

May 8, 2006

State of Montana
125 Robert
Helena, MT 59620

Re: UNUM Life Insurance Company of America/Policy No. 529731

Dear Policyholder:

This letter will confirm our willingness to administratively allow an enrollment period for Group Long Term Care Insurance coverage beginning April 10, 2006 and ending June 1, 2006. Coverage applied for during this enrollment period that does not exceed the Evidence of Insurability Limits will become effective July 1, 2006.

Employees who were previously declined by Medical Underwriting are not eligible to apply for coverage.

An Application for Group Long Term Care Insurance which includes evidence of insuarability will be required if the Active Employee is applying for coverage amounts that exceed the Evidence of Insurability Limits.

Employees that were late enrollees will be able to enroll up to the Evidence of Insurability Limits.

The effective date of this administrative letter is April 1, 2006.

All other terms and provisions of the policy will apply.

Sincerely,



Susan N. Roth
Secretary

AMENDMENT NO. 3

This amendment forms a part of Group Policy No. 529731 issued to State of Montana, the Policyholder.

This Policy is changed by the addition or deletion of the pages listed below.

ADDITIONS

1. C-7 (04/01/2006)
2. C-20 (04/01/2006)

DELETIONS

- C-7
C-20 (10/01/2002)

The effective date of these changes is April 1, 2006.

The changes only apply to disabilities which start on or after the effective date.

The Policy's terms and provisions will apply other than as stated in this amendment.

Dated at Portland, Maine this 8th day of May, 2006.

Unum Life Insurance Company of America

By:



Secretary
J0/JF

If this amendment is unacceptable, please sign below and return this amendment to Unum Life Insurance Company of America at Portland, Maine within 90 days of May 8, 2006.

YOUR FAILURE TO SIGN AND RETURN THIS AMENDMENT BY THAT DATE WILL CONSTITUTE ACCEPTANCE OF THIS AMENDMENT.

State of Montana
Policyholder

By _____
Signature and Title of Officer

TERMS YOU SHOULD KNOW

When you see these words, here's what UNUM means:

"Active Employee" means an employee working for the Policyholder:

- on a full-time basis for earnings that are paid regularly as a permanent full time employee scheduled to work more than six months in any 12-month period, or a permanent part-time or job-share employee who is scheduled to work 20 hours or more per pay period, and more than six months in any 12-month period, or a seasonal employee who is regularly scheduled to work 20 hours or more per pay period, or who works 20 hours or more per pay period for a continuous period of more than six months a year although not regularly scheduled to do so, or an elected official, or judge or permanent employee of the judicial branch, or an officer or permanent employee of the legislative branch, or a temporary employee who is regularly scheduled to work 20 hours or more per pay period for more than six months within a year, or works 40 or more hours per pay period for a continuous period of more than six months although not regularly scheduled to do so, or is covered under a labor union contract which provides for eligibility, or is a member of the legislature.
- for a minimum of 20 hours per week; and
- at the Policyholder's usual place of business or at a location to which their job requires them to travel.

If you are a Active Employee and are on an approved leave of absence, UNUM will continue your coverage under the Policy as if you were in active employment, if the following conditions are met:

- a. all premiums for your coverage are paid in accordance with the Policy provisions, and
- b. the employer has approved your leave in writing.

Your coverage will continue for up to twelve months following the date your approved leave of absence begins. If you do not return to active employment at the end of the twelve month approved leave of absence you may elect converted coverage. Election for converted coverage must be made within 31 days of the date the approved leave ends.

"Activities of Daily Living" (ADLs) are:

- BATHING - washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower with or without equipment or adaptive devices.
- DRESSING - putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- TOILETING - getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- TRANSFERRING - moving into or out of a bed, chair, or wheelchair with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other supportive devices including mechanical or motorized devices.

TERMINATION OF COVERAGE

Your coverage will end on the latest of these dates:

- the date your total benefit payments equal your Lifetime Maximum amount;
- the date the Policy ends,
- the date you are no longer an Active Employee with the Policyholder,
- the date you no longer work for the Policyholder,
- the end of the period for which premiums were last paid to Unum for your coverage, or
- the date you die.

If you are absent from work at the Policyholder for any reason, you will continue to be covered for group coverage if the Policyholder continues to pay premiums to Unum.

EXTENSION OF BENEFITS

Termination of coverage will not affect any benefits payable if Disability began while your long term care insurance was in force, and continues without interruption after termination. Such extension of benefits will be limited to the duration of the payment of the Lifetime Maximum Amount.

CONTINUATION OF COVERAGE

If group coverage ends, you may elect converted coverage which means that the same coverage and rate you had under this plan can continue on a direct billing basis. If you are already direct billed, your coverage will automatically transfer to converted coverage.

You may not elect converted coverage if your coverage ended because you stopped paying premiums or if you are not insured under this plan.

Election for converted coverage must be made within 60 days of the date the group coverage ends. You must pay premium directly to Unum for any converted coverage to be continued.

The premium rate schedule for converted coverage may change in the future, depending on the overall use of the benefits by all insured persons or changes in the benefit levels or other risk factors. Any such change will be made on a class basis according to Unum's underwriting risk studies.

Once you have converted your coverage, you can apply at any time to change your coverage by contacting Unum's Home Office. You will need to complete the necessary forms which may include evidence of insurability.

AMENDMENT NO. 2

This amendment forms a part of Group Policy No. 529731 issued to State of Montana, the Policyholder.

This Policy is changed by the addition or deletion of the pages listed below.

ADDITIONS

DELETIONS

1. P-1 (01/01/1999)
through
P-7 (01/01/1999)

1
through
9

The effective date of these changes is January 1, 1999.

The changes only apply to disabilities which start on or after the effective date.

The Policy's terms and provisions will apply other than as stated in this amendment.

Dated at Portland, Maine this 8th day of May, 2006.

Unum Life Insurance Company of America

By:



Secretary

J0/JF

If this amendment is unacceptable, please sign below and return this amendment to Unum Life Insurance Company of America at Portland, Maine within 90 days of May 8, 2006.

YOUR FAILURE TO SIGN AND RETURN THIS AMENDMENT BY THAT DATE WILL CONSTITUTE ACCEPTANCE OF THIS AMENDMENT.

State of Montana
Policyholder

By _____
Signature and Title of Officer

Group Long Term Care Insurance Policy

POLICYHOLDER: State of Montana
POLICY NUMBER: 529731
POLICY EFFECTIVE DATE: January 1, 1999
PREMIUM DUE DATES: January 1, 1999 and the first day
of each following month
GOVERNING JURISDICTION: MONTANA
POLICY ANNIVERSARY: January 1, 2000 and each
following January 1

This policy is intended to be a qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue code of 1986.

Unum Life Insurance Company of America will pay the benefits provided in this Policy. Unum makes this promise subject to all of this Policy's provisions. Throughout this Policy, Unum means Unum Life Insurance Company of America.

The Policyholder should read this Policy carefully and contact Unum with any questions.

This Policy is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974.

Signed for Unum at Portland, Maine on the Policy Effective Date.



Secretary



President

Unum Life Insurance Company of America

TQGLTC95

ELIGIBILITY

Active or Retired Employees of the Policyholder and their Family Members are eligible for coverage under the Policy. Temporary or seasonal employees are not eligible. Refer to the **TERMS YOU SHOULD KNOW** section for the definitions of Active Employees, Retired Employees and Family Members.

The Policyholder is the State of Montana and its following divisions, subsidiaries and affiliated companies:

NONE

When Active Employees become eligible to apply for coverage:

An Active Employee must continuously meet the definition of Active Employee to be eligible to apply for coverage.

When rehired employees become eligible to apply for coverage:

Usually, the person must be continuously employed as an Active Employee for the length of the waiting period in order to become eligible to apply for coverage.

However, if:

- the person used to work for the Policyholder, and
- the Policyholder hires the person again within one year from the date the person's employment ended,

UNUM will count as part of the waiting period the time the person was employed as an Active Employee before the person's employment ended.

When Retired Employees become eligible to apply for coverage:

A Retired Employee must continuously meet the definition of a Retired Employee before becoming eligible to apply for coverage.

When Family Members become eligible to apply for coverage:

Family Members will be eligible to apply for coverage on the date the Active or Retired employee is eligible to apply for coverage. Family Members who are eligible to apply for coverage as an Active or Retired Employee are only eligible to apply for coverage as an employee.

APPLICATION FOR COVERAGE

When Eligible Persons Can Apply:

- For an Active Employee:

The period of time beginning on the date the Active Employee becomes eligible for coverage and ending 31 days after that date is called the first enrollment period.

- During the first enrollment period, the Active Employee can apply for coverage without evidence of insurability for amounts that do not exceed evidence of insurability limits. Evidence of insurability will be required if the Active Employee is applying for coverage amounts that do exceed the evidence of insurability limits, as shown on the SCHEDULE OF LONG TERM CARE BENEFITS.
- After the first enrollment period, the Active Employee can apply for coverage with evidence of insurability.

- For all other eligible persons:

An eligible person can apply for coverage, with evidence of insurability, any time after the date the person becomes eligible for coverage.

How to Apply:

For an Active Employee:

- During the first enrollment period, the Active Employee can apply for coverage by filling out a Benefit Election Form. An Application for Long Term Care Insurance which includes evidence of insurability will be required if the Active Employee is applying for coverage amounts that exceed the evidence of insurability limits.
- After the first enrollment period, the Active Employee can apply for coverage by filling out a Benefit Election Form and an Application for Long Term Care Insurance which includes evidence of insurability.

For all other eligible persons:

Apply for coverage by filling out a Benefit Election Form and an Application for Long Term Care Insurance which includes evidence of insurability.

Evidence of insurability includes not only the information supplied on the Application for Long Term Care Insurance, but also may include other proof of medical history such as test results, medical exams, Physicians' statements, etc. UNUM will pay the costs it determines are necessary to obtain any evidence of insurability it requires.

UNUM may also request that an insurability assessment be performed. An insurability assessment is a review done by UNUM or its designated representative to help in evaluating a person's cognitive and functional status. It may include:

- a telephone interview with the person; or
- a face to face interview with the person at a location selected by UNUM or its designated representative.

UNUM will use the medical history as well as information obtained through any insurability assessment to help decide whether to accept or decline an Application for Long Term Care Insurance.

WHEN COVERAGE BEGINS

For an Active Employee

- Coverage applied for within the employee's first enrollment period that does not exceed evidence of insurability limits will begin at 12:01 a.m. on the later of:
 - the Policy Effective Date; or
 - the first day of the month on or next following the month in which the employee applied for coverage.
- Coverage applied for within the employee's first enrollment period that does exceed evidence of insurability limits will begin at 12:01 a.m. on the later of:
 - the Policy Effective Date if UNUM approves the employee's Application for Long Term Care Insurance on or before that date, or
 - the first day of the month on or next following the month in which UNUM approves the employee's Application for Long Term Care Insurance.
- Coverage applied for after the employee's first enrollment period will begin at 12:01 a.m. on the first day of the month on or next following the month in which UNUM approves the employee's Application for Long Term Care Insurance.

For all other eligible persons

Coverage applied for will begin at 12:01 a.m. on the later of:

- the Policy Effective Date if UNUM approves the eligible person's Application for Long Term Care Insurance on or before that date; or
- the first day of the month on or next following the month in which UNUM approves the eligible person's Application for Long Term Care Insurance.

CHANGES IN COVERAGE

An insured person can apply at any time to change coverage by filling out a new Benefit Election Form and Application for Long Term Care Insurance. Changes in coverage will take effect at 12:01 a.m. on the first day of the month on or next following the month in which UNUM approves the insured person's Application for Long Term Care Insurance. The premium rate to be paid for any change in coverage is based on an insured person's insurance age. To determine insurance age, subtract the insured person's date of birth from the date the person is applying for the change in coverage.

WHEN COVERAGE WILL BE DELAYED

Active Employees' initial coverage will not begin if they are absent from work because they are injured, sick, temporarily laid off or on a leave of absence on the date that the coverage would normally begin. Coverage will begin at 12:01 a.m. on the first day of the month after the Active Employee returns to work as an Active Employee.

GENERAL INFORMATION

The entire contract for the Policyholder consists of:

- This Policy and any attachments issued to the Policyholder.
- The certificates of insurance and any of their attachments.
- Any signed applications or written statements of the Policyholder or insured persons.

This Policy is issued in consideration of the application and the remittance of the premium. It is subject to the terms and conditions stated on the attached pages.

This Policy is guaranteed renewable on each Policy Anniversary.

Guaranteed renewable means that this Policy will continue as long as the Policyholder does the following:

- gives UNUM any information that UNUM requires;
- performs all of its obligations that relate to this Policy; and
- continues to remit all premiums due within the grace period.

This Policy does not replace Workers' or Workmen's Compensation insurance, or affect the requirements for coverage by Workers' or Workmen's Compensation insurance.

This Policy may be changed in whole or in part. Only an officer or a registrar of UNUM can approve a change. The approval must be in writing and endorsed on or attached to this Policy. No other person, including an agent, may change this Policy or waive any part of it.

UNUM cannot contest or void a Policyholder's Policy in the first 2 years that the Policy is in force unless statements made by the Policyholder in the signed application are misrepresentations. However, the long term care insurance plan will end at any time if the Policyholder does not remit to UNUM the required premiums for this insurance.

POLICYHOLDER AND UNUM OBLIGATIONS

The Policyholder must give UNUM information at regular intervals about people:

- who become eligible to receive coverage,
- who change the amount of their coverage, or
- whose coverage ends.

UNUM also will be allowed to look at any of the Policyholder's records that UNUM believes have a bearing on this insurance. UNUM may do this at any reasonable time.

If the information provided is inaccurate:

- UNUM will use the corrected factual information to decide whether the person can receive coverage, and
- UNUM will make a fair adjustment of the premium.

For all purposes of this Policy, the Policyholder acts on its own behalf or as the employees' agent. Under no circumstances will the Policyholder be deemed UNUM's agent.

UNUM will provide certificates to insured persons.

This Policy can be terminated by UNUM, or by the Policyholder.

UNUM can terminate this Policy by written notice of at least 45 days if:

- fewer than 10 employees are covered by this Policy,
- the Policyholder does not promptly give UNUM any information that UNUM requires, or
- the Policyholder fails to perform any of its obligations that relate to this Policy.

This Policy will automatically terminate if the Policyholder and insured persons who are direct billed by UNUN do not pay all premiums due within the grace period. This Policy will terminate at 12:00 midnight on the last day of the grace period.

The Policyholder must pay all of the premiums collected for those employees electing coverage for the entire time that this Policy is in effect and will be liable to UNUM for any premiums collected from an employee that it does not pay.

However, UNUM cannot refuse to renew or otherwise terminate this Policy because the insured persons grow older or because of the insured persons' use of the benefits.

The Policyholder can terminate this Policy on any date if it delivers written notice to UNUM at least 45 days before the termination date.

If the Policyholder and UNUM both agree, this Policy may be terminated less than 45 days after the Policyholder or UNUM gives notice of the termination. However, this Policy will not be terminated during any period for which the Policyholder has paid the premium.

If this Policy is terminated, UNUM will still pay any payable claim for an insured person's Disability which began while this Policy was in effect.

PREMIUM RATES

The initial premium charges will be figured at the premium rates as shown on the following pages. UNUM may change the premium rates when the terms of this Policy are changed.

Any change in premium rates shall be made by written notice to the Policyholder, and insured persons who are direct billed by UNUM, at least 45 days in advance of the change. Changes may take effect on an earlier date when both UNUM and the Policyholder agree. Any such change will be made on a class basis according to UNUM's underwriting risk studies under this type of insurance coverage.

No change in initial premium rates will become effective prior to January 1, 2002 unless the terms of the Policyholder's plan of insurance are changed.

PREMIUM DUE DATES

The first premium due date will be the Policy Effective Date. The Policyholder, and insured persons who are direct billed by UNUM, must pay all premiums due under this Policy, including any adjustments, on or before the respective premium due dates shown on the face page of this Policy or on the direct bill. Premiums must be paid to UNUM's Home Office in United States Dollars and sent to the address shown on the bill.

The premium due must be paid within the 45 day grace period after the premium due date. If premium is not paid within this time, coverage will automatically terminate at the end of the grace period.

PREMIUM ADJUSTMENTS

Premiums for additional, increased, or terminated insurance may cause a pro-rata adjustment on the next premium due date.

Adjustments for premiums will be made only for the current insurance year and the prior insurance year.

In the case of fraud, adjustments for premiums will be made for other insurance years as well.

AMENDMENT NO. 1

This amendment forms a part of Group Policy No. 529731 issued to State of Montana, the Policyholder.

This Policy is changed by the addition or deletion of the pages listed below.

ADDITIONS	DELETIONS
1. C-20 (10/01/2002)	C-20

The effective date of these changes is October 1, 2002.
The changes only apply to disabilities which start on or after the effective date.

The Policy's terms and provisions will apply other than as stated in this amendment.

Dated at Portland, Maine this 11th day of November 2002

Unum Life Insurance Company of America

By:



Secretary
JO/MB

If this amendment is unacceptable, please sign below and return this amendment to Unum Life Insurance Company of America at Portland, Maine within 90 days of November 11, 2002.

YOUR FAILURE TO SIGN AND RETURN THIS AMENDMENT BY THAT DATE WILL CONSTITUTE ACCEPTANCE OF THIS AMENDMENT.

State of Montana
Policyholder

By _____
Signature and Title of Officer

Group Long Term Care Insurance Policy

TERMINATION OF COVERAGE

Your coverage will end on the latest of these dates:

- the date your total benefit payments equal your Lifetime Maximum amount;
- the date the Policy ends,
- the date you are no longer an Active Employee with the Policyholder,
- the date you no longer work for the Policyholder,
- the end of the period for which premiums were last paid to Unum for your coverage, or
- the date you die.

If you are absent from work at the Policyholder for any reason, you will continue to be covered for group coverage if the Policyholder continues to pay premiums to Unum.

EXTENSION OF BENEFITS

Termination of coverage will not affect any benefits payable if Disability began while your long term care insurance was in force, and continues without interruption after termination. Such extension of benefits will be limited to the duration of the payment of the Lifetime Maximum Amount.

CONTINUATION OF COVERAGE

If group coverage ends, you may elect converted coverage which means that the same coverage and rate you had under this plan can continue on a direct billing basis. If you are already direct billed, your coverage will automatically transfer to converted coverage.

You may not elect converted coverage if your coverage ended because you stopped paying premiums or if you are not insured under this plan.

Election for converted coverage must be made within 31 days of the date the group coverage ends. You must pay premium directly to UNUM for any converted coverage to be continued.

The premium rate schedule for converted coverage may change in the future, depending on the overall use of the benefits by all insured persons or changes in the benefit levels or other risk factors. Any such change will be made on a class basis according to UNUM's underwriting risk studies.

Once you have converted your coverage, you can apply at any time to change your coverage by contacting UNUM's Home Office. You will need to complete the necessary forms which may include evidence of insurability.

CONTRACT

Between
STATE OF MONTANA
And
UNUM LIFE INSURANCE OF AMERICA

I. PARTIES

This Contract, is entered into by and between the State of Montana (represented by the Department of Administration), hereinafter referred to as the "Group," and UNUM Life Insurance Company of American, 2211 Congress Street, Portland, Maine, 04122, hereinafter referred to as "UNUM." The purpose of this Contract is to provide qualified Long Term Care Insurance Coverage under Section 7702(b) of the Internal Revenue Code of 1986 to active employees and retirees that are eligible for State Employee Group Benefits, as well as spouses, parents, and parents-in-law of actives employees and retirees.

II. EFFECTIVE DATE, DURATION, AND RENEWAL

This contract shall take effect on January 1, 1999. The contract shall terminate on December 31, 2001, unless terminated earlier in accordance with terms of this contract. This Contract and its identical terms may be renewed by mutual agreement of the parties of two subsequent two-year renewal periods.

III. SERVICES

UNUM agrees to provide Long Term Care Insurance Coverage as described in the attached Group Long Term Care Insurance Policy that is hereby incorporated as part of this contract.

IV. CONSIDERATION/PAYMENTS

- A. Payment of all premiums due for Long Term Care Insurance Coverage under this contract is the responsibility of the insured person. In consideration for the services to be provided, the Group shall pay the premiums due under this policy, including adjustments, that are billed to the Group by UNUM for active employees and spouses of active employees on or before the premium due date, or within the 45-day grace period after the premium due date. The premium due dates are January 1, 1999, and the first day of each following month.
- B. Any withholding of payments by the Group pursuant to this paragraph shall not effect the rights of UNUM pursuant to the insurance policy to terminate the insurance coverage for failure to make timely payments."

V. ACCESS AND RETENTION OF RECORDS

- A. UNUM agrees to provide the Group, the Legislative Fiscal Division, the Legislative Audit Division, and its authorized agents access to any records necessary to determine compliance with all contract terms.
- B. UNUM agrees to create and retain records supporting the services rendered for a period of three years after the completion date of this contract or the conclusion of any claim, litigation, or exception relating to this contract taken by the State of Montana or a third party.

VI. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

UNUM shall not assign, transfer, or subcontract any portion of this contract without the express written consent of the department. (See, §18-4-141, M.C.A.).

VII. HOLD HARMLESS/INDEMNIFICATION

“UNUM agrees to defend, indemnify, and hold the States agents, employees and representatives harmless from any and all claims asserted by any employees of the State for long term care benefits under the group long term care insurance policy issued to the State. This obligation to defend or indemnify does not extend to claims or causes of action to the extent that such claims are based on the acts, representations, or omissions of the State its agents, employee, and representatives, nor shall it be construed to bar any legal or equitable remedies UNUM may have for State’s failure to fulfill its obligations pursuant to this contract.

The State shall defend and indemnify UNUM with respect to any and all claims asserted by any employees of the State based in whole or in part on the acts or omissions of the State, its agents, employees, and representatives.

UNUM's obligation to defend and indemnify shall apply only to lawsuits in which both UNUM and the State are named defendants. In discharging its obligation to defend as set forth above, UNUM shall allow its counsel to represent the interests of the State, but shall not be obligated to hire or compensate separate counsel on behalf of the State.”

VIII. INSURANCE

UNUM shall maintain, and submit proof of, workers’ compensation insurance required by §39-71-401, M.C.A., unless exempted by the Montana Department of Labor and Industry.

IX. INDEPENDENT CONTRACTOR

- A. UNUM is an independent contractor and neither UNUM nor its employees are employees of the Group.
- B. UNUM shall not be compensated for premiums billed prior to its having provided to the Group a certificate of workers' compensation insurance or a certificate of exemption under § 39-71-401, M.C.A.

X. COMPLIANCE WITH LAWS

- A. UNUM must comply with all applicable federal and state laws.
- B. All hiring by contractors supplying goods or services purchased by this contract must be on the basis of merit and qualifications; there may not be discrimination on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract. (See, § 49-3-207, M.C.A., Civil Rights Act of 1964, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973).

XI. CONTRACT TERMINATION

- A. The Group may, upon 60 days written notice to UNUM, terminate this contract in whole or in part at any time for any reason.

XII. LIAISON AND SERVICE OF NOTICES

- A. John Patrick will be the liaison for the department. Susan R. Kroeber will be the liaison for UNUM.
- B. Written notices or complaints will first be directed to the liaison.

XIII. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (See, §18-1-401, M.C.A.).

XIV. SCOPE, AMENDMENT AND INTERPRETATION

- A. This contract consists of four numbered pages, Group Long Term Care Insurance Policy, Certificate of Insurance, the Request for Best and Final Offer, UNUM's response to the Best and Final Offer, Request for Proposal for Long Term Care Insurance, and UNUM's response to the Request for Proposal for Long Term Care Insurance. In the event of dispute or

ambiguity about the minimum levels of performance by UNUM, the order of precedence of document interpretation is in that same order.

B. These documents contain the entire agreement of the parties. Any enlargement, alteration, or modification requires a written amendment signed by both parties.

The parties through their authorized agents have executed this contract on the dates set out below.

MONTANA DEPARTMENT
OF ADMINISTRATION

By: _____ Date: _____

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: Dang M. Beutich Date: 6/19/2000
(title) AVP LTC Underwriting

Reviewed for Legal Content by: [Signature] Date: 6/19/2000

Group Long Term Care Insurance Policy

POLICYHOLDER: State of Montana
POLICY NUMBER: 529731
POLICY EFFECTIVE DATE: January 1, 1999
PREMIUM DUE DATES: January 1, 1999 and the first day
of each following month
GOVERNING JURISDICTION: MONTANA
POLICY ANNIVERSARY: January 1, 2000 and each
following January 1

This policy is intended to be a qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue code of 1986.

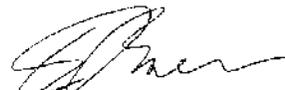
UNUM Life Insurance Company of America will pay the benefits provided in this Policy. UNUM makes this promise subject to all of this Policy's provisions. Throughout this Policy, UNUM means UNUM Life Insurance Company of America.

The Policyholder should read this Policy carefully and contact UNUM with any questions.

This Policy is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974.

Signed for UNUM at Portland, Maine on the Policy Effective Date.


Secretary


President

UNUM Life Insurance Company of America

ELIGIBILITY

Active or Retired Employees of the Policyholder and their Family Members are eligible for coverage under the Policy. Temporary or seasonal employees are not eligible. Refer to the **TERMS YOU SHOULD KNOW** section for the definitions of Active Employees, Retired Employees and Family Members.

The Policyholder is the State of Montana and its following divisions, subsidiaries and affiliated companies:

NONE

When Active Employees become eligible to apply for coverage:

An Active Employee must continuously meet the definition of Active Employee to be eligible to apply for coverage.

When rehired employees become eligible to apply for coverage:

Usually, the person must be continuously employed as an Active Employee for the length of the waiting period in order to become eligible to apply for coverage.

However, if:

- the person used to work for the Policyholder, and
- the Policyholder hires the person again within one year from the date the person's employment ended,

UNUM will count as part of the waiting period the time the person was employed as an Active Employee before the person's employment ended.

When Retired Employees become eligible to apply for coverage:

A Retired Employee must continuously meet the definition of a Retired Employee before becoming eligible to apply for coverage.

When Family Members become eligible to apply for coverage:

Family Members will be eligible to apply for coverage on the date the Active or Retired employee is eligible to apply for coverage. Family Members who are eligible to apply for coverage as an Active or Retired Employee are only eligible to apply for coverage as an employee.

APPLICATION FOR COVERAGE

- During the first enrollment period, the Active Employee can apply for coverage without evidence of insurability for amounts that do not exceed evidence of insurability limits. Evidence of insurability will be required if the Active Employee is applying for coverage amounts that do exceed the evidence of insurability limits, as shown on the SCHEDULE OF LONG TERM CARE BENEFITS.
- After the first enrollment period, the Active Employee can apply for coverage with evidence of insurability.

- For all other eligible persons:

An eligible person can apply for coverage, with evidence of insurability, any time after the date the person becomes eligible for coverage.

How to Apply:

For an Active Employee:

- During the first enrollment period, the Active Employee can apply for coverage by filling out a Benefit Election Form. An Application for Long Term Care Insurance which includes evidence of insurability will be required if the Active Employee is applying for coverage amounts that exceed the evidence of insurability limits.
- After the first enrollment period, the Active Employee can apply for coverage by filling out a Benefit Election Form and an Application for Long Term Care Insurance which includes evidence of insurability.

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Apply for coverage by filling out a Benefit Election Form and an Application for Long Term Care Insurance which includes evidence of insurability.

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UNUM may also request that an insurability assessment be performed. An insurability assessment is a review done by UNUM or its designated representative to help in evaluating a person's cognitive and functional status. It may include:

- a telephone interview with the person; or
- a face to face interview with the person at a location selected by UNUM or its designated representative.

UNUM will use the medical history as well as information obtained through any insurability assessment to help decide whether to accept or decline an Application for Long Term Care Insurance.

WHEN COVERAGE BEGINS

For an Active Employee

- Coverage applied for within the employee's first enrollment period that does not exceed evidence of insurability limits will begin at 12:01 a.m. on the later of:
 - the Policy Effective Date; or
 - the first day of the month on or next following the month in which the employee applied for coverage.
- Coverage applied for within the employee's first enrollment period that does exceed evidence of insurability limits will begin at 12:01 a.m. on the later of:
 - the Policy Effective Date if UNUM approves the employee's Application for Long Term Care Insurance on or before that date, or
 - the first day of the month on or next following the month in which UNUM approves the employee's Application for Long Term Care Insurance.
- Coverage applied for after the employee's first enrollment period will begin at 12:01 a.m. on the first day of the month on or next following the month in which UNUM approves the employee's Application for Long Term Care Insurance.

For all other eligible persons

Coverage applied for will begin at 12:01 a.m. on the later of:

- the Policy Effective Date if UNUM approves the eligible person's Application for Long Term Care Insurance on or before that date; or
- the first day of the month on or next following the month in which UNUM approves the eligible person's Application for Long Term Care Insurance.

CHANGES IN COVERAGE

An insured person can apply at any time to change coverage by filling out a new Benefit Election Form and Application for Long Term Care Insurance. Changes in coverage will take effect at 12:01 a.m. on the first day of the month on or next following the month in which UNUM approves the insured person's Application for Long Term Care Insurance. The premium rate to be paid for any change in coverage is based on an insured person's insurance age. To determine insurance age, subtract the insured person's date of birth from the date the person is applying for the change in coverage.

WHEN COVERAGE WILL BE DELAYED

Active Employees' initial coverage will not begin if they are absent from work because they are injured, sick, temporarily laid off or on a leave of absence on the date that the coverage would normally begin. Coverage will begin at 12:01 a.m. on the first day of the month after the Active Employee returns to work as an Active Employee.

GENERAL INFORMATION

The entire contract for the Policyholder consists of:

- This Policy and any attachments issued to the Policyholder.
- The certificates of insurance and any of their attachments.
- Any signed applications or written statements of the Policyholder or insured persons.

This Policy is issued in consideration of the application and the remittance of the premium. It is subject to the terms and conditions stated on the attached pages.

This Policy is guaranteed renewable on each Policy Anniversary.

Guaranteed renewable means that this Policy will continue as long as the Policyholder does the following:

- gives UNUM any information that UNUM requires;
- performs all of its obligations that relate to this Policy; and
- continues to remit all premiums due within the grace period.

This Policy does not replace Workers' or Workmen's Compensation insurance, or affect the requirements for coverage by Workers' or Workmen's Compensation insurance.

This Policy may be changed in whole or in part. Only an officer or a registrar of UNUM can approve a change. The approval must be in writing and endorsed on or attached to this Policy. No other person, including an agent, may change this Policy or waive any part of it.

UNUM cannot contest or void a Policyholder's Policy in the first 2 years that the Policy is in force unless statements made by the Policyholder in the signed application are misrepresentations. However, the long term care insurance plan will end at any time if the Policyholder does not remit to UNUM the required premiums for this insurance.

POLICYHOLDER AND UNUM OBLIGATIONS

The Policyholder must give UNUM information at regular intervals about people:

- who become eligible to receive coverage,
- who change the amount of their coverage, or
- whose coverage ends.

UNUM also will be allowed to look at any of the Policyholder's records that UNUM believes have a bearing on this insurance. UNUM may do this at any reasonable time.

If the information provided is inaccurate:

- UNUM will use the corrected factual information to decide whether the person can receive coverage, and
- UNUM will make a fair adjustment of the premium.

For all purposes of this Policy, the Policyholder acts on its own behalf or as the employees' agent. Under no circumstances will the Policyholder be deemed UNUM's agent.

UNUM will provide certificates to insured persons.

This Policy can be terminated by UNUM, or by the Policyholder.

UNUM can terminate this Policy by written notice of at least 45 days if:

- fewer than 10 employees are covered by this Policy,
- the Policyholder does not promptly give UNUM any information that UNUM requires, or
- the Policyholder fails to perform any of its obligations that relate to this Policy.

This Policy will automatically terminate if the Policyholder does not pay all premiums due within the grace period. This Policy will terminate at 12:00 midnight on the last day of the grace period.

The Policyholder must pay all of the premiums for the entire time that this Policy is in effect and will be liable to UNUM for any premiums that it does not pay.

However, UNUM cannot refuse to renew or otherwise terminate this Policy because the insured persons grow older or because of the insured persons' use of the benefits.

The Policyholder can terminate this Policy on any date if it delivers written notice to UNUM at least 45 days before the termination date.

If the Policyholder and UNUM both agree, this Policy may be terminated less than 45 days after the Policyholder or UNUM gives notice of the termination. However, this Policy will not be terminated during any period for which the Policyholder has paid the premium.

If this Policy is terminated, UNUM will still pay any payable claim for an insured person's Disability which began while this Policy was in effect.

PREMIUM RATES

The initial premium charges will be figured at the premium rates as shown on the following pages. UNUM may change the premium rates when the terms of this Policy are changed.

Any change in premium rates shall be made by written notice to the Policyholder, and insured persons who are direct billed by UNUM, at least 45 days in advance of the change. Changes may take effect on an earlier date when both UNUM and the Policyholder agree. Any such change will be made on a class basis according to UNUM's underwriting risk studies under this type of insurance coverage.

No change in initial premium rates will become effective prior to January 1, 2002 unless the terms of the Policyholder's plan of insurance are changed.

PREMIUM DUE DATES

The first premium due date will be the Policy Effective Date. The Policyholder, and insured persons who are direct billed by UNUM, must pay all premiums due under this Policy, including any adjustments, on or before the respective premium due dates shown on the face page of this Policy or on the direct bill. Premiums must be paid to UNUM's Home Office in United States Dollars and sent to the address shown on the bill.

The premium due must be paid within the 45 day grace period after the premium due date. If premium is not paid within this time, coverage will automatically terminate at the end of the grace period.

PREMIUM ADJUSTMENTS

Premiums for additional, increased, or terminated insurance may cause a pro-rata adjustment on the next premium due date.

Adjustments for premiums will be made only for the current insurance year and the prior insurance year.

In the case of fraud, adjustments for premiums will be made for other insurance years as well.

UNUM Life Insurance Company of America

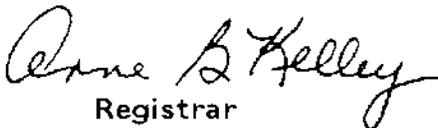
AMENDMENT

This amendment forms a part of the Group Policy issued to the Policyholder.

1. If an employee is on a family or medical leave of absence, UNUM will continue coverage under the Policy -- in accordance with the employer's Human Resource policy on family and medical leaves of absence -- as if the employee were in active employment, if the following conditions are met:
 - a. premiums are paid in accordance with the Policy provisions, and
 - b. the employer has approved the employee's leave in writing.
2. Coverage will be continued for up to the greater of:
 - a. the leave period required by the federal Family and Medical Leave Act of 1993, and any amendments;
 - b. the leave period required by applicable state law; or
 - c. the leave period provided in the Policy for the employee's medical leave for sickness or injury.
3. If coverage is not continued during a family or medical leave of absence, upon the employee's return to active employment:
 - a. no new waiting periods will be applied,
 - b. no new pre-existing conditions exclusions or limitations will be applied, and
 - c. no evidence of insurability will be required,to reinstate the coverage in effect on the date before the leave began.
4. If the Policy contains a pre-existing conditions exclusion or limitation provision, the time period in the provision will continue to run through an insured's family or medical leave of absence.
5. If the Policy contains a "Temporary Layoff and Leave of Absence Provision", this provision applies only to leaves other than family and medical leaves of absence.

The effective date of this amendment is August 5, 1993 or the effective date of the Policy, if later.

Signed for the Company at Portland, Maine


Registrar

UNUM Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122

This Certificate of Insurance is a part of the entire contract. This certificate is subject to the terms and conditions stated on the attached pages, all of which are part of the Policy. The Policy is intended to be a qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986.

Policy Number: 529731

Caution: If you completed an Application for Long Term Care Insurance which included evidence of insurability, the issuance of this long term care insurance certificate was based upon your responses to the questions on your application. A copy of your Application for Long Term Care Insurance was retained by you when you applied. If your answers are incorrect or untrue, UNUM may have the right to deny benefits or rescind your coverage. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact UNUM at this address: UNUM Life Insurance Company of America, 2211 Congress Street, Portland, Maine 04122.

- You are entitled to examine a copy of the Policy during regular office hours at the Policyholder's place of business. If the terms of this certificate and the Policy differ, the Policy will govern.
- You have a 30 day right to examine this certificate.

If, after examining this certificate, you are not satisfied for any reason, you may withdraw your enrollment in this plan by returning this certificate within 30 days of its delivery to you. The certificate, together with a written request for such withdrawal, must be sent to the Policyholder's Plan Administrator.

Upon receipt, your insurance will be deemed void from its effective date and any premium contribution(s) paid will be returned.

THIS CERTIFICATE IS NOT A MEDICARE SUPPLEMENT CERTIFICATE. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from UNUM.

UNUM is not representing Medicare, the federal government or any state government.

NOTICE TO BUYER: This certificate may not cover all of the costs associated with long term care incurred by you during the period of coverage. You are advised to review carefully all coverage limitations.

TQGLTC95C

Throughout this certificate:

"You" or "your" means an "insured" or "covered" Active or Retired Employee and "insured" or "covered" Family Member.

"UNUM" or "we" means UNUM Life Insurance Company of America, and

"Policyholder" means the State of Montana and its covered divisions, subsidiaries, and affiliated companies.

A handwritten signature in black ink, appearing to be 'J. P. ...', written in a cursive style.

President

TABLE OF CONTENTS

SCHEDULE OF BENEFITS C-5

TERMS YOU SHOULD KNOW C-7

BENEFIT INFORMATION C-13

 WHEN YOU ARE ELIGIBLE FOR A MONTHLY BENEFIT C-13

 AMOUNT OF MONTHLY BENEFIT C-13

 WHEN MONTHLY BENEFITS ARE PAID C-13

 WHEN MONTHLY BENEFIT PAYMENTS END C-13

 WAIVER OF PREMIUM C-14

 RECURRENT DISABILITY C-14

 RESPITE CARE BENEFITS C-14

 BED RESERVATION BENEFIT C-15

 NONFORFEITURE BENEFIT (Shortened Benefit Period) C-15

LIMITATIONS AND EXCLUSIONS C-16

REHABILITATION AND ALTERNATE CARE PLANS C-17

CLAIM INFORMATION C-18

 NOTICE OF CLAIM C-18

 PROOF OF CLAIM C-18

 HOW TO FILE A CLAIM C-18

 LEGAL ACTION C-19

 RIGHT OF RECOVERY C-19

TERMINATION OF COVERAGE C-20

 EXTENSION OF BENEFITS C-20

 CONTINUATION OF COVERAGE C-20

GENERAL INFORMATION C-21

 STATEMENTS C-21

 INCONTESTABILITY C-21

 AGENCY C-21

 PREMIUMS C-21

REINSTATEMENT	C-22
REINSTATEMENT OF TERMINATED COVERAGE DUE TO DISABILITY	C-22
POLICY RENEWABILITY	C-22

SCHEDULE OF BENEFITS

Elimination Period- 90 consecutive days

BASE COVERAGE

Monthly Benefit Maximum

Long Term Care Facility
\$1,000 to \$6,000 in
\$1,000 increments

Assisted Living Facility
60% of the Long Term Care
Facility Monthly Benefit

Nonforfeiture Benefit

Refer to BENEFIT INFORMATION section

ADDITIONAL COVERAGE OPTIONS

Monthly Benefit Maximum *

Professional Home Care Services
50% of the Long Term Care
Facility Monthly Benefit

Total Home Care
50% of the Long Term Care
Facility Monthly Benefit

Uncapped Compound Growth Inflation Protection
5% compounded annually

For example:

A monthly benefit amount of \$1,000 will be increased:

1. by 5% to \$1,050 on January 1st of the next calendar year;
2. by 5% of \$1,050 to \$1,102.50 on the next January 1st; and
3. by 5% of the previous benefit amount on each following January 1st.

As long as your coverage remains in effect, these inflation increases will occur automatically regardless of your health or whether or not you are disabled.

If you decline the inflation option at the time you apply for any coverage, you cannot add it to that coverage at a later date.

*Your Monthly Benefit Maximum will be adjusted to include any inflation option increases, if applicable.

Lifetime Maximum Amount ** - (Applies to all Long Term Care benefits)

<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
36 X the "Long Term Care Facility" amount.	72 X the "Long Term Care Facility" amount.	Unlimited

**Your Lifetime Maximum Amount will be adjusted to include any inflation option increases, if applicable.

Guarantee Issue Maximum Limits

Guarantee issue maximum limits include the following:

- increase the Long Term Care Facility Amount to 2 X the Base Coverage Long Term Care Facility amount, to a maximum of \$4,000; or
- increase the Lifetime Maximum Amount by 2 X, to a maximum of 72X the Long Term Care Facility amount.

Evidence of insurability satisfactory to UNUM is required for any amount(s) which exceed the guarantee issue maximum limit(s).

Guarantee Issue Options

Guarantee issue options include the following:

- addition of an Inflation Protection option.

CHANGES IN COVERAGE

You can apply at any time to change coverage by filling out a new Benefit Election Form and Application for Long Term Care Insurance which includes evidence of insurability. Changes in coverage will take effect at 12:01 a.m. on the first day of the month on or next following the month in which UNUM approves your application. The premium rate to be paid for any change in coverage is based on your insurance age. To determine insurance age, subtract your date of birth from the date you are applying for the change in coverage.

WHEN CHANGES IN COVERAGE WILL BE DELAYED

Changes in your coverage will not begin if you are absent from work because you are injured, sick, temporarily laid off or on a leave of absence on the date that the coverage would normally begin. Coverage will begin at 12:01 a.m. on the first day of the month after you return to work as an Active Employee.

DISCRETIONARY AUTHORITY

In making any benefits determination under the Policy, UNUM will have the discretionary authority both to determine your eligibility for benefits and to construe the terms of the Policy.

TERMS YOU SHOULD KNOW

When you see these words, here's what UNUM means:

"Active Employee" means an employee working for the Policyholder:

- on a full-time basis for earnings that are paid regularly as a permanent full time employee scheduled to work more than six months in any 12-month period, or a permanent part-time or job-share employee who is scheduled to work 40 hours or more per pay period, and more than six months in any 12-month period, or a seasonal employee who is regularly scheduled to work 40 hours or more per pay period, or who works 40 hours or more per pay period for a continuous period of more than six months a year although not regularly scheduled to do so, or an elected official, or judge or permanent employee of the judicial branch, or an officer or permanent employee of the legislative branch, or a temporary employee who is regularly scheduled to work 40 hours or more per pay period for more than six months within a year, or works 40 or more hours per pay period for a continuous period of more than six months although not regularly scheduled to do so, or is covered under a labor union contract which provides for eligibility, or is a member of the legislature.
- for a minimum of 40 hours per week; and
- at the Policyholder's usual place of business or at a location to which their job requires them to travel.

"Activities of Daily Living" (ADLs) are:

- **BATHING** - washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower with or without equipment or adaptive devices.
- **DRESSING** - putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- **TOILETING** - getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- **TRANSFERRING** - moving into or out of a bed, chair, or wheelchair with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other supportive devices including mechanical or motorized devices.
- **CONTINENCE** - the ability to maintain control of bowel or bladder function; or, when unable to maintain control of bowel or bladder functions, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- **EATING** - feeding oneself by getting food into the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.

"Adult Day Care" means a community-based program offering health, social and related support services to impaired adults. Adult Day Care can be provided by:

- a Home Health Care Provider; or
- an Adult Day Care Facility.

"Adult Day Care Facility" means a facility that operates under applicable state licensing laws and any other laws that apply, or meets the following tests:

- operates a minimum of 5 days a week;
- remains open for at least 6 hours a day;
- is not an overnight facility;
- maintains a written record of care on each patient;
- includes a plan of care and record of services provided;
- has a staff that includes a full-time director and at least one registered nurse who are there during operating hours for at least 4 hours per day;
- has established procedures for obtaining appropriate aid in the event of a medical emergency; and
- provides a range of physical and social services to adults.

"Assisted Living Facility" means:

- an institution that is licensed by the appropriate licensing agency (if licensing is required) to primarily engage in providing ongoing care and services to a minimum of 10 inpatients in one location and operates under state licensing laws and any other laws that apply; or
- any other institution that meets all of the following tests:
 - provides 24 hour a day care, custodial services and personal care assistance to support needs resulting from a disability;
 - has an employee on duty at all times who is awake, trained and ready to provide care;
 - provides 3 meals a day, including special dietary requirements;
 - operates under applicable state licensing laws and any other laws that apply;
 - has formal arrangements for the services of a Physician or nurse to furnish medical care in the event of an emergency;
 - is authorized to administer medication to patients on the order of a Physician; and
 - is not, other than incidentally, a home for the mentally retarded, the mentally ill, the blind or the deaf, a hotel or a home for alcoholics or drug abusers; or

NOTE: These requirements are typically met by assisted living facilities that are either free standing facilities or part of a life care community. In general, they are not met by individual residences, boarding homes or independent living units.

- a similar institution approved by UNUM.

"Disability" and "Disabled" mean:

- you are unable to perform, without Substantial Assistance from another individual, at least two Activities of Daily Living; or

- you require Substantial Supervision by another individual to protect you from threats to health and safety due to Severe Cognitive Impairment.

"Elimination Period" means the number of consecutive days during which you must be Disabled and under the regular care of a Physician before benefits become payable.

If your plan includes Professional Home Care Services, each calendar week that you receive at least one day of these services will be counted as seven days towards completing the Elimination Period. However, if you do not receive these services for at least one day within a calendar week, the Elimination Period will begin again.

If your plan does not include Professional Home Care Services or Total Home Care, the entire Elimination Period must be completed while residing in a Long Term Care Facility and/or an Assisted Living Facility.

"Family Members" means:

- the legally married spouse of an Active or Retired Employee;
- the natural, adoptive or step-parents/grandparents of an Active or Retired Employee and their spouse.

Family Members who are eligible for coverage as an Active or Retired Employee are only eligible for coverage as an employee.

Family Members under age 85 are eligible for the plan.

"Grace Period" means the 45 days immediately following any premium due date during which premium payment must be made.

"Home Health Care Provider" means:

- an organization which is licensed or certified by the appropriate licensing agency of the state where Professional Home Care Services will be provided;
- it is certified as a home health care organization as defined under Medicare;
- it is any other organization that meets all of the following tests:
 - primarily provides skilled nursing care and other therapeutic services;
 - has standards, policies and rules established by a professional group which is associated with the organization;
 - includes at least one Physician and one registered nurse;
 - maintains a written record of care on each patient; and
 - includes a plan of care and record of services provided; or
- a similar organization approved by UNUM.

"Hospice Care" means a formal program of care for terminally ill patients whose life expectancy is less than 6 months, provided on an inpatient basis and directed by a Physician in a Hospice Care Facility that is licensed, certified or registered in accordance with state law.

"Licensed Health Care Practitioner" means any Physician, and any registered professional nurse, licensed social worker, or other individual who meets such requirements as may be prescribed by the Secretary of the Treasury.

"Lifetime Maximum Amount" means the maximum UNUM will pay you for all long term care benefits. You have your own Lifetime Maximum Amount.

"Long Term Care Facility" means:

- an institution, or a distinctly separate part of a hospital, that is licensed or certified as a nursing home (if licensing or certification is required) or operates under the law as a nursing home to provide skilled, intermediate or custodial care and operates under state licensing laws and any other laws that apply; or
- any other institution that meets all of the following tests:
 - is operated as a health care facility under applicable state licensing laws and any other laws;
 - primarily provides nursing care under the orders of a Physician;
 - provides patient care under the supervision of a registered nurse or a licensed practical nurse;
 - regularly provides room and board and continuous 24 hour a day nursing care of sick and injured persons;
 - maintains a daily medical record of each patient who must be under the care of a Physician;
 - is authorized to administer medication to patients on the order of a Physician; and
 - is not, other than incidentally:
 - a home for the mentally retarded, the mentally ill, the blind or the deaf, alcoholics or drug abusers, or
 - a hotel, a domiciliary care home or a residence; or
- a similar institution approved by UNUM.

"Physician" means a person who is operating within the scope of his/her license, and is either:

- licensed to practice medicine and surgery and prescribe and administer drugs; or
- legally qualified as a medical practitioner and required to be recognized, under this plan for insurance purposes, according to the insurance laws of the governing jurisdiction.

UNUM will consider a person to be a Physician only when the person is performing tasks that are within the limits of the person's medical license. UNUM will not recognize the following as Physicians for claims that you make to UNUM for long term care insurance:

- you, or

- your spouse, daughter, son, parent, sister, brother, grandparent or grandchild.

"Professional Home Care Services" means:

- visits to your residence by a Home Health Care Provider to provide skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; and homemaker services. Each one hour or more per day of a Home Health Care Provider's services will be considered one visit;
- Adult Day Care; or
- Hospice Care.

The treatment and services you receive must be provided pursuant to a written plan of care developed by a Licensed Health Care Practitioner.

Professional Home Care Services do not include services performed by your spouse, daughter, son, parent, sister, brother, grandparent or grandchild through a Home Health Care Provider or an Adult Day Care Facility.

"Respite Care" means care provided to you for a short period of time to allow your informal caregiver a break from their caregiving responsibilities.

"Retired Employee" means an employee who has retired from active employment from State service under applicable State retirement provisions.

A Retired Employee under age 85 is eligible for the plan.

"Severe Cognitive Impairment" means a severe deterioration or loss in intellectual capacity, as reliably measured by clinical evidence and standardized tests in:

- short or long term memory;
- orientation to people, place or time; and
- deductive or abstract reasoning.

Such deterioration or loss requires Substantial Supervision by another individual for the purpose of protecting you from harming yourself or others. The loss can result from a Disability, Alzheimer's disease, or similar forms of dementia.

"Substantial Assistance" means stand-by assistance by another person without which you would not be able to safely and completely perform the ADL.

"Substantial Supervision" means the presence of another individual for the purpose of protecting you from harming yourself or others.

"Total Home Care" means:

- visits to your residence by a Home Health Care Provider to provide skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; and homemaker services;
- Adult Day Care;
- Hospice Care; or
- care provided by an informal caregiver, such as a friend or relative.

The treatment and services you receive must be provided pursuant to a written plan of care developed by a Licensed Health Care Practitioner.

BENEFIT INFORMATION

WHEN YOU ARE ELIGIBLE FOR A MONTHLY BENEFIT

You are eligible for a Monthly Benefit after:

- you become Disabled;
- you are receiving services in a Long Term Care Facility or Assisted Living Facility; (or Professional Home Care Services if your plan includes a Professional Home Care Service Benefit); (or Total Home Care if your plan includes a Total Home Care Benefit);
- you have satisfied your Elimination Period; and
- a Physician has certified that you are unable to perform (without Substantial Assistance from another individual) two or more ADLs for a period of at least 90 days, or that you require Substantial Supervision by another individual to protect you and others from threats to health or safety due to Severe Cognitive Impairment. You will be required to submit a Physician certification every 12 months.

A Monthly Benefit will become payable once all of these requirements are met.

The treatment and services you receive for your Disability must be provided pursuant to a written plan of care developed by a Licensed Health Care Practitioner.

If you have an existing loss of ADLs or Severe Cognitive Impairment on your effective date of coverage, that loss or impairment will only be eligible for coverage if you recover from that loss or impairment. We must receive acceptable proof of your ADL or cognitive recovery, such as a Physician's statement or an assessment.

AMOUNT OF MONTHLY BENEFIT

The amount of your monthly benefit will be based on the coverage options you chose from the SCHEDULE OF BENEFITS and the place of residence used for long term care. See your Confirmation of Benefits form to determine the amount we will pay you each month.

If your plan includes Professional Home Care Services, the benefit payment will be based on the number of days you receive these services each month.

A monthly benefit payable for less than one month will be paid at the rate of 1/30th of the monthly benefit amount for each day you are eligible for a monthly benefit.

WHEN MONTHLY BENEFITS ARE PAID

UNUM will send you a lump sum payment to cover the period between the day you became eligible for monthly benefit payments and the day you were approved for these payments. UNUM will then send you a payment each month for days you were eligible to receive benefits during the prior month.

WHEN MONTHLY BENEFIT PAYMENTS END

We will continue monthly benefit payments until the earliest of the following dates:

- the date you are no longer Disabled;
- the expiration of your Physician certification;
- the date you are no longer eligible for a monthly benefit under the plan of coverage you chose;
- the date your total benefit payments equal the Lifetime Maximum Amount; or
- the date you die.

WAIVER OF PREMIUM

Once benefits become payable, there will be no more cost for your coverage as long as you are Disabled. If you do not receive Professional Home Care Services for a period of 30 consecutive days, premium payments will again become due. If benefits are no longer payable, you must resume premium payments to continue your coverage. Premiums are not waived while you are receiving a payment for Respite Care.

RECURRENT DISABILITY

You will not have to complete a new Elimination Period if you become Disabled again after the date we stopped making monthly benefit payments to you for your previous Disability.

RESPITE CARE BENEFITS

If you are eligible for a home care benefit but are not yet receiving monthly payments because you:

- have not yet completed the Elimination Period; or
- have completed the Elimination Period but have chosen to postpone receipt of benefits in order to preserve your Lifetime Maximum Amount

we will pay a benefit equal to 1/30th of your home care benefit for each day that you receive Respite Care up to a maximum of 15 days per calendar year.

Payments made to you for respite care will reduce your Lifetime Maximum Amount.

Respite Care may be provided to you by:

- a formal caregiver, such as a Home Health Care Provider, an adult day care facility, a registered nurse, a licensed practical nurse, etc., or
- an informal caregiver such as your friends or relatives.

BED RESERVATION BENEFIT

If you are receiving a Long Term Care Facility or Assisted Living Facility monthly benefit and your stay in the Facility is interrupted because you are hospitalized, we will continue to pay the monthly benefit if a charge is made to reserve your accommodations in the Facility.

If your stay is interrupted because you are hospitalized while you are completing your Elimination Period, such days will be used to help satisfy this period.

Bed Reservation days will be limited to 15 days per calendar year.

NONFORFEITURE BENEFIT (Shortened Benefit Period)

If your premium payments should stop after your coverage has been in force for at least three years, you will be eligible for a Nonforfeiture Benefit. This means that your coverage would continue automatically with the same level of benefits, except for a reduction in your Lifetime Maximum Amount. Your Lifetime Maximum Amount under this Nonforfeiture Benefit will be equal to the total premium paid up to the date you stopped paying premiums.

In no event will the Lifetime Maximum Amount:

- be less than 1 Long Term Care Facility monthly benefit payment amount;
or
- exceed that which would have been paid had you not stopped paying premium.

No inflation protection increases, if included in your plan, will be made after the end of the period for which premiums were last paid to UNUM for your coverage.

This Nonforfeiture Benefit is subject to all the terms and conditions of the Policy.

LIMITATIONS AND EXCLUSIONS

UNUM will not make long term care payments to you for:

- a Disability caused by war (whether declared or not) or any act of war;
- a Disability caused by attempted suicide (while sane or insane) or self-destruction;
- a Disability caused by a commission of a crime for which you have been convicted under state or federal law or attempting to commit a crime under state or federal law;
- Disabilities or confinements during which you are outside the United States, its territories or possessions for longer than 30 days;
- a Disability caused by alcoholism or alcohol abuse;
- a Disability caused by voluntary use of any controlled substance unless the controlled substance is prescribed for you by a Physician. ("Controlled substance" is defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 and all amendments.);
- a period in which you are confined in a hospital other than if you are confined in a nursing facility that is a distinctly separate part of a hospital, (this exclusion does not apply to those periods covered under the Bed Reservation Benefit); or
- a Disability caused by psychological or psychiatric or mental conditions, regardless of cause, which include:
 - depression,
 - generalized anxiety disorders,
 - personality disorders,
 - schizophrenia,
 - manic depressive disorders, or
 - adjustment disorders

and other conditions that are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs or similar methods of treatment.

However, UNUM will make payments to you for conditions that are not psychological, psychiatric or mental in nature, including Alzheimer's disease or similar forms of irreversible dementia.

REHABILITATION AND ALTERNATE CARE PLANS

While you are Disabled, we may suggest special services and /or equipment designed to help you regain the ability to independently perform the Activities of Daily Living. The services/equipment must be medically necessary and appropriate for your Disability and provided pursuant to a plan of care developed by a Licensed Health Care Practitioner. The services or equipment must be intended to assist you in living at home or other residential housing by eliminating your need for Substantial Assistance. The services or equipment cannot be covered by other insurance or Medicare. Examples of alternate care plans may include, but are not limited to:

- a rehabilitation program;
- home modifications for wheelchair access; and
- certain types of medical equipment, emergency medical response systems or hardware purchases.

The terms of an alternate care plan and the actual expenses that UNUM will pay will be subject to written mutual agreement between UNUM, you and your Physician.

If, for any reason, you do not wish to participate in an Alternate Care Plan, your benefits will continue according to the provisions of the Policy.

CLAIM INFORMATION

NOTICE OF CLAIM

You must give us written notice of claim within thirty (30) days of the date you become Disabled. If it is not possible for you to give us notice within this time period, it must be given as soon as reasonably possible.

If you do not have a Long Term Care Notice of Claim Form, you can get one from the Policyholder's Plan Administrator, or your UNUM representative, or you can notify UNUM in writing that you want to make a claim. If you do not receive the form from UNUM within 15 days after writing, send UNUM proof of the claim without the form.

PROOF OF CLAIM

You must send UNUM proof of claim for long term care payments no later than 90 days after the date you become Disabled. If you cannot send UNUM proof within this 90-day period, you must send UNUM proof as soon as it is reasonably possible to do so, but in no event more than one year after the time this proof is required.

The proof of your claim must include:

- the date your Disability occurred;
- the cause of the Disability;
- the extent of your Disability;
- certification by a Physician that you are unable to perform (without Substantial Assistance from another individual) two or more ADLs for at least 90 days, or that you require Substantial Supervision by another individual to protect yourself and others from threats to health and safety due to Severe Cognitive Impairment;
- your written plan of care developed by a Licensed Health Care Practitioner;
- such other proof as we may deem necessary.

You must give UNUM proof of continued Disability at intervals requested by us. Such proof must be given within 30 days of our request. If it is not possible for you to give us proof of continued Disability within this 30-day period, it must be given as soon as possible. However, proof of continued Disability must be given no later than one year after the time proof is otherwise requested.

Claims for a Professional Home Care Services monthly benefit must also include proof of the number of days these services were provided to you.

UNUM may also require a claims assessment as part of the proof of claim. A claims assessment means a review done by UNUM or its designated representative to help in evaluating the Disability. It may include a face-to-face interview with you at a location selected by UNUM or its designated representative.

HOW TO FILE A CLAIM

You must fill out a Long Term Care claim form and send it to UNUM. If you do not have enough information to complete the form, you may send in the Notice

of Claim postcard that is attached to the claim form. The claim form must be submitted when all information is available.

After you have filed a claim, UNUM may also require you to be examined by a Physician or other medical practitioner of UNUM's choice. UNUM will pay for the examination. UNUM can require an examination as often as it is reasonable to do so. UNUM may require you or your authorized representative to give authorization to obtain additional medical and nonmedical information as part of the proof of claim.

LEGAL ACTION

You or your authorized representative may not start legal action on your claim before 60 days after proof of loss has been given to UNUM or more than 3 years from the time proof of loss was required.

RIGHT OF RECOVERY

UNUM has the right to recover any overpayments made because of any error UNUM makes in processing your claim.

TERMINATION OF COVERAGE

Your coverage will end on the earliest of these dates:

- the date your total benefit payment equals your Lifetime Maximum Amount,
- the date the Policy ends,
- the date you are no longer an Active employee with the Policyholder,
- the date you no longer work for the Policyholder,
- the end of the period for which premiums were last paid to UNUM for your coverage, or
- the date you die.

If you are absent from work at the Policyholder for any reason, you will continue to be covered for group coverage if the Policyholder continues to pay premiums to UNUM.

EXTENSION OF BENEFITS

Termination of coverage will not affect any benefits payable if disability began while your long term care insurance was in force, and continues without interruption after termination. Such extension of benefits will be limited to the duration of the payment of the Lifetime Maximum Amount.

CONTINUATION OF COVERAGE

If group coverage ends, you may elect converted coverage which means that the same coverage you had under this plan can continue on a direct billing basis. If you are already direct billed, your coverage will automatically transfer to converted coverage.

You may not elect converted coverage if your coverage ended because you stopped paying premiums or if you are not insured under this plan.

Election for converted coverage must be made within 31 days of the date the group coverage ends. You must pay premium directly to UNUM for any converted coverage to be continued.

The premium rate schedule for converted coverage may change in the future, depending on the overall use of the benefits by all insured persons or changes in the benefit levels or other risk factors. Any such change will be made on a class basis according to UNUM's underwriting risk studies.

Once you have converted your coverage, you can apply at any time to change your coverage by contacting UNUM's Home Office. You will need to complete the necessary forms which may include evidence of insurability.

GENERAL INFORMATION

STATEMENTS

UNUM considers any statements you make for insurance in any signed application(s) for initial coverage and/or any subsequent changes in coverage to be complete and true to the best of your knowledge and belief. All statements made in any application are considered representations and not warranties (absolute guarantees). If any of these statements are not complete and/or not true at the time they are made, UNUM can:

- reduce or deny any claim, or
- terminate insurance from the original effective date.

UNUM must use only the statements made in the signed application(s) as a basis for doing this.

Except for fraud, UNUM can take these actions only in the first 2 years your coverage is in force. There is no time limit for UNUM to take these actions if any statements are fraudulent.

INCONTESTABILITY

For a certificate that has been in force for less than six (6) months, UNUM may rescind coverage or deny an otherwise valid long term care insurance claim upon a showing of misrepresentation that is material to the acceptance for coverage.

For a certificate that has been in force for at least six (6) months but less than two (2) years, UNUM may rescind coverage or deny an otherwise valid long term care insurance claim upon a showing of misrepresentation that is both material to the acceptance for coverage and which pertains to the condition for which benefits are sought.

After a certificate has been in force for two (2) years, it is not contestable upon the grounds of misrepresentation alone, such certificate may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to his/her health.

AGENCY

For all purposes of the Policy, the Policyholder acts on its own behalf or as your agent. Under no circumstances will the Policyholder be deemed UNUM's agent.

PREMIUMS

The premium due must be paid within the grace period. If premium is not paid within this time, your coverage will terminate at the end of the grace period.

The premium rate will not increase because you grow older or because of your use of the benefits. However, the premium rate schedule may change in the future depending on the overall use of the benefits by all insured persons or changes in the benefit levels, plan design or other risk factors. Any such change will be made on a class basis according to UNUM's underwriting risk studies under this type of insurance.

REINSTATEMENT

If your coverage terminates because a premium is not paid by the end of the Grace Period, you may request to reinstate your coverage at any time until six months from the coverage termination date.

In order to reinstate your coverage, the following requirements must be met:

- you must complete a reinstatement application;
- UNUM must approve that reinstatement application; and
- you must pay all unpaid premium.

If UNUM approves your reinstatement application, reinstatement will take effect on the date your coverage was terminated for non-payment of premium.

The reinstatement coverage WILL NOT cover any Disability which is excluded by name or description in the Policy.

REINSTATEMENT OF TERMINATED COVERAGE DUE TO DISABILITY

If you become Disabled and your coverage terminates because premium is not paid by the end of the Grace Period, you may request to reinstate your coverage at any time until five months from the coverage termination date.

In order to reinstate your coverage, the following requirements must be met:

- you must provide proof that your Disability occurred prior to the coverage termination date; and
- you must pay all unpaid premium.

If you meet these requirements, we will reinstate your coverage on the coverage termination date.

The reinstatement coverage WILL NOT cover any Disability which is excluded by name or description in the Policy.

POLICY RENEWABILITY

The Policy is renewable at the option of the Policyholder and UNUM. This means that your coverage under the plan may be changed or ended at the option of the Policyholder or UNUM. If your coverage is ended by the Policyholder or UNUM, you will have a guaranteed right to elect converted coverage.



UNUM

UNUM Life Insurance Company of America
Portland, Maine 04122

APPLICATION FOR GROUP INSURANCE

Name of Applicant _____ State of Montana _____

Address: _____ P.O. Box 200127 _____
(Street)

_____ Helena _____ MT. _____ 59620
(City) (State) (Zip)

applies to the UNUM Life Insurance Company of America, for:

- Group Life Benefits
- Group Universal Life Benefits
- Group Accidental Death and Dismemberment Benefits
- Group Short Term Disability Benefits
- Group Long Term Disability Benefits
- Group Long Term Care Benefits

Is there any group life insurance plan in force or being applied for on some or all employees? Yes No
If yes, complete the following or list the prior carriers:

Employee Class	Maximum Amounts	Name of Carrier	Effective Dates	Termination Dates
			___/___/___	___/___/___
			___/___/___	___/___/___

If the Insurance Company approves this application, a policy will be issued. The applicant agrees that acceptance of the policy will be an approval of the policy terms. The policy specifications will be made a part of the policy along with a copy of this form.

Dated at _____ Helena, MT _____ PRINT NAME: John H. McEwen _____
(Applicant)

on _____ 09/14/1998 _____ By: _____
(Signature and Title) *John H. McEwen, Administrator, State Personnel*

Producer Name: _____ (Please Print) Producer Signature: _____

SS# / Tax ID#: _____ State ID #: _____ Policy Effective Date: _____ 01/01/1999 _____

PRODUCER INFORMATION: For commission purposes, please list the brokers/agents for this application. Use full names, including complete business names. To ensure proper payment of commissions, include each producer's tax identification number (social security number or corporate tax id) and state identification number where applicable. If more than one producer, please be sure to specify the split %. For corporate producers, please specify the signing representative's name and ID #'s.

PLEASE PRINT ALL INFORMATION CLEARLY

1.	2.	3.	4.	
Producer Name (Please print full name)	SS# / Tax ID#	State ID# (where applicable)	Split % age (Must total 100%)	UNUM Producer # (If known)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____