

## **SUMMARY OF GENERAL PURPOSES, COVERAGE LIMITATIONS AND CONSUMER PROTECTION**

### **General Purposes**

Residents of the District of Columbia should know that licensed insurers who sell health insurance, life insurance, and annuities in the District of Columbia are members of the District of Columbia Life and Health Insurance Guaranty Association ("Guaranty Association").

The purpose of this Guaranty Association is to provide statutorily-determined benefits associated with covered policies and contracts in the unlikely event that a member insurer is unable to meet its financial obligations and is found by a court of law to be insolvent. When a member insurer is found by a court to be insolvent, the Guaranty Association will assess the other member insurers to satisfy the benefits associated with any outstanding covered claims of persons residing in the District of Columbia. However, the protection provided through the Guaranty Association is subjected to certain statutory limits explained under the "Coverage Limitations" section, below. In some cases, the Guaranty Association may facilitate the reassignment of policies or contracts to other licensed insurance companies to keep the coverage in-force, with no change in contractual rights or benefits.

### **Coverage**

The Guaranty Association, established pursuant to the Life and Health Guaranty Association Act of 1992 ("Act"), effective July 22, 1992 (D.C. Law 9-129; D.C. Official Code §31-5401 *et seq.*), provides insolvency protection for certain types of insurance policies and contracts.

The insolvency protections provided by the Guaranty Association is generally conditioned on a person being 1) a resident of the District of Columbia and 2) the individual insured or owner under a health insurance, life insurance, or annuity contract issued by a member insurer, or insured under a group policy insurance contract issued by a member insurer. Beneficiaries, payees, or assignees of District insureds are also covered under the Act, even if they reside in another state.

### **Coverage Limitations**

The Act also limits the amount the Guaranty Association is obligated to pay. The benefits for which the Guaranty Association may become liable shall be limited to the lesser of:

- The contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer; or
- With respect to any one life, regardless of the number of policies, contracts or certificates:
  - \$300,000 in life insurance death benefits for any one life; including net cash surrender or net cash withdrawal values;
  - \$300,000 in the present value of annuity benefits, including net cash surrender or net cash withdrawal values;
  - \$300,000 in the present value of structured settlement annuity benefits, including net cash surrender or net cash withdrawal values;
  - \$300,000 for long-term care insurance benefits;
  - \$300,000 for disability insurance benefits;
  - \$500,000 for basic hospital, medical, and surgical insurance, or major medical insurance benefits;
  - \$100,000 for coverage not defined as disability insurance, or basic hospital, medical and surgical insurance or major medical insurance or long-term care insurance including any net cash surrender and net cash withdrawal values.

In no event is the Guaranty Association liable for more than \$300,000 in benefits with respect to any one life (\$500,000 in the event of basic hospital, medical and surgical insurance or major medical insurance).

Additionally, the Guaranty Association is not obligated to cover more than \$5,000,000 for multiple non-group policies of life insurance with one owner regardless of the number of policies owned.

### **Exclusions Examples**

Policies or contract holders are not protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was domiciled in a state whose guaranty association law protects insureds that live outside of that state);
- Their insurer was not authorized to do business in the District of Columbia; or
- Their policy was issued by a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, a non-profit hospital or medical service organization, a health maintenance organization, or a risk retention group.

The Guaranty Association also does not cover:

- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Any plan or program of an employer or association that provides life, health or annuity benefits to its employees or members and is self-funded;
- Interest rate guarantees which exceed certain statutory limitations;
- Dividends, experience rating credits or fees for services in connection with a policy;
- Credits given in connection with the administration of a policy by a group contract holder; or
- Unallocated annuity contracts.

### **Consumer Protection**

To learn more about the above referenced protections, please visit the Guaranty Association's website at [www.dclifega.org](http://www.dclifega.org). Additional questions may be directed to the District of Columbia Department of Insurance, Securities and Banking (DISB) and they will respond to questions not specifically addressed in this disclosure document.

Policy or contract holders with additional questions may contact either:

**District of Columbia  
Department of Insurance, Securities  
and Banking  
810 First Street, N.E., Suite 701  
Washington, DC 20002  
(202) 727-8000**

**District of Columbia  
Life and Health Guaranty  
Association  
1200 G Street, N.W.  
Washington, DC 20005  
(202) 434-8771**

Pursuant to the Act (D.C. Official Code §31-5416), insurers are required to provide notice to policy and contract holders of the existence of the Guaranty Association and the amounts of coverage provided under the Act. Your insurer and agent are prohibited by law from using the existence of the Guaranty Association and the protection it provides to market insurance products. You should not rely on the insolvency protection provided under the Act when selecting an insurer or insurance product. If you have obtained this document from an agent in connection with the purchase of a policy or contract, you should be aware that such delivery does not guarantee that the Guaranty Association would cover your policy or contract. Any determination of whether a policy or contract will be covered will be determined solely by the coverage provisions of the Act.

This disclosure is intended to summarize the general purpose of the Act and does not address all the provision of the Act. Moreover, the disclosure is not intended and should not be relied upon to alter any rights established in any policy or contract or under the Act.



# STANDARD INSURANCE COMPANY

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

## CERTIFICATE

### GROUP LONG TERM DISABILITY INSURANCE

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Policyholder:	The Recreation & Welfare Association Inc of the National Institute of Health
Policy Number:	754765-A
Effective Date:	November 1, 2017

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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.



Chairman, President and CEO

## Table of Contents

COVERAGE FEATURES.....	1
GENERAL POLICY INFORMATION.....	1
SCHEDULE OF INSURANCE .....	1
OTHER PROVISIONS .....	3
PREMIUM CONTRIBUTIONS .....	4
INSURING CLAUSE .....	5
BECOMING INSURED .....	5
WHEN YOUR INSURANCE BECOMES EFFECTIVE .....	5
ACTIVE WORK PROVISIONS .....	6
CONTINUITY OF COVERAGE.....	6
WHEN YOUR INSURANCE ENDS .....	7
WAIVER OF PREMIUM .....	7
REINSTATEMENT OF INSURANCE .....	7
DEFINITION OF DISABILITY.....	8
RETURN TO WORK PROVISIONS.....	9
REASONABLE ACCOMMODATION EXPENSE BENEFIT .....	10
REHABILITATION PLAN PROVISION .....	10
TEMPORARY RECOVERY.....	11
WHEN LTD BENEFITS END.....	11
PREDISABILITY EARNINGS .....	12
DEDUCTIBLE INCOME .....	12
EXCEPTIONS TO DEDUCTIBLE INCOME .....	13
RULES FOR DEDUCTIBLE INCOME .....	14
SUBROGATION.....	14
ASSISTED LIVING BENEFIT .....	15
COST OF LIVING ADJUSTMENT BENEFIT.....	17
SURVIVORS BENEFIT .....	18
CONVERSION OF INSURANCE .....	18
BENEFITS AFTER INSURANCE ENDS OR IS CHANGED .....	19
EFFECT OF NEW DISABILITY .....	19
DISABILITIES EXCLUDED FROM COVERAGE .....	19
A. War .....	19
B. Intentionally Self-Inflicted Injury.....	19
C. Preexisting Condition .....	19
D. Loss Of License Or Certification .....	20
E. Violent Or Criminal Conduct.....	20
DISABILITIES SUBJECT TO LIMITED PAY PERIODS .....	20
LIMITATIONS .....	21
CLAIMS.....	22
ALLOCATION OF AUTHORITY .....	24
TIME LIMITS ON LEGAL ACTIONS .....	24
INCONTESTABILITY PROVISIONS .....	24
CLERICAL ERROR, AGENCY, AND MISSTATEMENT .....	25
TERMINATION OR AMENDMENT OF THE GROUP POLICY.....	25
DEFINITIONS .....	26

## Index of Defined Terms

Active Work, Actively At Work, 6  
Activities Of Daily Living, 15  
Allowable Periods, 11  
Any Occupation, 9  
Assisted Living Benefit, 3, 15

Bathing, 15  
Benefit Waiting Period, 2, 3, 26

Class Definition, 1  
COLA Factor, 17  
Continence, 15  
Contributory, 26  
CPI-W, 26

Deductible Income, 12  
Disabled, 8  
Domestic Partner, 27  
Dressing, 15

Eating, 15  
Eligibility Waiting Period, 1  
Employer, 26  
Employer(s), 1

Group Policy, 26  
Group Policy Effective Date, 1  
Group Policy Number, 1

Hands-on Assistance, 15  
Hospital, 21

Indexed Predisability Earnings, 26  
Injury, 26

L.L.C. Owner-Employee, 26  
LTD Benefit, 26

Material Duties, 9  
Maximum Benefit Period, 2, 3, 26

Maximum LTD Benefit, 2, 3  
Member, 1, 5  
Mental Disorder, 20  
Minimum LTD Benefit, 2, 3

Noncontributory, 26

Other Limited Conditions, 21  
Own Occupation, 8

P.C. Partner, 26  
Physical Disease, 26  
Physician, 26  
Policyholder, 1  
Preexisting Condition, 19  
Preexisting Condition (for Additional Benefits For The Severely Disabled), 17  
Pregnancy, 26  
Prior Plan, 27

Reasonable Accommodation Expense Benefit, 4, 10  
Rehabilitation Plan, 10

Severe Cognitive Impairment, 15  
Social Security Normal Retirement Age (SSNRA), 3  
Spouse, 27  
Standby Assistance, 15  
Substance Abuse, 21  
Substantial Supervision, 16  
Survivors Benefit, 18

Temporary Recovery, 11  
Toileting, 15  
Transferring, 15

War, 16, 19  
Work Earnings, 10

## 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.

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### GENERAL POLICY INFORMATION

Group Policy Number: 754765-A

Policyholder: The Recreation & Welfare Association Inc of the National Institute of Health

Employer(s): United States Federal Government and all branches, agencies, bureaus, boards, commissions and divisions

Group Policy Effective Date: November 1, 2017

Policy Issued in: District of Columbia

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#### Member means:

1. A regular benefited employee of the Employer who is Actively At Work at least 20 hours each week; and
2. A citizen or resident of the United States or Canada.

For purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, an independent contractor, or an employee of the United States Postal Service.

Class Definition: None

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### SCHEDULE OF INSURANCE

Eligibility Waiting Period: You are eligible on the date you become a Member.

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

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#### **Open Enrollment Period November 1, 2017 through December 31, 2017**

If on the day before the Group Policy Effective Date, you were insured under the Prior Plan for Options 1 through Option 6:

- a. You may elect to change your benefit option, however you may only become insured under options 7, 8, or 9.
- b. The Preexisting Condition Exclusion and Preexisting Condition Limitation shown in the **Disabilities Excluded From Coverage** section will be waived for you if you apply for Options 7, 8 or 9 during the 2017 Open Enrollment Period.

Note: If you elect to become insured under options 7, 8 or 9 after the 2017 Open Enrollment Period ends, the Preexisting Condition Exclusion and Preexisting Condition Limitation shown in the **Disabilities Excluded From Coverage** section will apply to you.

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LTD Benefit:

**You may not become insured under more than ONE plan option shown below.**

**CLOSED PLAN OPTIONS EFFECTIVE NOVEMBER 1, 2017:**

**Option 1 (Old Plan Option 30):** 50% of the first \$7,000 of your Predisability Earnings, reduced by Deductible Income.

Maximum: \$3,500 before reduction by Deductible Income.

Minimum: \$100

Benefit Waiting Period: 30 days.

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

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

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.

**Option 2 (Old Plan Option 60):** 60% of the first \$8,333 of your Predisability Earnings, reduced by Deductible Income.

Maximum: \$5,000 before reduction by Deductible Income.

Minimum: \$100

Benefit Waiting Period: 60 days.

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



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

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.

**Option 3 (Old Plan option 90):** 60% of the first \$16,667 of your Predisability Earnings, reduced by Deductible Income.

Maximum: \$10,000 before reduction by Deductible Income.

Minimum: \$100

Assisted Living Benefit: An additional 20% of the first \$16,667 of your Predisability Earnings, but not to exceed \$5,000. The Assisted Living Benefit is not reduced by Deductible Income.

Benefit Waiting Period: 90 days.

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

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.

Own Occupation Period: The first 36 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.

Note: COLA is included under this option. Please see the **Cost of Living Adjustment Benefit** section.

## OTHER PROVISIONS

24 Hour Coverage: Yes for all Options

COLA:	Yes for Option 3 only
Assisted Living Benefits:	Yes for Option 3 only
Conversion of Insurance:	Yes for all Options
Continuity of Coverage:	Yes for all Options
Reasonable Accommodation Expense Benefit:	Yes for all Options
Survivors Benefit:	Yes for all Options

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### 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.

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## 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. A regular benefited employee of the Employer who is Actively At Work at least 20 hours each week; and
2. A citizen or resident of the United States or Canada.

For purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days.

You are not a Member if you are a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, an independent contractor, or an employee of the United States Postal Service.

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**.

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## WHEN YOUR INSURANCE BECOMES EFFECTIVE

You must apply with an enrollment form in writing or electronically for Contributory insurance and agree to pay premiums.

### A. When Insurance Becomes Effective

Subject to the **Active Work Provisions**, your Insurance becomes effective on the first day in which the allotment is received through a payroll deduction as reflected on the Policyholder's eligibility feed.

### B. Takeover Provisions

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.

### C. Changes In Insurance

You must request in writing for any elective increase or decrease in your insurance.

#### 1. Increases

Insurance Increases means an elective increase in the amount of your LTD Benefit, or decrease in the length of your Benefit Waiting Period, or increase in your Maximum Benefit Period.

The Preexisting Condition will apply to your insurance and your LTD Benefit will be subject to the Preexisting Condition Limitation if you elect:

- a. An increase in the amount of your LTD Benefit (other than an increase in your Predisability Earnings).
- b. A decrease in the length of your Benefit Waiting Period; or

c. An increase in the length of your Maximum Benefit Period.

2. Decreases

Insurance Decreases mean an elective decrease in the amount your LTD Benefit, increase in the length of your Benefit Waiting Period, or decrease in your Maximum Benefit Period.

3. Effective Date Of Changes

Subject to the **Active Work Provisions**, an increase or decrease in your insurance coverage becomes effective on the first day in which the allotment is received through a payroll deduction, as reflected on the Policyholder's eligibility feed.

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## ACTIVE WORK PROVISIONS

A. Active Work Requirement

You must be capable of Active Work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder 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 with reasonable continuity 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.

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## CONTINUITY OF COVERAGE

If your Disability is subject to the Preexisting Condition Exclusion or Preexisting Condition Limitation, 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 became insured under the Group Policy when your insurance under the Prior Plan ceased;
3. You were continuously insured under the Group Policy from the effective date of your insurance under the Group Policy through the date you became Disabled from the Preexisting Condition; and
4. Benefits would have been payable under the terms of the Prior Plan and Plan Option if it had remained in force, taking into account the Preexisting Condition Exclusion or Preexisting Condition Limitation, if any, of the Prior Plan and Option.

For such a Disability, the amount of your LTD Benefit will be the lesser of:

- a. The monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force; or
- b. The LTD Benefit payable under the terms of your Employer's coverage under the Group Policy, but without application of the Preexisting Condition Exclusion or Preexisting Condition Limitation.

For such a Disability, your LTD Benefits will begin on the later of the following dates:

- a. The date benefits would have begun under the terms of the Prior Plan if it had remained in force; or
- b. The date LTD Benefits begin under the terms of your Employer's coverage under the Group Policy.

For such a Disability, your LTD Benefits will end on the earlier of the following dates:

- a. The date benefits would have ended under the terms of the Prior Plan if it had remained in force; or
- b. The date LTD Benefits end under the terms of your Employer's coverage under the Group Policy.

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### **WHEN YOUR INSURANCE ENDS**

Your insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium contribution was made for your insurance.
2. The date the Group Policy terminates.
3. The date your employment terminates.
4. The date you cease to be a Member. However, if you cease to be a Member because you are working less than the required minimum number of hours, your LTD Insurance will be continued with premium payment during the following periods, unless it ends under 1 through 3 above.
  - a. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence or sick leave, 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.
  - b. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - c. During any other temporary leave of absence approved by your Employer in advance and in writing and scheduled to last 90 days or less. A period of Disability is not a leave of absence.
  - d. During the Benefit Waiting Period.

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### **WAIVER OF PREMIUM**

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

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### **REINSTATEMENT OF INSURANCE**

1. If you cease to be a Member because of a covered Disability, your insurance will end; however, if you become a Member again immediately after LTD Benefits end, the Eligibility Waiting Period will be waived and, with respect to the condition(s) for which LTD Benefits were payable, the Preexisting Condition Exclusion or Preexisting Condition Limitation will be applied as if your insurance had remained in effect during that period of Disability.

2. If you cease to be a Member because of a military leave of absence, your insurance will end; however, if you become a Member again within 180 days of the date you return from a military leave the Eligibility Waiting Period will be waived. With respect to the Preexisting Condition Exclusion or Preexisting Condition Limitation, the exclusion period will be reduced by any continuous period as an insured Member under the Group Policy prior to the date your insurance ended.
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 Condition Exclusion or Preexisting Condition Limitation will be applied as if insurance had remained in effect 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.
5. In no event will insurance be retroactive.

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## 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, Pregnancy 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, Pregnancy 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**.

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## **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, 50% of your Work Earnings will be Deductible Income.

### C. Work Earnings Definition

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:

- a. In your Own Occupation during the Own Occupation Period; and
- b. In Any Occupation during the Any Occupation Period.

Work Earnings includes earnings from your Employer, any other employer, or self-employment, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working.

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. If no period of time is stated, we will use a reasonable one.

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.
5. May adjust the financial information you give us in order to clearly reflect your Work 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.

LT.RW.OT.1

### **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.



While you are participating in an approved Rehabilitation Plan, your LTD Benefit will be increased by 10% of your Predisability Earnings. Your LTD Benefit may not exceed the Maximum LTD Benefit shown in the **Coverage Features** as a result of this increase.

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.

(WITH REHAB INC BFT) 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. See **Definition Of Disability**.

### A. Allowable Periods

1. During the Benefit Waiting Period: a total of 90 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.

(NEW TR PERIOD) LT.TR.OT.1

## 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 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 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.

LT.BE.OT.1

## PREDISABILITY EARNINGS

Predisability Earnings means gross salary or wages you were earning from the Employer on your last day of active work, as reflected by the premium reported on your behalf. We calculate this amount on a monthly basis.

(BASE\_NO STOCK) LT.PD.OT.1

## DEDUCTIBLE INCOME

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

1. Sick pay, personal time off (PTO), annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, 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. Longshoremens 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 under your Federal Employees Retirement System (F.E.R.S) or Civil Service Retirement System (C.S.R.S).
6. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
7. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage.
8. Any disability or retirement benefits you receive under your Employer's retirement plan.
9. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while LTD Benefits are payable.

10. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.
11. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgment, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
12. 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.

(DOM\_CA DOM\_NO OTHR OFFST\_PRIV\_WITH 3RD) LT.DI.OT.1

## **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.
9. 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.

(PRIV\_NO OTHR OFFST) LT.ED.OT.1

## **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.OT.1

## **SUBROGATION**

If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of LTD Benefits, and such notice shall constitute a lien on any judgment recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgment recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, shall be paid to you or as the court may direct.

LT.SG.OT.1

## **ASSISTED LIVING BENEFIT**

### **Applicable only if you are insured under Option 3:**

#### **A. 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.

#### Assisted Living Benefit Requirements

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 545 days or more as certified by a Physician in the appropriate specialty as determined by us.

#### **B. Definitions For Assisted Living Benefit**

Activities Of Daily Living means Bathing, Continence, Dressing, Eating, Toileting, or Transferring.

Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.

Continence means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.

Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.

Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.

Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.

Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.

Hands-on Assistance means the physical assistance of another person without which the insured would be unable to perform the Activity Of Daily Living.

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's throat if the insured chokes while Eating).

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.

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).

C. Amount Of The Assisted Living Benefit

The amount of the Assisted Living Benefit is shown in the **Coverage Features**.

The Assisted Living Benefit amount will be adjusted annually by the same COLA Factor used to adjust your LTD Benefit. See **Cost Of Living Adjustment Benefit**.

D. 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.

E. 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.

F. Time Limits On Filing Proof Of Loss

Proof Of Loss must be provided within 90 days after the date of the loss. 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.

G. 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 A. above.
2. The date your LTD Benefits end.

H. No Conversion

Assisted Living Benefit coverage may not be converted under the **Conversion Of Insurance** provision.

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

No Assisted Living Benefit will be paid for any period when you are confined for any reason in a penal or correctional institution.

No Assisted Living Benefit will be paid 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: Assisted Living Benefit, Preexisting Condition means a mental or physical condition for which you 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 medication

with respect to your Assisted Living Benefit, during the 12 months just before your Assisted Living Benefit coverage is effective.

b. Period Of Exclusion:

With respect to Assisted Living Benefit, this exclusion will not apply after the Assisted Living Benefit coverage has been continuously in effect for a period of 24 months, if after that period you have been Actively At Work for at least one full day.

- 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.)

J. 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.

K. 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.

## **COST OF LIVING ADJUSTMENT BENEFIT**

**If you are insured under Options 3 the following is applicable to you:**

A. Eligibility

You are eligible for a COLA Benefit if, on each April 1, you have been Disabled for the preceding 5 calendar years (January 1, through December 31) 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 the rate of increase in the CPI-W for the prior calendar year.
- 4. Each following COLA Factor is equal to 1.00 plus 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 3%.
- 6. The amount payable after adjustment by the COLA Factor will not exceed \$25,000.

7. Your COLA Factor will not decrease, even if the CPI-W decreases.
8. The Minimum LTD Benefit is not adjusted by the COLA Factor.

(DEFERRED\_FULL) LT.CA.OT.3

## **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 according to 1 through 4 below.

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 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, 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.
4. No Survivors Benefit will be paid if you are not survived by any person listed in a., b., or c. above.

(MULTPL\_DOM) LT.SB.OT.1

## **CONVERSION OF INSURANCE**

### Conversion Of Insurance Benefit

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;
  - b. Your failure to make a required premium contribution; or
  - c. Your retirement.
2. You were continuously 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 must apply in writing and pay the first premium to us within 31 days 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 is \$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.OT.2

## **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.

LT.BA.OT.1

## **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. The **Disabilities Excluded From Coverage, Disabilities Subject To Limited Pay Periods, and Limitations** sections will apply to the new cause of Disability.

LT.ND.OT.1

## **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 a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you 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 365-day period just before your insurance or Insurance Increase 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 24 months; and
- b. Have been Actively At Work for at least one full day after the end of that 24 months.

3. Limitation

Payment of LTD Benefits is limited to the LTD Benefit in effect prior to an Insurance Increase if your Disability is caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled:

- a. Your Insurance Increase has been continuously in effect for 24 months; and
- b. You have been Actively At Work for at least one full day after the end of that 24 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.

(NO PRUDNT) LT.XD.OT.1

## **DISABILITIES SUBJECT TO LIMITED PAY PERIODS**

A. Mental Disorders, Substance Abuse and 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 one or more of the following:

1. Mental Disorders;
2. Substance Abuse; or
3. Other Limited Conditions.

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.

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

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, herpes virus 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.

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

LT.LP.OT.1

## **LIMITATIONS**

**A. Care Of A Physician**

You must be under the ongoing care of a Physician in the appropriate specialty as determined by us 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 as determined by us.

**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. Foreign Residency**

Payment of LTD Benefits is limited to 12 months for each period of continuous Disability while you reside outside of the United States or Canada.

**E. 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.

LT.LM.OT.1

## 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, 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.

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.

### D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 45 days after we mail 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 Survivors Benefit. If no Survivors Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

### G. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 45 days after we receive your claim we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for 30 days. Before the end of this extension period we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for an additional 30 days. If an extension is due to your failure to provide information necessary to decide the claim, the extended time period for deciding your claim will not begin until you provide the information or otherwise respond.

If we extend the period to decide your claim, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim; (c) an explanation of the standards on

which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

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 decide your claim based on the information we have received.

If we deny any part of 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 judgment, 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 judgment 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.

(REV PRIV WRDG) LT.CL.OT.2X

## **ALLOCATION OF AUTHORITY**

Except for those functions which the Group Policy specifically reserves to the Policyholder or Employer, 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. The amount of benefits payable; and
  - d. The 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.OT.1

## **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 time within which Proof Of Loss is required to be given.

LT.TL.OT.1

## **INCONTESTABILITY PROVISIONS**

### **A. Incontestability Of Insurance**

Any statement made to obtain insurance or to increase insurance is a representation and not a warranty.

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

1. The insurance would not have been approved if we had known the truth; and
2. We have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

After insurance has been in effect for two years during the lifetime of the insured, we will not use a misrepresentation to reduce or deny the claim, unless it was a fraudulent misrepresentation.

### **B. Incontestability Of The 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 your 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.OT.1

## **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.

LT.CE.OT.1

## **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.

LT.TA.OT.1

## 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 the United States Federal Government and all branches, agencies, bureaus, boards, commissions and divisions.

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.

L.L.C. Owner-Employee means an individual who owns an equity interest in an Employer and is actively employed in the conduct of the Employer's business.

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 (a) insurance is nonelective and the Policyholder or Employer pay the entire premium for insurance; or (b) the Policyholder or Employer require all eligible Members to have insurance and to pay all or part of the premium for insurance.

P.C. Partner means the sole active employee and majority shareholder of a professional corporation in partnership with the Policyholder.

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

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.

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



Prior Plan means your Employer's group long term disability or short 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; or
- 2 Your Domestic Partner. Domestic Partner means an individual with whom you have completed an affidavit of declaration of domestic partnership, submitted that affidavit to the Employer, and filed that affidavit for public record if required by law.

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