



Disability Protection for Professionals

*We protect businesses' most valuable assets:
their employees.*



Professional Benefit Consultants, Inc
309 E Main Street, Suite 7
Auburn, WA 98002
Toll: 877-877-2407
www.psetinsurance.com

Architectural Professionals
Long-Term Disability Coverage

STANDARD INSURANCE COMPANY

A Stock Life Insurance Company
900 SW Fifth Avenue
Portland, Oregon 97204-1282
(503) 321-7000

CERTIFICATE AND SUMMARY PLAN DESCRIPTION:


GROUP LONG TERM DISABILITY INSURANCE

Policyholder:	Professional Services Employers Trust
Policy Number:	445409-B
Effective Date:	March 1, 2001

A Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of the Group Policy. If your coverage is changed by an amendment to the Group Policy, we will provide the Policyholder 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.

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



President

GC190-LTD

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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:	445409-B
Policyholder:	Professional Services Employers Trust (Engineering)
Employer:	See Definitions
Group Policy Effective Date:	March 1, 2001
State of Issue:	Washington

BECOMING INSURED

To become insured you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Active Work Provisions** and **When Your Insurance Becomes Effective**.

Definition of Member:

You are a Member if you are:

1. An active employee of the Employer or one of the following: a) a sole proprietor, b) a partner (including a professional corporation which is a partner), or c) an incorporator of a professional corporation;
2. Regularly working the minimum number of hours required by the Employer as stated on the Employer's participation agreement, but not less 20 hours each week; and
3. A citizen or resident of the United States or Canada.

You are not a Member if you are:

1. Insured under Standard group policy 445411-F;
2. A temporary or seasonal employee; or
3. A full time member of the armed forces of any country.

Class Definition:

Class I: Sole Proprietors, Partners, Officers, Engineers, Architects or Business Managers whose Employers pay the entire cost of Insurance.

Class II: Sole Proprietors, Partners, Officers, Engineers, Architects or Business Managers whose Employers require employee contributions for the cost of Insurance.

Class III: All other Members whose Employers pay the entire cost of Insurance.

Class IV: All other Members whose Employers require employee contributions for cost of Insurance.

Eligibility Waiting Period:

You are eligible on the first day of the calendar month following the date you become a Member, or 30, 90 or 180 consecutive days as a Member, depending on the option elected by your Employer.

However, if you are disabled and working at least the minimum number of hours per week on the date your Employer first provides insurance under the Group Policy, you will not be eligible before the first day after the end of the allowable period of temporary recovery under any of the following provisions of the Prior Plan:

- a. Temporary recovery.
- b. Return to work.
- c. Extension of benefit period.
- d. Recurrent disability.
- e. Any other provision allowing extended benefits for an individual who is disabled on the termination date of the Prior Plan.

Evidence of Insurability

Required for:

- a. Late application for Contributory insurance.
- b. For Option 1, insuring Predisability Earnings above \$9,000.
- c. For Option 2, insuring Predisability Earnings above \$10,000.
- d. Insuring Predisability Earnings which are \$3,000 greater than the last amount for which your Evidence Of Insurability was approved.
- e. Becoming insured for the COLA Benefit, if your Employer selects this Option more than 90 days after your Employer first participates under the Group Policy.
- f. Becoming insured for a shorter Benefit Waiting Period.
- g. Reinstatements if required.
- h. Members eligible but not insured under the Prior Plan.
- i. Becoming insured for the EIP Benefit, if your Employer selects this Option more than 90 days after your Employer first participates under the Group Policy.

SCHEDULE OF INSURANCE

LTD Benefit:

- | | |
|-----------|---|
| Option 1: | 66 2/3% of the first \$15,000 of your Predisability Earnings, reduced by Deductible Income. |
| Option 2: | 60% of the first \$16,667 of your Predisability Earnings, reduced by Deductible Income. |
| Maximum: | \$10,000 before reduction by Deductible Income. |

Minimum: \$100 or 10% of your LTD Benefit before reduction by Deductible Income, whichever is greater.

Note: Option 1 is not available to an Employer for whom Insurance is Contributory or Noncontributory (premium included).

Assisted Living Benefit:

Members covered under Option 1: An additional 13.33% of the first \$15,000 of your Predisability Earnings, but not to exceed \$2,000. The Assisted Living Benefit is not reduced by Deductible Income.

Members covered under Option 2: An additional 20% of the first \$16,667 of your Predisability Earnings, but not to exceed \$3,333. The Assisted Living Benefit is not reduced by Deductible Income.

Benefit Waiting Period: 30, 90 or 180 days, depending on the option elected by your Employer.

Maximum Benefit Period: Determined by your age when Disability begins, as follows:

Age	Maximum Benefit Period
61 or younger	To age 65, or to SSNRA, or 3 years 6 months, whichever is longest.
62.....	To SSNRA, or 3 years 6 months, whichever is longer.
63.....	To SSNRA, or 3 years, whichever is longer.
64.....	To SSNRA, or 2 years 6 months, whichever is longer.
65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older	1 year

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

DISABILITY PROVISIONS

Classes I and II:

Own Occupation Period: From the end of the Benefit Waiting Period to the end of the Maximum Benefit Period.

Any Occupation Period: Not Applicable

Partial Disability: Covered under Partial Disability Definition 1

Own Occupation Income Level: 90% of your Indexed Predisability Earnings.

Work Earnings Limit: 90% of your Indexed Predisability Earnings.

Classes III and IV:

Own Occupation Period: The first 24 months for which LTD Benefits are paid.

Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

Partial Disability: Covered under Partial Disability Definition 2

Own Occupation Income Level: 90% of your Indexed Predisability Earnings.

Any Occupation Income Level: 90% of your Indexed Predisability Earnings.

See **Definition of Disability** for more information.

EXCLUSIONS AND LIMITATIONS

Preexisting Condition
Exclusion:

Yes

For Employers with fewer than
20 Members on the date the
Employer first participates
under the Group Policy:

Preexisting Condition
Period:

The 180-day period just before your insurance becomes
effective.

Exclusion Period:

24 months

For all other Employers:

Preexisting Condition
Period:

The 90-day period just before your insurance becomes
effective.

Exclusion Period:

12 months

Mental Disorder Limitation:

Yes

Substance Abuse Limitation:

Yes

Other Limited Conditions Limitation:

Yes

See **Exclusions** and **Limitations** for this and other exclusions and limitations.

DEDUCTIBLE INCOME

Social Security Offset:

Full Offset

See **Deductible Income** for this and other Deductible Income.

OTHER PROVISIONS

Survivors Benefit Amount:

A lump sum equal to 3 times your LTD Benefit without
reduction by Deductible Income.

Estate Payment Allowed:

No

Conversion of Insurance:

Yes

COLA Adjustment:

Yes, if your Employer has elected this option.

Maximum COLA Factor:

1.06 to the nth power, where n equals the number of times
your COLA Factor has been determined during a continuous
period of Disability.

Recapture Provision:	Subject to the Maximum COLA Factor, the COLA Factor for a given year may exceed 1.06 if the rate of increase in the CPI-W exceeds 12%.
Maximum Adjusted Benefit:	\$25,000
Child Care Expense Maximum:	\$300 monthly per Child, not to exceed \$600 for all Children.
Child Care Expense Period (See Return To Work):	The period beginning when LTD Benefits are payable while you are receiving Work Earnings and continuing for the next 24 months.
Reasonable Accommodation Expense Benefit:	The lesser of (a) the expenses incurred for the reasonable accommodation, and (b) \$25,000.
Leave of Absence Provision:	Insurance is continued while on a leave of absence scheduled to last 90 days or less.
Continuity of Coverage:	Yes, for Members whose Employers (a) had 10 or more persons insured under the Prior Plan, and (b) have 10 or more Members insured under the Group Policy on the date the Employer first participates under the Group Policy.
Employer Income Protection Benefit:	Yes, if your Employer has elected this option.
Key Person:	Partners, Engineers and Architects who are Corporate Officers or Shareholders
Maximum EIP Benefit:	\$5,000
Option A:	
- EIP Benefit Percentage:	60%
- EIP Benefit Period:	12 months or the period LTD Benefits are payable, whichever is shorter.
Option B:	
- EIP Benefit Percentage:	30%
- EIP Benefit Period:	12 months or the period LTD Benefits are payable, whichever is shorter.
Option C:	
- EIP Benefit Percentage:	60%
- EIP Benefit Period:	6 months or the period LTD Benefits are payable, whichever is shorter.
Option D:	
- EIP Benefit Percentage:	30%
- EIP Benefit Period:	6 months or the period LTD Benefits are payable, whichever is shorter.

ERISA SUMMARY PLAN DESCRIPTION INFORMATION

Name of Plan: Long Term Disability Insurance

Name, Address of Plan Sponsor: Professional Services Employers Trust (Engineering)
7525 SE 24th Street, Suite 350
Mercer Island WA 98040

Plan Sponsor Tax ID Number: 91-1263424

Plan Number: 501

Type of Plan: Group Insurance Plan

Type of Administration: Contract Administration

If Legal Process Involves Claims For Benefits Under The Group Policy, Additional Notification of Legal Process Must Be Sent To: Standard Insurance Company
1100 SW 6th Ave
Portland OR 97204-1093

Name, Address, Phone Number of Plan Administrator: Plan Sponsor
(206) 236-6480

Name, Address of Registered Agent for Service of Legal Process: Plan Administrator

Sources of Contributions: Employer/Member

Funding Medium: Standard Insurance Company - Fully Insured

Plan Fiscal Year End: February 28

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 satisfactory Proof Of Loss.

LT.IC.01

DEFINITION OF DISABILITY

You are Disabled if you meet one of the following definitions during the period it applies:

- A. Own Occupation Definition of Disability;
- B. Any Occupation Definition of Disability; or
- C. Partial Disability Definition.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as your regular and ordinary employment with the Employer. Your Own Occupation is not limited to your job with your Employer.

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.

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, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of 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.

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, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

C. Partial Disability Definition

Definition 1:

During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you work in your Own Occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn the Own Occupation Income Level or more.

Note: You may work in another occupation while you meet the Own Occupation Definition of Disability. However, you will no longer be Disabled when you are able to earn more than your Work Earnings Limit while working in another occupation.

Definition 2:

- a. During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you work in your Own Occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn the Own Occupation Income Level or more.

- b. During the Any Occupation Period, you are Partially Disabled when you work in an occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn the Any Occupation Income Level, or more, in that occupation and in all other occupations for which you are reasonably fitted under the Any Occupation Definition of Disability.

Your Work Earnings may be Deductible Income. See **Return To Work Incentive** and **Deductible Income**. You may be required to participate in a rehabilitation program approved by us. See Rehabilitation in the **Limitations** section.

Your Any Occupation Period, Any Occupation Income Level, Own Occupation Period, Own Occupation Income Level and the Work Earnings Limit are shown in the **Coverage Features**.

LT.DD.49X

RETURN TO WORK INCENTIVE

A. During The Benefit Waiting Period

You may serve your Benefit Waiting Period while working, if you meet either the Own Occupation Definition of Disability or the Partial Disability Definition.

B. After The Benefit Waiting Period

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 24 months after that date, as follows:

1. During the first 24 months, your Work Earnings will be Deductible Income if they exceed the amount found 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 between a. and b. will be Deductible Income.
2. After those first 24 months, the amount of your Work Earnings which will be Deductible Income will be determined as follows:

For Classes I and II: The amount determined from a., b. and c.

- a. Determine your Work Earnings.
- b. Determine 15% of your Indexed Insured Predisability Earnings.
- c. One-half the difference between a. and b. will be Deductible Income.

For Classes III and IV: one-half of your Work Earnings will be Deductible Income.

Work Earnings means your gross monthly earnings from work you perform while Disabled, including earnings from your Employer, any other employer, or self-employment. Your earnings will be included in Work Earnings when you have the right to receive them. However, if you pay Child Care Expenses during the Child Care Expense Period, Work Earnings means:

1. Your gross monthly earnings from work you perform while Disabled, including earnings from your Employer, any other employer, or self-employment; reduced by
2. The monthly Child Care Expense you pay, not to exceed the Child Care Expense Maximum.

See **Coverage Features** for the Child Care Expense Period and the Child Care Expense Maximum.

Child Care Expense means the amount you pay to a licensed child care provider for the care of your Child which is necessary in order for you to work.

Child means:

1. Your child residing in your home (including your stepchild and an adopted child), from live birth through age 11; or
2. Your child, age 12 or older, residing in your home (including your stepchild and an adopted child) who is continuously:
 - a. Incapable of self-sustaining employment because of mental retardation or physical handicap; and
 - b. Chiefly dependent upon you for support and maintenance.

You must give us proof on our forms of the Child Care Expense you pay. If you do not receive our forms within 15 days after you ask for them, you may give us proof in a letter to us.

Indexed Predisability Earnings means your Predisability Earnings which were insured on the date you became Disabled 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 which were insured on the date you became Disabled. 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.

LT.RW.01X

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.

LT.RA.OT.1

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. We have the sole discretion to approve your Rehabilitation Plan.

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.
- e. Moving expenses.

LT.RH.OT.1

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.

A. Allowable Periods

1. During the Benefit Waiting Period: a total number of days of recovery not to exceed the Benefit Waiting Period.
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, 1. through 5. below 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 group long term disability insurance policy 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.

LT.TR.10

WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of 1. through 5. below.

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends unless LTD Benefits are continued by the Lifetime Security Benefit. See **Lifetime Security Benefit**.
3. The date you die.
4. The date benefits become payable under any other group long term disability insurance policy under which you become insured during a period of Temporary Recovery.
5. The date your Work Earnings exceed the Work Earnings Limit shown in the **Coverage Features**.

LT.BE.02

PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work unless a different date applies (see the **Coverage Features**). Any subsequent change in your earnings will not affect your Predisability Earnings.

A. Class I and II Members (other than Sole Proprietors) and S-Corporation Shareholders

Predisability Earnings means your average monthly compensation from your Employer (if a partnership or S-Corporation) during the Member's two previous tax years. Your average monthly compensation is determined by adding the following amounts as reported on the Schedule K-1, Form W-2 or

S-Corporation federal income tax returns for the two previous tax years, and dividing by 24 (or by the number of months you were actively working as a Class I or II Member or shareholder, if less than 24):

1. Your ordinary income (loss) from trade or business activity(ies).
2. Your guaranteed payments, if you are a partner.
3. Your compensation (as an officer), salary, or wages, if you are an S-Corporation shareholder.

If you were not a Class I or II Member or shareholder of the Employer during the entire two previous tax years, your Predisability Earnings will be your average monthly compensation for your period as a Class I or II Member or shareholder.

B. Sole Proprietors

Predisability Earnings means your average monthly compensation from your Employer (if a sole proprietorship) during the Employer's two previous tax years. Your average monthly compensation is the following amount as reported on the sole proprietorship federal income tax returns for the two previous tax years, divided by 24 (or by the number of months you were a sole proprietor, if less than 24):

Your ordinary income (loss) from trade or business activity(ies), excluding dividend, capital gains and return of capital.

If you were not a sole proprietor during the entire two previous tax years, your Predisability Earnings will be your average monthly compensation for your period as a sole proprietor.

C. All Other Members

Predisability Earnings means your average monthly compensation from your Employer during the Employer's two previous tax years. Your average monthly compensation is the amount reported on your federal income tax returns, divided by 24 (or by the number of months you were a Member, if less than 24).

If you were not a Member during the entire two previous tax years, your Predisability Earnings will be your average monthly compensation for your period of employment.

Predisability Earnings does not include 1. through 5. below.

1. Commissions.
2. Bonuses.
3. Overtime pay.
4. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
5. 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.

D. All Members

Predisability Earnings includes 1. and 2. below.

1. Contributions you make through a salary reduction agreement with your Employer to:

- a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 457, or 410(p) 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 your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.

LT.PD.01X

DEDUCTIBLE INCOME

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

1. Your Work Earnings, as described in the **Return To Work Incentive**.
2. Any amount you receive or are eligible to receive because of your disability under any workers' compensation law or similar law, including amounts for partial or total disability, whether permanent, temporary, or vocational.
3. Any amount you, your spouse, or your children 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; or
 - d. Any similar plan or act.

Benefits your spouse or children receive or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence.

The **Coverage Features** states which one of the following options applies to your Social Security benefits.

- a. Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefits are Deductible Income.
- b. Primary offset only: Primary benefits are Deductible Income, but dependents benefits are not.
- c. Partial dependents offset: Primary benefits are Deductible Income. Dependents benefits are Deductible Income if they exceed the amount found in (1) and (2).
 - (1) Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your dependents benefits to that amount.
 - (2) Multiply your Predisability Earnings by the dependents limit.

If (1) is greater than (2), the difference will be Deductible Income.

4. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
5. Any amount you receive or are eligible to receive because of your disability under any group or individual insurance policy, as determined below:
 - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your benefits under any group or individual insurance policy to that amount.
 - b. Determine 100% of your Indexed Predisability Earnings.

- c. If a. is greater than b., the difference will be Deductible Income.
- 6. Any disability or retirement benefits you receive under your Employer's retirement plan.
- 7. 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.

LT.DI.07X

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. California Workers' Compensation benefits for permanent total or permanent partial disability.
- 5. Early retirement benefits under the Federal Social Security Act which are not actually received.
- 6. Group credit or mortgage disability insurance benefits.
- 7. The following amounts under your Employer's retirement plan.
 - a. A lump sum distribution of your entire interest in the plan.
 - b. Any amount which is attributable to your contributions to the plan.
 - c. Any amount you could have received upon termination of employment without being disabled or retired.
- 8. Benefits from a. through i. below.
 - a. Profit sharing plan.
 - b. Thrift or savings plan.
 - c. Deferred compensation plan.
 - d. Plan under IRC Section 401(k) 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.
 - i. Retirement plan under a professional service corporation with respect to principals.
- 9. Retirement or partial disability benefits you receive continuously from the date you become insured through the date you become Disabled.
- 10. Accelerated death benefits paid under a life insurance policy.

LT.ED.03X

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.

LT.RU.01

ADDITIONAL BENEFITS FOR THE SEVERELY DISABLED

A. Lifetime Security Benefit

If you meet the requirements below on the date your Maximum Benefit Period ends, we will pay LTD Benefits beyond the end of your Maximum Benefit Period, according to the terms of the Group Policy, after we receive Proof Of Loss satisfactory to us.

Requirements For Lifetime Security Benefit

1. LTD Benefits are scheduled to end solely because your Maximum Benefit Period is ending.
2. You are Disabled and in addition:
 - a. You are unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance due to loss of functional capacity as a result of Physical Disease or Injury; or
 - b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.

B. Effect Of Lifetime Security Benefit On Other Provisions Of The Group Policy

If your LTD Benefits are continued beyond the end of the Maximum Benefit Period by the Lifetime Security Benefit, the following will apply:

1. Your LTD Benefits will no longer be increased by the COLA Factor.
2. No Employer Income Protection Benefit will be paid.
3. No Survivors Benefit will be paid if you die.

Except as provided above, the terms of the Group Policy will continue to apply to your Disability as before.

C. When LTD Benefits End Under The Lifetime Security Benefit

LTD Benefits continued by the Lifetime Security Benefit will end automatically on the earlier of:

1. The date you no longer meet the requirements in item A. above.
2. The date LTD Benefits end under the terms of the Group Policy for any reason other than reaching the end of the Maximum Benefit Period.

D. Assisted Living Benefit

If you meet the requirements in 1 through 3 below, we will pay Assisted Living Benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

Requirements for Assisted Living Benefit

1. You are Disabled and LTD Benefits are payable to you.
2. While you are Disabled:
 - a. You, due to loss of functional capacity as a result of Physical Disease or Injury, become unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance; or
 - b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.

E. Amount Of The Assisted Living Benefit

See the **Coverage Features** for the amount of the Assisted Living Benefit.

F. Becoming Insured For Assisted Living Benefits

You are eligible for Assisted Living Benefit coverage if you are insured for LTD insurance. Subject to the Active Work Provision, your Assisted Living Benefit coverage becomes effective on the date your LTD insurance becomes effective.

G. Payment Of Assisted Living Benefits

We will pay Assisted Living Benefits within 60 days after Proof Of Loss is satisfied. Your Assisted Living Benefits will be paid to you at the same time LTD Benefits are payable.

H. When Assisted Living Benefits End

Assisted Living Benefits end automatically on the earliest of:

1. The date you no longer meet the requirements in item D. above.
2. The date your LTD Benefits end.

I. When Assisted Living Benefits Coverage Ends

Assisted Living Benefit coverage ends automatically on the earliest of:

1. The date your LTD insurance ends.

2. The date Assisted Living Benefit coverage terminates under the Group Policy.

J. Assisted Living Benefits After Insurance Ends Or Is Changed

Your right to receive Assisted Living Benefits will not be affected by the occurrence of the events described in 1 or 2 below that become effective after you become Disabled.

1. Termination or amendment of the Group Policy or your Employer's coverage under the Group Policy.
2. Termination of Assisted Living Benefit coverage while the Group Policy or your Employer's coverage under the Group Policy remains in force.

K. Time Limits On Filing Proof Of Loss

Proof Of Loss for the Assisted Living Benefit must be provided within 90 days after the date the inability to perform Activities Of Daily Living or the Severe Cognitive Impairment begins. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

Proof Of Loss for the Lifetime Security Benefit must be provided within 90 days after the date the Maximum Benefit Period ends. If that is not possible, it must be provided 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, the claim will be denied. These limits will not apply while the claimant lacks legal capacity.

L. Conversion

Neither the Assisted Living Benefit nor the Lifetime Security Benefit coverage may be converted under the Conversion Of Insurance provision.

M. Assisted Living Benefit And Lifetime Security Benefit Exclusions and Limitations

No Assisted Living Benefit will be paid and LTD Benefits will not be continued by the Lifetime Security Benefit for any period when you are confined for any reason in a penal or correctional institution.

No Assisted Living Benefit will be paid and LTD Benefits will not be continued by the Lifetime Security Benefit if you are unable to perform Activities Of Daily Living or the Severe Cognitive Impairment is caused or contributed to by:

1. 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.
2. Any intentionally self-inflicted Injury, while sane or insane.
3. A Mental Disorder.
4. Use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.
5. A Preexisting Condition.
 - a. Definition: For purposes of the Lifetime Security Benefit and Assisted Living Benefit, Preexisting Condition means a mental or physical condition for which you have done, or for which a reasonably prudent person would have done any of the following:
 - i. consulted a physician or other licensed medical professional,
 - ii. received medical treatment or services or advice,
 - iii. undergone diagnostic procedures, including self-administered procedures, or
 - iv. taken prescribed drugs or medicationwith respect to your Lifetime Security Benefit:

- a) during the 6 months just before your Lifetime Security Benefit coverage is effective, if your employer has fewer than 20 Members on the date the Employer first participates under the Group Policy; and
- b) during the 3 months just before your Lifetime Security Benefit coverage is effective, if your employer has 20 or more Members on the date the Employer first participates under the Group Policy.

with respect to your Assisted Living Benefit:

- a) during the 6 months just before your Assisted Living Benefit coverage is effective, if your employer has fewer than 20 Members on the date the Employer first participates under the Group Policy; and
- b) during the 3 months just before your Assisted Living Benefit coverage is effective, if your employer has 20 or more Members on the date the Employer first participates under the Group Policy.

b. Period Of Exclusion:

With respect to Lifetime Security Benefit, this exclusion will not apply after the Lifetime Security Benefit coverage has been continuously in effect for the period shown below, if after that period you have been Actively At Work for at least one full day.

- i. 24 months, if your employer has fewer than 20 Members on the date the Employer first participates under the Group Policy; and
- ii. 12 months, if your employer has 20 or more Members on the date the Employer first participates under the Group Policy.

With respect to Assisted Living Benefit, this exclusion will not apply after the Assisted Living Benefit coverage has been continuously in effect for the period shown below, if after that period you have been Actively At Work for at least one full day.

- i. 24 months, if your employer has fewer than 20 Members on the date the Employer first participates under the Group Policy; and
- ii. 12 months, if your employer has 20 or more Members on the date the Employer first participates under the Group Policy.

- 6. Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot. (Active participation does not include being at the scene of a violent disorder or riot while performing official duties.)

N. Definitions

- 1. Activities Of Daily Living means Bathing, Contenance, Dressing, Eating, Toileting, or Transferring.
- 2. Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.
- 3. Contenance means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.
- 4. Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.
- 5. Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.
- 6. Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.

7. Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.
8. Hands-on Assistance means the physical assistance of another person without which the insured would be unable to perform the Activity Of Daily Living.
9. Standby Assistance means the presence of another person within arm's reach of the insured that is necessary to prevent, by physical intervention, injury to the insured while the insured is performing the Activity Of Daily Living (such as being ready to catch the insured if the insured falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the insured throat if the insured chokes while Eating).
10. Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) is measured by clinical evidence and standardized tests approved by us that reliably measure impairment in (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning. Severe Cognitive Impairment does not include loss or deterioration as a result of a Mental Disorder.
11. Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (such as may result from wandering).

LT2.XB.05X

CONVERSION OF INSURANCE

When your insurance ends, you may buy LTD conversion insurance if you meet 1 through 5 below.

1. Your insurance ends for a reason other than:
 - a. Termination or amendment of the Group Policy; or
 - b. Your failure to make a required premium contribution.
2. You were insured under your Employer's long term disability insurance plan for at least one year as of the date your insurance ended.
3. You are not Disabled on the date your insurance ends.
4. You are a citizen or resident of the United States or Canada.
5. You apply in writing and pay the first premium for LTD conversion insurance within 31 days after your insurance ends.

Your LTD conversion insurance becomes effective on the day after your insurance ends.

The maximum LTD conversion insurance benefit you may select is the smallest of:

1. \$4,000 (however, if you provide satisfactory Evidence Of Insurability, this upper limit may be as high as \$8,000);
2. 60% of your insured Predisability Earnings on the date your insurance ended; and
3. The LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.

The maximum LTD conversion insurance benefit is reduced by deductible income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

LT.CV.01

COST OF LIVING ADJUSTMENT BENEFIT

A. Eligibility

You are eligible for a COLA Benefit if, on each April 1, you have been Disabled for the preceding 5 years and are receiving LTD Benefits.

B. COLA Benefit Rules

1. Your LTD Benefits becoming payable after you are eligible for a COLA Benefit are increased by the COLA Factor in effect for the current year.
2. A new COLA Factor is determined each April 1.
3. Your first COLA Factor is equal to 1.00 plus one-half the rate of increase in the CPI-W for the prior calendar year.
4. Each following COLA Factor is equal to 1.00 plus one-half the rate of increase in the CPI-W for the prior calendar year, times the previous COLA Factor.
5. The maximum rate of increase in the CPI-W that we will use is the Maximum COLA Factor shown in the **Coverage Features**.
6. The amount payable after adjustment by the COLA Factor will not exceed the Maximum Adjusted Benefit shown in the **Coverage Features**.
7. Your COLA Factor will not decrease, even if the CPI-W decreases.

LT.CA.01X

SURVIVORS BENEFIT

If you die while LTD Benefits are payable, we will pay a Survivors Benefit according to 1 through 4 below.

1. The amount of the Survivors Benefit is shown in the **Coverage Features**.
2. The Survivors Benefit will first be applied to reduce any overpayment of your claim.
3. 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 under age 25; or
 - c. Any person providing the care and support of any of them.
4. If you are not survived by a spouse or an unmarried child under age 25, no Survivors Benefit will be paid unless payment to your estate is allowed as stated in the **Coverage Features**.

LT.SB.01

EMPLOYER INCOME PROTECTION BENEFIT

While a Member is receiving LTD Benefits under the Group Policy, an Employer Income Protection Benefit will be paid to the Employer for the shorter of (a) the Employer Income Protection Benefit Period as shown in the Coverage Features, and (b) the period for which LTD Benefits continue to be payable.

The amount of the Employer Income Protection Benefit is:

Formula 1 = The Employer Income Protection Benefit Percentage multiplied by the Member's Predisability Earnings, subject to the Maximum EIP Benefit. See **Coverage Features**.

However, if the Member's Work Earnings exceed 20% of the Member's Indexed Predisability Earnings, the following Formula 2 will be used to determine the Employer Income Protection Benefit:

Formula 2 = (A divided by B) times C, where:

A = The Member's Indexed Predisability Earnings, minus 85% of the Member's Work Earnings.

B = The Member's Indexed Predisability Earnings.

C = The benefit determined from Formula 1 above.

The Employer Income Protection Benefit will not be reduced by Deductible Income.

No Employer Income Protection Benefit will be paid after the date the Employer ceases to employ any active employees.

LT.RP.01

WAIVER OF PREMIUM

Your insurance will continue without payment of premiums while LTD Benefits are payable.

LT.WP.01

BENEFITS AFTER INSURANCE ENDS OR IS CHANGED

Your right to receive LTD Benefits for a period of Disability which begins while you are insured will not be affected by:

1. Termination of the Group Policy after you become Disabled;
2. Termination of your insurance while the Group Policy remains in force; or
3. Any amendment to the Group Policy approved after the date you become Disabled.

LT.BA.01

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 Maximum Benefit Period unless LTD Benefits are continued by the Lifetime Security Benefit. See **Lifetime Security Benefit**.
2. All provisions of the Group Policy, including the **Exclusions** and **Limitations** sections, will apply to the new cause of Disability.

LT.ND.01

EXCLUSIONS

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

With the exception of a failed attempt to commit suicide, 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 a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you have done or for which a reasonably prudent person would have done any of the following:
 - i. Consulted a physician or other licensed medical professional;
 - ii. Received medical treatment, services or advice;
 - iii. Undergone diagnostic procedures, including self-administered procedures;
 - iv. 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 Preexisting Condition Period shown in the **Coverage Features**.

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 the entire Exclusion Period shown in the **Coverage Features**; and
- b. Have been Actively At Work for at least one full day after the end of the Exclusion Period.

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.

LT.EX.01X

LIMITATIONS

A. Care of A Physician

You must be under the ongoing care of a Physician 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.

B. Mental Disorder

Payment of LTD Benefits is limited to 24 months during your entire lifetime for Disability caused or contributed to by a Mental Disorder. However, if you are confined in a Hospital 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.

C. Substance Abuse

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by Substance Abuse, or medical or surgical treatment of Substance Abuse.

Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

D. Other Limited Conditions

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by any one or more of the following, or medical or surgical treatment of Other Limited Conditions.

Other Limited Conditions means chronic fatigue conditions (such as chronic fatigue syndrome, chronic fatigue immunodeficiency syndrome, post viral syndrome, limbic encephalopathy, Epstein-Barr virus infection, herpesvirus type 6 infection, or myalgic encephalomyelitis), any allergy or sensitivity to chemicals or the environment (such as environmental allergies, sick building syndrome, multiple chemical sensitivity syndrome or chronic toxic encephalopathy), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy or myofascial pain), carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder, or craniomandibular joint disorder.

However, Other Limited Conditions does not include neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, or vascular malformations, demyelinating diseases, or lupus.

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, Injury, or Pregnancy for which payment of LTD Benefits is not limited.

LT.LM.01X

CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If you do not receive our forms within 15 days after you ask for them, you may submit your claim 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

You must give us Proof Of Loss 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

Proof Of Loss means written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

D. Documentation

At your expense, you must submit completed claims statements, your signed authorization for us to obtain information, and any other items we may reasonably require in support of your claim. If you do not provide the documentation within 60 days after we mail you our request, your claim may be denied.

E. Investigation Of Claim

We may investigate your claim at any time.

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.

F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss.

LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivor Benefit. If no Survivor Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

G. Notice Of Decision On Claim

You will receive a written decision on your claim within a reasonable time after we receive your claim.

If you do not receive our decision within 90 days after we receive your claim, you will have an immediate right to request a review as if your claim had been denied.

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

1. The reasons for our decision;
2. Reference to the parts of the Group Policy on which our decision is based;
3. A description of any additional information needed to support your claim; and
4. Information concerning your right to a review of our decision.

H. Review Procedure

You must request in writing a review of a denial of all or part of your claim within 60 days after you receive notice of the denial.

When you request a review, you may send us written comments or other items to support your claim. You may review any non-privileged information that relates to your request for review.

We will review your claim promptly after we receive your request. We will send you a notice of our decision within 60 days after we receive your request, or within 120 days if special circumstances require an extension. We will state the reasons for our decision and refer you to the relevant parts of the Group Policy.

I. Assignment

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

LT.CL.01

ALLOCATION OF AUTHORITY

Except for those functions which the Group Policy specifically reserves to the Policyholder, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
3. The right to determine:

- a. Eligibility for insurance;
- b. Entitlement to benefits;
- c. Amount of benefits payable;
- d. Sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

LT.AL.01

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 earlier of:

1. The date we receive Proof Of Loss; and
2. The end of the period within which Proof Of Loss is required to be given.

LT.TL.01

INCONTESTABILITY PROVISIONS

A. Incontestability Of Member's Insurance

Any statement you make to obtain insurance is a representation and not a warranty.

No misrepresentation by you will be used to reduce or deny your claim or contest the validity of your insurance unless:

1. Your insurance would not have been approved if we had known the truth; and
2. We have given you a copy of a written instrument signed by you which contains your misrepresentation.

After your insurance has been in effect for two years, we will not use a misrepresentation by you to reduce or deny your claim, unless it was a fraudulent misrepresentation.

B. Incontestability Of Group Policy

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

LT.IN.01

CONTINUITY OF COVERAGE

The **Coverage Features** states whether this provision applies to you.

A. Waiver Of Active Work Requirement

If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, you can become insured on the effective date of your Employer's coverage without meeting the Active Work Requirement. See **Active Work Provisions**.

The LTD Benefit payable for a period of continuous Disability beginning before you meet the Active Work Requirement will be:

1. The monthly benefit which would have been payable under the terms of the Prior Plan if it had remained in force; reduced by
2. Any benefits payable under the Prior Plan.

There is no Minimum LTD Benefit if there is a reduction by benefits payable under the Prior Plan.

B. Effect Of Preexisting Conditions

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy;
2. You were continuously insured under the Group Policy from the effective date of your Employer's coverage under the Group Policy through the date you became Disabled from the Preexisting Condition; and
3. Benefits would have been payable under the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

Payment of your LTD Benefit will be under the terms of the Prior Plan or the Group Policy, whichever pays less.

LT.CC.02X

WHEN YOUR INSURANCE BECOMES EFFECTIVE

The **Coverage Features** states whether your insurance is Contributory or Noncontributory.

A. Noncontributory Insurance

Subject to the **Active Work Provisions**, your Noncontributory insurance becomes effective on the date you become eligible.

B. Contributory Insurance

You must apply in writing for Contributory insurance and agree to pay premiums. Subject to the **Active Work Provisions**, your insurance becomes effective on:

1. The date you become eligible, if you apply on or before that date;
2. The date you apply, if you apply within 31 days after you become eligible; or
3. The date we approve your Evidence Of Insurability, if you apply more than 31 days after you become eligible (late application).

C. Insurance Subject To Evidence Of Insurability

Insurance subject to Evidence Of Insurability becomes effective on the date we approve Evidence Of Insurability.

D. Takeover Provisions

1. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of

your Employer's coverage under the Group Policy. However, this provision does not apply to you if you are disabled and working at least the minimum number of hours per week on the date your Employer first provides insurance under the Group Policy.

2. You must submit satisfactory Evidence Of Insurability to become insured for insurance if you were eligible for insurance under the Prior Plan for more than 31 days but were not insured.

LT.EF.01

ACTIVE WORK PROVISIONS

A. Active Work Requirement

If you are incapable of Active Work because of Sickness, Injury or Pregnancy on the day before 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.

B. Changes In Insurance

This Active Work Requirement also applies to any increase in your insurance. However, if you return to Active Work during a period of Disability or Temporary Recovery (see **Temporary Recovery**), you will not qualify for any change in insurance caused by a change in:

1. Your status as a member of a class;
2. The rate of earnings used to determine your Predisability Earnings; or
3. The terms of the Group Policy.

C. Exception

The Active Work Requirement will not apply to you if:

1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
2. You were Actively At Work on your last scheduled work day before the date of your absence; and
3. You were capable of Active Work on the day before the scheduled effective date of your insurance.

LT.AW.01

WHEN YOUR INSURANCE ENDS

Your insurance ends automatically on the earliest of 1. through 5. below.

1. The date the last period ends for which you made a premium contribution, if your insurance is Contributory.
2. The date the Group Policy terminates.
3. The date your employment terminates.
4. The earlier of (a) the date your Employer ceases to participate in the trust, and (b) the date your Employer ceases to provide Insurance under the Group Policy.
5. The date you cease to be a Member. However, if you cease to be a Member because you are not working the required minimum number of hours, your insurance will be continued during the following periods, unless it ends under 1 through 4 above.
 - a. While your Employer is paying you the same amount paid to you immediately before you ceased to be a Member.

- b. During the Benefit Waiting Period and while LTD Benefits are payable.
- c. During a leave of absence approved by your Employer in advance and in writing and scheduled to last the period shown in the **Coverage Features**.

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REINSTATEMENT OF INSURANCE

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

1. If your insurance ends because you cease to be a Member, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
2. If your insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
3. If your insurance ends because you are on a federal or state mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state mandated family or medical leave act or law.
4. The Preexisting Conditions Exclusion will be applied as if there had been no break in coverage in the following instances:
 - a. If you become insured again within 90 days.
 - b. If required by federal or state mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.

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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 you pay all or part of the premium for your 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.

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

Employer means an employer which (a) is a member of the Policyholder, (b) participates under the Group Policy, and (c) has been approved in writing by the Policyholder and us.

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.

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 your 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, unless LTD Benefits are continued by the Lifetime Security Benefit. See **Coverage Features** and **Lifetime Security Benefit**.

Noncontributory means the Policyholder or Employer pays the entire premium for your insurance.

Physician means a licensed M.D. or D.O., acting 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.

Physical Disease means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

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 coverage under the Group Policy and which is replaced by the Group Policy.

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ERISA INFORMATION AND NOTICE OF YOUR RIGHTS

A. General Plan Information

The General Plan Information required by ERISA is shown in the **Coverage Features**.

B. Termination Of The Group Policy

The Group Policy which provides benefits for this plan may be terminated by the Policyholder at any time with prior written notice to Standard Insurance Company. It will terminate automatically if the Policyholder fails to pay the required premium.

Standard Insurance Company may terminate the Group Policy on any Premium Due Date if the number of persons insured is less than the required minimum, or if Standard believes the Policyholder has failed to perform its obligations relating to the Group Policy.

C. Statement Of Your Rights Under ERISA

ERISA entitles you to the following rights and protections as a participant in your Employer's employee benefit plan:

1. Right To Examine Plan Documents

You have the right to examine all plan documents, including any annual reports filed with the U.S. Department of Labor, and any insurance contracts or collective bargaining agreements. The Plan Administrator will tell you where the plan documents are available for examination. There will be no charge for examining plan documents.

2. Right To Obtain Copies Of Plan Documents

You have the right to obtain copies of all plan documents upon written request. There may be a reasonable charge for the copies.

3. Right To Receive A Copy Of Annual Report

The Plan Administrator must give you a copy of the plan's summary annual financial report if the plan is required to file an annual report. There will be no charge for the report.

4. Right To Written Explanation Of Denial

If your claim for benefits under the employee benefit plan is denied in whole or in part, you must be given a written explanation of the reason for denial.

5. Right To Review

You have the right to have Standard Insurance Company review and reconsider any denial of your claim for plan benefits.

D. Protection Of Your Rights Under ERISA

ERISA prohibits anyone from discriminating against you in any way to prevent you from receiving a plan benefit or from exercising your rights under ERISA.

ERISA gives you the right to file suit in a state or federal court if your claim for benefits under the employee benefit plan is denied or ignored. You can also file suit in a federal court if you request plan documents and do not receive them within 30 days. In such a case the court will require the Plan Administrator to give you the plan documents you requested. In some cases the court could also require the Plan Administrator to pay you up to \$110 a day until you receive the requested materials.

ERISA also imposes special obligations on the people (called "fiduciaries") who operate your Employer's employee benefit plan. The fiduciaries have a duty to protect the plan's money and the interests of plan participants.

If you believe that the fiduciaries have misused the plan's money, or that you have been discriminated against for asserting your rights, you can ask for help from the U.S. Department of Labor. You can also file suit in a federal court. If you file a suit, the court will decide who must pay the court costs and legal fees. If your suit is successful, the court may require the fiduciary to pay those costs and fees. If you lose, the court may order you to pay those costs and fees.

E. Questions About The Plan Or ERISA

If you have any questions about your Employer's employee benefit plan, you should contact the Plan Administrator.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington D.C. 20210.

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