Residents of Montana who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Montana Life and Health Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Association will assess its other member insurance companies for the money to pay the claims of insured persons who reside in Montana and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Association is not unlimited, however. And, as noted below, this protection is not a substitute for consumers’ care in selecting companies that are well-managed and financially stable.

IMPORTANT DISCLAIMER

The Montana Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in Montana. You should not rely on coverage by the Montana Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

COVERAGE IS NOT PROVIDED BY THE MONTANA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION FOR YOUR POLICY OR CONTRACT OR ANY PORTION OF IT UNDER WHICH THE RISK IS BORNE BY YOU, THE POLICYHOLDER.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Association to induce you to purchase any kind of insurance policy.

This information is provided by:
Montana Life and Health Insurance Guaranty Association
P.O. Box 541
Helena, Montana 59624
1-877-678-1048

State of Montana Department of Insurance
840 Helena Avenue
Helena, Montana 59601
(406) 444-2040
1-800-332-6148

SUMMARY

The state law that provides for this safety-net coverage is called the Montana Life and Health Insurance Guaranty Association Act. Below is a brief summary of this law's coverage, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

COVERAGE. Generally, individuals will be protected by the Montana Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they hold certificates under a group life or health insurance contract or annuity, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE. Persons holding policies or contracts are not protected by this Association if:

• they are not residents of the State of Montana, except under certain very specific circumstances;
• the insurer was not authorized or licensed to do business in Montana at the time the policy or contract was issued.
The Association also does not provide coverage for:

- persons holding policies issued by a nonprofit hospital or medical service organization (the "Blues"), an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange;

- any policies or contracts or any part of the policies or contracts under which the risk is borne by the policyholder;

- any policy of reinsurance (unless an assumption certificate was issued);

- interest rate yields that exceed an average rate;

- plans of employers, associations or similar entities to the extent they are self-funded or uninsured (that is, not insured by an insurance company, even if an insurance company administers them);

- dividends;

- experience rating credits;

- credits given in connection with the administration of a policy or contract;

- any unallocated annuity contract issued to an employee benefit plan that is protected under the Federal Pension Benefit Guaranty Corporation; and

- any portion of any unallocated annuity contract that is not issued to or in connection with a specific employee, union, or association of natural persons benefit plan or a governmental lottery.

**LIMITS ON AMOUNT OF COVERAGE.** The Act also limits the amount the Association is obligated to pay out. The Association cannot pay more than what the insurance company would owe under a policy or contract. Furthermore, the amounts the Association is authorized to pay are limited.

**Individual:** For any one individual insured, the amount the Association will pay is limited to a maximum of $500,000 – no matter how many policies and contracts there were with the same company, even if they provided different types of coverage. The overall limit for all coverage other than basic hospital, medical and surgical insurance is $300,000. Within these overall limits, the Association will not pay more than $100,000 in cash surrender values, $100,000 in present value of annuity benefits, $300,000 in life insurance death benefits, $300,000 in disability income benefits and $500,000 in hospital, medical and surgical benefits --again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverage.

**Government Plans:** With respect to each individual participating in a governmental retirement plan established under sections 401, 403(b), or 457 of the Internal Revenue Code and covered by an unallocated annuity contract the Association will pay, in the aggregate, a maximum of $100,000 in present value annuity benefits, including surrender and withdrawal values. Benefits payable under governmental plan unallocated annuity contracts are also included in applying the overall limit with respect to any one individual described in the prior paragraph.

**Unallocated Contracts:** With respect to any one contract holder covered by any unallocated annuity contract, other than a contract that covers governmental retirement benefit plans described in the prior paragraph, the Association will pay up to $5 million in benefits, irrespective of the number of contracts held by that contract holder.
The Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of your Employer's coverage under the Group Policy. If the terms of this Certificate differ from the terms of your Employer's coverage under the Group Policy, the latter will govern. If your coverage is changed by an amendment to the Group Policy, we will provide the Employer with a revised Certificate or other notice to be given to you.

Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate.

"You" and "your" mean the Member. "We", "us" and "our" mean Standard Insurance Company. Other defined terms appear with the initial letters capitalized. Section headings, and references to them, appear in boldface type.

Conformity with Montana Statutes: The provisions of this Certificate conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which the insured resides on or after the effective date of the Policy.

President
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COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. Other provisions, including exclusions, limitations, and Deductible Income, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

GENERAL POLICY INFORMATION

Group Policy Number: 608088-G
Policyholder: State of Montana
Employer: State of Montana
Group Policy Effective Date: January 14, 2019
Group Policy Issued in: Montana

Member means:

1. An employee of a participating department or agency of the State of Montana who is enrolled in the Employer-sponsored health plan, and one of the following:
   • A permanent full-time employee scheduled to work more than six months in any twelve month period.
   • A permanent part-time or job-share employee who is regularly scheduled to work 20 hours or more per week, and more than six months in any twelve month period.
   • A seasonal employee who is regularly scheduled to work 20 hours or more per week for six months or more a year, or who works 20 hours or more a week for a continuous period of time of more than six months a year although not regularly scheduled to do so.
   • An Elected Official.
   • An Officer or permanent employee of the legislative branch.
   • A Judge or permanent employee of the judicial branch.
   • A temporary employee who: (a) is regularly scheduled to work 20 hours or more per week for more than six months within a year; or (b) works for 20 hours or more per week for a continuous period of more than six months although not regularly scheduled to do so; or (c) is covered under a labor union contract which provides for eligibility.

2. Actively At Work at least 20 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, compensatory time, or vacation days, so long as the person is capable of Active Work on those days); and

3. A citizen or resident of the United States or Canada.

Member does not include a full-time member of the armed forces of any country, a member of the legislature, a leased employee, or an independent contractor.
## SCHEDULE OF INSURANCE

**Eligibility Waiting Period:** You are eligible on the date you become a Member, but not before the Group Policy Effective Date.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance.

<table>
<thead>
<tr>
<th>Period Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own Occupation Period</td>
<td>The first 24 months for which LTD Benefits are paid.</td>
</tr>
<tr>
<td>Any Occupation Period</td>
<td>From the end of the Own Occupation Period to the end of the Maximum Benefit Period.</td>
</tr>
</tbody>
</table>

**LTD Benefit:**

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum</td>
<td>$9,200 before reduction by Deductible Income.</td>
</tr>
<tr>
<td>Minimum</td>
<td>$100 or 10% of your LTD Benefit before reduction by Deductible Income, whichever is greater.</td>
</tr>
</tbody>
</table>

**Benefit Waiting Period:** 180 days

**Maximum Benefit Period**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Maximum Benefit Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>61 or younger</td>
<td>To age 65, or to SSNRA, or 3 years 6 months, whichever is longest.</td>
</tr>
<tr>
<td>62</td>
<td>To SSNRA, or 3 years 6 months, whichever is longer.</td>
</tr>
<tr>
<td>63</td>
<td>To SSNRA, or 3 years, whichever is longer.</td>
</tr>
<tr>
<td>64</td>
<td>To SSNRA, or 2 years 6 months, whichever is longer.</td>
</tr>
<tr>
<td>65</td>
<td>2 years</td>
</tr>
<tr>
<td>66</td>
<td>1 year 9 months</td>
</tr>
<tr>
<td>67</td>
<td>1 year 6 months</td>
</tr>
<tr>
<td>68</td>
<td>1 year 3 months</td>
</tr>
<tr>
<td>69 or older</td>
<td>1 year</td>
</tr>
</tbody>
</table>

Social Security Normal Retirement Age (SSNRA) means your normal retirement age under the Federal Social Security Act, as amended.

## PREMIUM CONTRIBUTIONS

Insurance is: Contributory
INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

BECOMING INSURED

To become insured you must be a Member, complete your Eligibility Waiting Period, and meet the requirements in Active Work Provisions and When Your Insurance Becomes Effective.

You are a Member if you are:

1. An employee of a participating department or agency of the State of Montana who is enrolled in the Employer-sponsored health plan, and one of the following:
   - A permanent full-time employee scheduled to work more than six months in any twelve month period.
   - A permanent part-time or job-share employee who is regularly scheduled to work 20 hours or more per week, and more than six months in any twelve month period.
   - A seasonal employee who is regularly scheduled to work 20 hours or more per week for six months or more a year, or who works 20 hours or more a week for a continuous period of time of more than six months a year although not regularly scheduled to do so.
   - An Elected Official.
   - An Officer or permanent employee of the legislative branch.
   - A Judge or permanent employee of the judicial branch.
   - A temporary employee who: (a) is regularly scheduled to work 20 hours or more per week for more than six months within a year; or (b) works for 20 hours or more per week for a continuous period of more than six months although not regularly scheduled to do so; or (c) is covered under a labor union contract which provides for eligibility.

2. Actively At Work at least 20 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, compensatory time, or vacation days, so long as the person is capable of Active Work on those days); and

3. A citizen or resident of the United States or Canada.

You are not a Member if you are a full-time member of the armed forces of any country, a member of the legislature, a leased employee, or an independent contractor.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. Your Eligibility Waiting Period is shown in the Coverage Features.

WHEN YOUR INSURANCE BECOMES EFFECTIVE

A. When Insurance Becomes Effective

You must enroll in writing for insurance, agree to pay premiums and provide Evidence of Insurability, if applicable.

Subject to the Active Work Provisions, your insurance becomes effective on:

1. The date you enroll if you enroll within 31 days after you become eligible; or

2. The date we approve your Evidence Of Insurability.
Late application: Evidence Of Insurability is required if you enroll more than 31 days after you become eligible.

B. Evidence Of Insurability Requirement

Evidence Of Insurability satisfactory to us is required for late application for Contributory insurance.

Providing Evidence Of Insurability means you must:
1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about your health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. Provide any additional information about your insurability that we may reasonably require.

ACTIVE WORK PROVISIONS

Active Work Requirement

If you are not Actively At Work on the scheduled effective date of your insurance, your insurance will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing the Material Duties of your Own Occupation at your Employer's usual place of business.

WHEN YOUR INSURANCE ENDS

Your insurance ends automatically on the earliest of:

- The last day of the pay period for which you made the required premium contribution as a Member.
- The date the Group Policy terminates.
- The date your employment terminates.
- The date you cease to be a Member.

INSURANCE DURING LEAVES OF ABSENCE

Your insurance may continue after the date it would have otherwise ended because you ceased to be a Member, subject to the following:

1. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence, provided your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member. A period when you are absent from Active Work as part of a severance or other employment termination agreement is not a leave of absence, even if you are receiving the same Predisability Earnings. Your insurance will terminate if you are not a Member immediately following the 90 day leave period.

2. During a leave of absence if continuation of your insurance under the Group Policy is required by the Family and Medical Leave Act of 1993 (FMLA) or other state-mandated family or medical leave act or law. Your insurance will terminate if you are not a Member immediately following an approved FMLA or other state mandated family or medical leave act or law.

3. During the first 6 months of a temporary layoff. Your insurance will terminate if you are not a Member immediately following the 6 month leave.
4. During a leave of absence if your insurance is continued under the **Self Pay Provision**. See the Self Pay Provision for more information.

### SELF PAY PROVISION

You may continue your insurance during the periods below by paying the entire cost of your insurance to the Employer on or before each premium due date. You must elect to continue your insurance on or before the date your insurance would otherwise end, and you may not become insured again after your insurance ends unless you return to Active Work.

- For up to 18 months while you are on approved leave without pay status, if you are a represented Member.
- For up to 12 months while you are on approved leave without pay status, if you are any Member other than a represented Member.
- For up to 12 months while you are receiving Worker's Compensation benefits for any Sickness or Injury sustained during state employment.

### WAIVER OF PREMIUM

We will waive payment of premium for your insurance while LTD Benefits are payable.

### REINSTATEMENT OF INSURANCE

If your insurance ends, you may become insured again as a new Member. The following will apply:

- If your insurance ends because you cease to be a Member for any reason other than a covered Disability, and if you become a Member again within 31 days, the Eligibility Waiting Period will be waived.
- If your insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
- The Preexisting Conditions Exclusion will be applied as if insurance had remained in effect if you become insured again within 31 days.
- In no event will insurance be retroactive.

### DEFINITION OF DISABILITY

You are Disabled if you meet the following definitions during the periods they apply:

A. **Own Occupation Definition Of Disability.**

B. **Any Occupation Definition Of Disability.**

A. **Own Occupation Definition Of Disability**

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, or Mental Disorder:

1. You are unable to perform with reasonable continuity the Material Duties of your Own Occupation; and

2. You suffer a loss of at least 20% in your Indexed Predisability Earnings when working in your Own Occupation.
Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

During the Own Occupation Period you may work in another occupation while you meet the Own Occupation Definition Of Disability. However, you will no longer be Disabled when your Work Earnings from another occupation meet or exceed 80% of your Indexed Predisability Earnings. Your Work Earnings may be Deductible Income. See Return To Work Provisions and Deductible Income.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation involves the rendering of professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of Any Occupation.

Any Occupation means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your Indexed Predisability Earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

Your Own Occupation Period and Any Occupation Period are shown in the Coverage Features.

RETURN TO WORK PROVISIONS

A. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period no LTD Benefits will be paid for any period when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

B. Return To Work Incentive

You may serve your Benefit Waiting Period while working if you meet the Own Occupation Definition Of Disability.
You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined in a., b. and c:
   a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
   b. Determine 100% of your Indexed Predisability Earnings.
   c. If a. is greater than b., the difference will be Deductible Income.

2. After those first 12 months, you will remain eligible for LTD Benefits while you are working if you meet one of the definitions of Disability. Your Work Earnings will not be deducted from your LTD Benefit. Instead, they will be used to calculate your LTD Proportionate Benefit. It is determined as follows:
   a. Determine your LTD Benefit.
   b. Multiply it by your Loss Of Earnings, and
   c. Divide the result by your Indexed Predisability Earnings.

   The LTD Proportionate Benefit is paid in lieu of your LTD Benefit.

   Loss Of Earnings means your Indexed Predisability Earnings minus your Work Earnings.

C. Work Earnings Definition

During the Own Occupation Period, Work Earnings means your gross monthly earnings from work you perform from your employer while Disabled, plus the earnings you could receive if you worked as much as you are able to with your employer, considering your Disability, in work that is reasonably available from your employer. Work Earnings includes earnings from your employer, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working for your employer. See the Definition of Disability provision for more information regarding your Own Occupation.

During the Any Occupation Period, Work Earnings means your gross monthly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available. Work Earnings includes earnings from any employer, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working for any employer. See the Definition of Disability provision for more information regarding your Any Occupation.

Earnings from work you perform will be included in Work Earnings when you have the right to receive them. If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. In determining your Work Earnings we:

1. Will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis.
2. Will not be limited to the taxable income you report to the Internal Revenue Service.
3. May ignore expenses under section 179 of the IRC as a deduction from your gross earnings.
4. May ignore depreciation as a deduction from your gross earnings.

If we determine that your earnings vary substantially from month to month, we may determine your Work Earnings by averaging your earnings over the most recent three-month period. During the Own Occupation Period you will no longer be Disabled when your average Work Earnings over
the last three months exceed 80% of your Indexed Predisability Earnings. During the Any Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 60% of your Indexed Predisability Earnings.

**REASONABLE ACCOMMODATION EXPENSE BENEFIT**

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit of up to $25,000, but not to exceed the expenses incurred.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

**REHABILITATION PLAN PROVISION**

While you are Disabled you may qualify to participate in a Rehabilitation Plan. Rehabilitation Plan means a written plan, program or course of vocational training or education that is intended to prepare you to return to work.

To participate in a Rehabilitation Plan you must apply on our forms or in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance.

An approved Rehabilitation Plan may include our payment of some or all of the expenses you incur in connection with the plan, including:

- a. Training and education expenses.
- b. Family care expenses.
- c. Job-related expenses.
- d. Job search expenses.

**TEMPORARY RECOVERY**

You may temporarily recover from your Disability and then become Disabled again from the same cause or causes without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable Allowable Period. See **Definition Of Disability**.

A. Allowable Periods

1. During the Benefit Waiting Period: a total of 30 days of recovery.
2. During the Maximum Benefit Period: 180 days for each period of recovery.

B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, the following will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of Temporary Recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other disability insurance plan under which you become insured during your period of Temporary Recovery.
5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of:

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other LTD plan under which you become insured through employment during a period of Temporary Recovery.
5. The date you fail to provide proof of continued Disability and entitlement to LTD Benefits.

PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work. Any subsequent change in your earnings after that last full day of Active Work will not affect your Predisability Earnings.

Predisability Earnings means your monthly rate of earnings from your Employer, including:

1. Contributions you make through a salary reduction agreement with your Employer to:
   a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p), or 457 deferred compensation arrangement; or
   b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Predisability Earnings does not include:

1. Bonuses.
2. Commissions.
3. Overtime pay.
5. Your Employer’s contributions on your behalf to any deferred compensation arrangement or pension plan.
6. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours. If you do not have regular work hours, your monthly rate of earnings is based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), but not more than 173 hours.
**DEDUCTIBLE INCOME**

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, (but not vacation pay) paid to you by your Employer.

2. Your Work Earnings, as described in the **Return To Work Provisions**.

3. Any amount you receive or are eligible to receive because of your disability, including amounts for partial or total disability, whether permanent, temporary, or vocational, under any of the following:
   a. A workers' compensation law;
   b. The Jones Act;
   c. Maritime Doctrine of Maintenance, Wages, or Cure;
   d. Longshoremen’s and Harbor Worker’s Act; or
   e. Any similar act or law.

4. Any amount you, your Spouse, or your child under age 18 receive or are eligible to receive because of your disability or retirement under:
   a. The Federal Social Security Act;
   b. The Canada Pension Plan;
   c. The Quebec Pension Plan;
   d. The Railroad Retirement Act; or
   e. Any similar plan or act.

   *Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefit are Deductible Income.*

   Benefits your Spouse or a child receives or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence. The term “child” has the meaning given in the applicable plan or act.

5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.

6. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage.

7. Any disability retirement or service retirement benefits you receive under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members. You and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan.

   If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

8. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while LTD Benefits are payable.
9. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.

10. The amount necessary for reimbursement of benefits paid to you or on behalf of you for which, whether through judgement or recovery, you receive from a third party found liable for a wrongful act or omission that caused your injury necessitating benefit payments.

If you intend to institute an action for damages against a third party, you shall give us reasonable notice of the intention. You may request that we pay a proportionate share of the reasonable costs of the third party action, including attorney fees. If we elect not to participate in the cost of the action, we waive 50% of any subrogation rights granted to us. Our right of subrogation may not be enforced until you have been fully compensated for your injuries.

11. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

**EXCEPTIONS TO DEDUCTIBLE INCOME**

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.

2. Reimbursement for hospital, medical, or surgical expense.

3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.

4. Benefits from any individual disability insurance policy.

5. Early retirement benefits under the Federal Social Security Act which are not actually received.

6. Group credit or mortgage disability insurance benefits.

7. Accelerated death benefits paid under a life insurance policy.

8. Benefits from the following:
   a. Profit sharing plan.
   b. Thrift or savings plan.
   c. Deferred compensation plan.
   d. Plan under IRC Section 401(k), 408(k), 408(p), or 457.
   e. Individual Retirement Account (IRA).
   f. Tax Sheltered Annuity (TSA) under IRC Section 403(b).
   g. Stock ownership plan.
   h. Keogh (HR-10) plan.

**RULES FOR DEDUCTIBLE INCOME**

A. Monthly Equivalents

   Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

   If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.
B. Your Duty To Pursue Deductible Income

You must pursue Deductible Income for which you may be eligible. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

C. Pending Deductible Income

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.

D. Overpayment Of Claim

We will notify you of the amount of any overpayment of your claim under any group disability insurance policy issued by us. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 30 days after we first mail you notice of the amount of the overpayment.

SURVIVORS BENEFIT

If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivors Benefit as follows:

1. The Survivors Benefit is a lump sum equal to 3 times your LTD Benefit without reduction by Deductible Income.

2. The Survivors Benefit will be paid at our option to any one or more of the following:
   a. Your surviving Spouse;
   b. Your surviving unmarried children, including adopted children, under age 25;
   c. Your surviving Spouse's unmarried children, including adopted children, under age 25; or
   d. Any person providing the care and support of any person listed in a., b., or c. above; or
   e. Your intestate.

BENEFITS AFTER INSURANCE ENDS OR IS CHANGED

During each period of continuous Disability, we will pay LTD Benefits according to the terms of the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:

1. Any amendment to the Group Policy that is effective after you become Disabled.
2. Termination of the Group Policy after you become Disabled.

EFFECT OF NEW DISABILITY

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1. and 2. apply.

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. The Disabilities Excluded From Coverage, Disabilities Subject To Limited Pay Periods, and Limitations sections will apply to the new cause of Disability.
DISABILITIES EXCLUDED FROM COVERAGE

A. War

You are not covered for a Disability caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

B. Intentionally Self-Inflicted Injury

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted Injury, while sane or insane.

C. Preexisting Condition

1. Definition

Preexisting Condition means the presence of a condition:

a. For which you have done any of the following:
   i. Consulted a Physician;
   ii. A Physician recommended or you received medical treatment, services or advice;
   iii. A Physician recommended or your received any diagnostic procedures, including self-administered procedures;
   iv. A Physician recommended or you have taken prescribed drugs or medications;

b. Which, as a result of any medical examination, including routine examination, was discovered or suspected;

at any time during the 180-day period just before your insurance becomes effective.

2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

a. Have been continuously insured under the Group Policy for 12 months; and
b. Have been Actively At Work for at least one full day after the end of that 12 months.

D. Loss Of License Or Certification

You are not covered for a Disability caused or contributed to by the loss of your professional license, occupational license or certification.

E. Violent Or Criminal Conduct

You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.

DISABILITIES SUBJECT TO LIMITED PAY PERIODS

A. Mental Disorders

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by Mental Disorders, or medical or surgical treatment of Mental Disorders.
However, if you are confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, this limitation will not apply while you are continuously confined.

Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

B. Rules For Disabilities Subject To Limited Pay Periods

1. If you are Disabled as a result of a Mental Disorder or any Physical Disease or Injury for which payment of LTD Benefits is subject to a limited pay period, and at the same time are Disabled as a result of a Physical Disease or Injury that is not subject to such limitation, LTD Benefits will be payable first for conditions that are subject to the limitation.

2. No LTD Benefits will be payable after the end of the limited pay period, unless on that date you continue to be Disabled as a result of a Physical Disease or Injury for which payment of LTD Benefits is not limited.

LIMITATIONS

A. Care Of A Physician

You must be under the ongoing care of a Physician in the appropriate specialty during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician in the appropriate specialty.

B. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but elect not to work.

C. Rehabilitation Program

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating.

D. Imprisonment

No LTD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.
CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, the claim may be submitted in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

B. Time Limits On Filing Proof Of Loss

Proof Of Loss must be provided within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90-day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

C. Proof Of Loss

No benefits will be provided until we receive Proof Of Loss.

Proof Of Loss means written proof that you are Disabled. Proof Of Loss must be provided at your expense. Proof Of Loss included any other information we may reasonable require in support of a claim.

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Examples of clinical and laboratory diagnostic techniques may include: actual observations upon physical examinations, blood tests, imaging studies (such as x-rays, MRIs and CT scans), electrocardiograms (EKG) and electroencephalograms (EEG).

D. Investigation Of Claim

We investigating a claim, we may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

E. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 30 days after we receive your claim we will either (a) pay your claim; or (b) we will make a reasonable request for additional information or documents in order to evaluate the claim for Proof Of Loss. We will pay or deny the claim within 60 days of receiving Proof Of Loss.

If we deny your claim you will receive a written notice of denial containing:

a. The reasons for our decision.

b. Reference to the parts of the Group Policy on which our decision is based.

c. A description of any additional information needed to support your claim.

d. Information concerning your right to a review of our decision.

H. Review Procedure

If all or part of a claim is denied, you may request a review. You must request a review in writing within 180 days after receiving notice of the denial.

You may send us written comments or other items to support your claim. You may review and receive copies of any non-privileged information that is relevant to your request for review. There
will be no charge for such copies. You may request the names of medical or vocational experts who provided advice to us about your claim.

The person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. Our review will include any written comments or other items you submit to support your claim.

We will review your claim promptly after we receive your request. Within 45 days after we receive your request for review we will send you: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days.

If the extension is due to your failure to provide information necessary to decide the claim on review, the extended time period for review of your claim will not begin until you provide the information or otherwise respond.

If we extend the review period, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim on review; and (c) any additional information we need to decide your claim.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may conclude our review of your claim based on the information we have received.

If we deny any part of your claim on review, you will receive a written notice of denial containing:

a. The reasons for our decision.

b. Reference to the parts of the Group Policy on which our decision is based.

c. Information concerning your right to receive, free of charge, copies of non-privileged documents and records relevant to your claim.

I. Assignment

The rights and benefits under the Group Policy are not assignable.

TIME LIMITS ON LEGAL ACTIONS

No action at law or in equity may be brought until 60 days after you have given us Proof Of Loss. No such action may be brought more than three years after the time within which Proof Of Loss is required to be given.

INCONTESTABILITY

The validity of the Group Policy will not be contested after it has been in force for two years from its date of issue, except for nonpayment of premiums.

A statement made by any person insured under the Group Policy relating to the person’s insurability may not be used in contesting the validity of insurance with respect to which the statement was made after the insurance has been in force prior to the contest for a period of two years during the person’s lifetime or unless it is contained in a written instrument signed by the person.

FRAUD

In the absence of fraud, all statements made by applicants or the policyholder or by an insured person must be considered representations and not warranties and that a statement made for the purpose of
effecting insurance may not avoid the insurance or reduce benefits unless contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to the policyholder or to the insured person or the insured person’s beneficiary.

**CLERICAL ERROR, AGENCY, AND MISSTATEMENT**

A. Clerical Error

   Clerical error by the Policyholder, your Employer, or their respective employees or representatives will not:

   1. Cause a person to become insured.
   2. Invalidate insurance under the Group Policy otherwise validly in force.
   3. Continue insurance under the Group Policy otherwise validly terminated.

B. Agency

   The Policyholder and your Employer act on their own behalf as your agent, and not as our agent. The Policyholder and your Employer have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

C. Misstatement Of Age

   If a person’s age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

   1. The amount of insurance based on the correct age; and
   2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

**TERMINATION OR AMENDMENT OF THE GROUP POLICY**

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium. The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder’s consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

**DEFINITIONS**

Benefit Waiting Period means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

Contributory means insurance is elective and Members pay all or part of the premium for insurance.
CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

Employer means an employer (including approved affiliates and subsidiaries) for which coverage under the Group Policy is approved in writing by us.

Group Policy means the group LTD insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year’s Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to the body.

LTD Benefit means the monthly benefit payable to you under the terms of the Group Policy.

Maximum Benefit Period means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See Coverage Features.

Physical Disease means a sickness, physical disease entity or process that produces structural or functional changes in the body or pregnancy and related medical conditions, as diagnosed by a Physician.

Physician means an individual who is a licensed medical practitioner, diagnosing and treating individuals within the scope of the license. Physician does not include you or your Spouse, or the brother, sister, parent, or child of either you or your Spouse.

Prior Plan means your Employer’s group long term disability insurance plan in effect on the day before the effective date of your Employer’s participation under the Group Policy and which is replaced by coverage under the Group Policy.

Spouse means:

1. A person to whom you are legally married and from whom you are not legally separated, including a declared common law spouse; or

2. Your Domestic Partner. Domestic Partner means an individual with whom you have completed an affidavit of declaration of domestic partnership, and filed that affidavit for public record if required by law.