proof that a Covered Member dies as a result of Cancer while coverage is in force under the Plan, we will pay the Death Benefit shown on the Schedule. This benefit is not subject to the Overall Lifetime Maximum Benefit amount.

DIAGNOSIS OF CANCER BENEFIT

Upon receipt of Adequate Proof that, after coverage has been in force for 30 days, a Covered Member is diagnosed as having Cancer, we will pay a lump sum Benefit as shown on the Schedule. This payment is reported as taxable income and you should receive a 1099-R for this benefit.

THIS BENEFIT IS NOT PAYABLE FOR DIAGNOSIS OF SKIN CANCER. Members who previously received the First Occurrence Benefit are not eligible to receive this benefit.

EXPERIMENTAL TREATMENT BENEFIT

Upon our receipt of Adequate Proof that a Covered Person incurs expenses for an experimental treatment as defined in this document, we will pay the charges for such treatment not to exceed the Maximum Benefit shown on the Schedule.

HOME HOSPICE CARE BENEFIT

Upon our receipt of Adequate Proof that a Covered Member receives Home Hospice Care, we will pay the benefit as shown on the Schedule. The benefit is subject to the following conditions:

1. A Physician certifies that the Covered Member has Cancer for which there is no reasonable prospect of cure and that life expectancy is less than six months;
2. The Home Hospice Care follows a Hospital, Hospice Care Facility or Skilled Nursing Facility Confinement of at least 3 consecutive days for which benefits are payable under the Plan; and
3. The Home Hospice Care must be received while coverage under the Plan is in force for the Covered Member.

Home Hospice Care means services; care or Treatment provided to a Covered Member in his home under the direction of a Physician according to a Hospice Care Program.

Hospice Care Program means a program designed specifically to provide pain relief, symptom management and supportive services to terminally ill persons and their families. The program must be administered through a public agency or duly licensed or authorized private organization.

HOSPICE CARE BENEFIT

Upon our receipt of Adequate Proof that a Covered Member, following a Covered Hospital Confinement which lasted at least 3 consecutive days, we will pay the amount shown on the Schedule.

1. Hospice means a facility other than the Covered Member’s home or that of his friends or relatives that:
   a. Provides a Hospice Care Program;
   b. is separated from any other facility; and
   c. fulfills any licensing requirements of the state or locality in which it operates.
(2) Hospice Care Program means: a coordinated, interdisciplinary program for meeting the special needs of dying individuals and their families, by providing palliative and supportive medical, nursing and other health services during the illness and bereavement:

(a) to individuals who have no reasonable prospect of cure; and as estimated by a Physician to have a life expectancy of less than six months; and

(b) to the families of those individuals.

HOSPITAL CONFINEMENT DAILY BENEFIT

We will pay the Hospital Confinement Daily Benefit for Cancer Treatment provided the Covered Member is Hospital Confined. Upon receipt of Adequate Proof that a Covered Member is Hospital Confined for the Treatment of Cancer, we will pay the benefit shown on the Schedule for each day of Confinement. The benefit is subject to the Overall Lifetime Maximum Benefit amount. This benefit is not payable if the Confinement is payable or paid under the Cancer Intensive Care Indemnity Benefit.

PHARMACY BENEFIT

Upon receipt of proof of prescribed medications, submitted by Covered Members Physician for their treatment of Cancer. We will reimburse only the Covered Member for actual out of Pocket expenses for medications as prescribed and identified by the treating physician(s).

RADIOLOGY AND CHEMOTHERAPY BENEFIT

Upon our receipt of Adequate Proof that the Covered Person incurred expenses for the cost of x-ray, radium, cobalt or chemotherapy Treatments, we will pay a benefit for these expenses not to exceed the Maximum Benefit shown on the Schedule. The expense of x-ray, radium, cobalt and chemotherapy Treatments incurred while Hospital Confined, as an outpatient or in a free standing facility is eligible for this benefit.

SKILLED NURSING FACILITY BENEFIT

Upon our receipt of Adequate Proof that a Covered Member, following a covered Hospital Confinement which lasted at least 3 consecutive days, incurs Covered Expenses for Treatment in a Skilled Nursing Facility, we will pay the maximum number of days for Treatment in such Facility as shown on the Schedule.

SKIN CANCER BENEFIT

Upon our receipt of Adequate Proof that a Covered Member has received a positive diagnosis of skin cancer the Plan shall pay a benefit per the Schedule of Benefits. This payment shall be made for each diagnosis up to the Lifetime Maximum as shown in the Schedule of Benefits.

OVERALL MAXIMUM LIFETIME BENEFIT UNDER PLAN

Notwithstanding anything in this Plan to the Contrary, no Covered Member is or shall be entitled to benefits under this Plan in excess of One Hundred Thousand Dollars ($100,000.00). In other words, once a Covered Member has received $100,000.00 in benefits under this Plan, the Covered Member’s
entitlement to further benefits under this Plan shall be exhausted and he or she shall be entitled to no further benefits under said Plan.

EXCLUSIONS

Benefits will not be paid under the Plan and any official, authorized Rider for any Covered Expenses which arise or result from:

1. injury or sickness other than Cancer;
2. Pre-Existing Conditions, which are defined as a Cancer in the Covered Member that was positively diagnosed prior to the Covered Member’s membership in the Public Safety Personnel Retirement System. A Covered Member is not eligible for benefits under this Plan if there is any evidence that the Cancer that forms the basis of the Covered Member’s claim under the Plan existed before the Covered Member’s date of membership in the Public Safety Personnel Retirement System.

WHEN COVERAGE ENDS

The Covered Member’s coverage under this Plan automatically ends on the first of the following dates:

1. The date the Plan is terminated;
2. The premium due date the Covered Member’s employer fails to pay the required premium, except as provided in the Grace Period; or
3. The Covered Member has exhausted his benefits or his employment is terminated as provided in A.R.S. § 38-644.

EXTENSION OF BENEFITS

If the Covered Member’s coverage under this Plan terminates for any reason, except non-payment of premium, and prior to termination he incurs Covered Expenses, he will receive payments for the duration of any Hospital Confinement just as if coverage had not ended provided any Confinement starts within 90 days after the termination date, and Confinement is due to the same Cancer for which he incurred Covered Expenses before this termination date.

No additional premium is needed for the extended benefit payments after termination of coverage.

PREMIUMS

We provide coverage for Covered Members in return for premium payment. Premiums are payable by the Covered Member’s employer when the Covered Member is an active firefighter or a peace officer, and premiums are paid by the Covered Member when the Covered Member is an active Corrections Officer or a retiree that is eligible for extended coverage as specified in the Enabling Legislation. The first premium is due as specified in the Enabling Legislation. Premiums are paid to us on or before the due date. The initial premium rates are specified in the Enabling Legislation, and premiums may be increased or decreased as specified in the Enabling Legislation.

PREMIUM CHANGES. We have the right to change the premium rates on any premium due date, so long as such change is authorized in the Enabling Legislation, as amended. We will provide the Covered Member or the Covered Member’s employer written notice at least 31 days before the date of change. The premium rates may also be changed at any time the terms of the Plan are changed. Premiums must be paid as specified in the Enabling Legislation.
GRACE PERIOD. The Covered Member’s employer or the Covered Member has a 60 day grace period (the “Grace Period”) for the payment of each premium due after the first premium. Coverage will continue in force during the Grace Period. At our election, coverage under this Plan will end at the end of the Grace Period if all premiums which are due are not paid. We will require payment of all premiums for the period this coverage continues in force including the premiums for the Grace Period.

REINSTATEMENT OF COVERAGE. If we terminate coverage under this Plan for non-payment of premium, the Covered Member may reinstate coverage within 90 days following the last unpaid premium due date. To reinstate the Covered Member’s coverage under this Plan, the delinquent premiums must be paid in full. When the Covered Member is an active firefighter or peace officer, the employer must pay us all overdue premiums and any additional charges as specified in the Enabling Legislation. When the Covered Member is an active corrections officer, the Covered Member must pay all overdue premiums through their employer. When the Covered Member is a retiree, the retiree must pay us all overdue premiums before reinstatement is granted.

GENERAL PROVISIONS

CHOICE OF PHYSICIAN. The Covered Member is free to be treated by any Physician of his choice, including Physicians, clinics or providers situated outside the United States.

CLERICAL ERROR. Clerical errors or delays in keeping records for this Plan will not deny benefits which would otherwise have been granted, nor extend benefits which otherwise would have ceased.

CONFORMITY WITH LAW. Any provision of this Plan which is in conflict with the laws of the State of Arizona is amended to conform with the laws of said State.

ENTIRE CONTRACT; CHANGES. This Plan and the Enabling Legislation and other statutes and laws referenced therein, as well as any other attachments and Riders to the Plan are the entire contract between the Covered Member and the Program. This Plan may be changed by us at any time, and you have no vested right to benefits hereunder until such time as you have first suffered or incurred a Cancer giving rise to a covered claim to benefits hereunder.

NONPARTICIPATING. This Plan is a nonparticipating Plan, which means that the Covered Member does not share in any surplus funds held by the Program.

WORKERS’ COMPENSATION. This Plan is not a Worker’s Compensation plan of insurance. It does not satisfy any requirement for coverage by Worker’s Compensation insurance.

WHEN THERE IS A CLAIM

SUBMISSION OF CLAIMS. Claims under this Plan should be provided as soon as reasonably possible by the Covered Member. Claims covered under this Plan will not be valid or payable if the claim is not tendered to us within 24 months of the date the claim was incurred. If the claim is for the “Diagnosis of Cancer” benefit we must receive notification of that claim within 24 months of when member is positively diagnosed for cancer. Claims submitted beyond 24 months will be reviewed for payment on a case by case basis. Claims may be submitted on behalf of the Covered Member by an authorized power of attorney or legal designee. The submission of a “Diagnosis of Cancer” claim must include a completed Initial Claim Form, a completed Attending Physician Form, which must include the “List of Prescribed Medications”, and the pathology report that shows the cancer diagnosis. Additional covered benefits as
outlined in the schedule of benefits should be submitted with the applicable claim form and adequate proof of the claim. Adequate Proof includes an explanation of benefits from any insurance carrier or carriers that have paid benefits on your behalf for the claim and a bill from the healthcare provider that clearly indicates the member expense. Claims may be mailed to us at P. O. Box 17323, Phoenix, Arizona, 85011 attn: Fire Cancer Insurance Program or faxed to 602-296-2371.

**PAYMENT OF CLAIMS.** Claims for benefits provided by the Plan will be paid within a reasonable period following our determination (or that of our agent) that the Covered Member has provided us with Adequate Proof of the validity of such claim.

All benefits are paid directly to the Covered Member. If a benefit is unpaid at a Covered Member’s death, we will pay either his surviving spouse or designated beneficiary. Any payment we make in good faith will fully discharge us to the extent of the payment, and any party who contests such payment on grounds he is entitled to same under this Plan shall be obligated to reimburse us for all attorneys’ fees and all costs of litigation reasonably incurred by us to defend the propriety of such payment if it is determined in a court of appropriate jurisdiction that our payment was appropriate.

When a claim is paid for expenses incurred during the Grace Period, any premium due and unpaid may be deducted from the claim payment. If the Covered Member’s employer is responsible for the premium, the Covered Member may seek reimbursement for the deducted sums from his employer.

**RIGHT TO RECOVERY.** If payments for claims exceed the maximum amount payable under any benefit provisions or official, authorized Riders of the Plan, we have the right to recover the excess of such payments from the Covered Member using any lawful means, including, without limitation, offsetting the amounts overpaid by any amounts payable to the Covered Member under this Plan.

**PHYSICAL EXAMINATION AND AUTOPSY.** At our expense, we have the right to have the Covered Member examined as often as necessary while a claim by that Covered Member is pending. At our expense, we may require an autopsy of a deceased Covered Member.

**LEGAL ACTIONS.** No legal action may be brought by a Covered Member to recover against the Program or Plan until the Covered Member has submitted to us all written documentation he believes to support his claim and at least 60 days have transpired since such submission to enable us (or our designated agent) to have sufficient time to evaluate the claim. No legal action may be brought against us or the Program by a Covered Member more than one year from the time we reject all or a portion of the Covered Person’s claim. All provisions of law concerning the defenses inuring to a public entity like the Program and its Administrator (and its employees, attorneys and agents) are expressly incorporated into and made a part of this Plan, and a Covered Member must strictly comply with same.

**ATTORNEYS’ FEES.** The prevailing party in any litigation concerning this Plan shall be awarded its reasonable attorneys’ fees and all costs of litigation against the non-prevailing party, such an award to be made by a judge and not a jury. If the Program and/or its Administrator (or their employees, attorneys or agents) [collectively, “Program”] are awarded attorneys’ fees and costs against a Covered Member, the Program may satisfy such fee and cost award from any amounts otherwise owing the Covered Member under this Plan, or through any other lawful means.

**NO PUNITIVE DAMAGES.** A Covered Member is not entitled to seek punitive damages against the Program, a public entity.
VENUE AND APPLICABLE LAW. Any and all legal action brought against the Program and its Administrator shall be brought in the Maricopa County, Arizona Superior Court. This Plan shall be governed by and construed under and pursuant to the laws of the State of Arizona, without regard to conflicts of law principles.

QUESTIONS. Questions about benefits, payments or eligibility should be made in writing and either mailed to P.O. Box 17323, Phoenix, AZ 85011 or faxed to 602-296-2371.