



ASSURANT
Employee
Benefits

Group Benefits

Oak Grove School District

Long Term Disability

Base

**Certificate of
Group Insurance**

Union Security Insurance Company certifies that the insurance stated in this Certificate became effective on the Effective Date shown below. This Certificate is subject to the provisions of the below numbered *policy* issued by Union Security Insurance Company to the *policyholder*.

Policyholder: Oak Grove School District

Group Policy Number: 4023255

Type of Insurance: Long Term Disability Insurance – Noncontributory

Effective Date: For any *period of disability* starting on or after November 1, 2011

This Certificate replaces any and all Certificates and Certificate Endorsements, if any, issued to you under the *policy*.

A handwritten signature in black ink that reads "Joe Robert". The signature is written in a cursive style with a large, looping initial "J".

President and
Chief Executive Officer

NOTICE

If you need to contact someone about this Policy for any reason, please contact your agent. Please refer to your Policy Number in all correspondence. If you have any additional questions, you may contact our company by mailing your questions to:

Union Security Insurance Company
Customer Relations
P.O. Box 419596
Kansas City, Missouri 64141-9958

You may also reach Union Security by telephone at 800.733.7879.

If you have not been able to contact or obtain satisfaction from your agent or Union Security, you may contact the California Department of Insurance by writing to:

California Department of Insurance
Ronald Reagan Building
300 South Spring Street
Los Angeles, CA 90013

Toll-Free Number: 800.927.4357 (927.HELP) inside California except area codes 213 and 310.

Hotline for Callers in area codes 213 and 310 and Outside of California: 213.897.8921.

This notice of complaint procedure is for information only and does not become a part or condition of this Policy or Certificate.

Union Security Insurance Company
GROUP LONG TERM DISABILITY INSURANCE
OUTLINE OF COVERAGE

Read Your Certificate Carefully. This outline of coverage is a very brief description of your coverage. The Certificate is not an insurance policy and does not amend, extend or alter the coverage afforded by the *policy*. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the Certificate may be issued or may pertain, the insurance afforded by the *policy* is subject to all the terms, exclusions and conditions of the *policy*.

Long Term Disability Insurance. This category of coverage is designed to provide, to *covered persons*, benefits during disabilities resulting from a covered accident or sickness, subject to any limitations set forth in your Certificate. Benefits are not provided for basic hospital, basic medical-surgical, or major-medical expenses.

Benefits. Long Term Disability Insurance is designed to pay a monthly benefit which partially replaces income lost during periods of disability. **Insurance Provided** summarizes the benefit and **Definitions** defines disability.

Payment of benefits begins when a waiting period, called the Qualifying Period, is satisfied and continues until either the period of disability ends, or the Benefit Period expires. Both the Qualifying Period and Maximum Benefit Period are shown in the Schedule. **Definitions** provide more information about the Qualifying Period.

Your monthly benefit is based upon the Schedule Amount shown in the SCHEDULE. This amount will be reduced by payments and benefits under the **Offset Amount and Other Sources Amount**, including, but not limited to, state disability benefits or Social Security disability benefits. Please review the **Offset Amount and Other Sources Amount** provision(s) in the Certificate.

Offset Amount. The types of benefits or other amounts listed in the provision entitled **Offset Amount** that you receive or are eligible to receive that will directly reduce your Schedule Amount.

Other Sources Amount. The types of benefits or other amounts listed in the provision entitled **Other Sources Amount** that you receive or are eligible to receive that may reduce your Schedule Amount.

Exceptions, Reductions and Limitations of This Coverage. There are circumstances under which the Long Term Disability Insurance provisions of the *policy* do not provide benefits, or provide only limited benefits.

Continuation of Coverage. The effective date of your coverage is stated in the Certificate and is subject to the **Exception to Effective Date**.

The conditions for termination of coverage are provided in **When a Person's Insurance Ends**.

Conversion Privilege. If your Long Term Disability Insurance ends, it may be possible to convert to a conversion policy with no health exam.

Premium or Contribution. The cost of this insurance plan is paid for entirely by your employer.

The Certificate is not a Medicare Supplement Certificate. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from Union Security Insurance Company.

SCHEDULE

Eligible Classes:

Class I: Each *full-time* employee of the *policyholder* or an *associated company*,

- who is at *active work*, and
- who is working in the United States of America, except any temporary or seasonal worker.

Class II: Each *part-time* employee of the *policyholder* or an *associated company*,

- who is at *active work*, and
- who is working in the United States of America, except any temporary or seasonal worker.

Associated Companies: None

Present Service Requirement: None

Future Service Requirement: None

Entry Date: An eligible person will become insured on the first of the month occurring on or after the day all eligibility requirements are met.

Schedule Amount: 50.00% of *monthly pay*. The Schedule Amount cannot exceed \$1,800 per month. The Schedule Amount is the Maximum Benefit the *covered person* can receive under this *policy*.

For each day of a period less than a full month, the Schedule Amount will be 1/30th of the amount determined above.

Monthly pay means your basic monthly rate of pay from the *policyholder* or an *associated company* and is determined on the determination date (defined below) occurring on or before the *period of disability* starts. Bonuses, overtime, and other compensation not considered by us as basic wages or salary are not included. If you are an hourly employee, *monthly pay* will be based on your hourly rate of pay, but not on more than 40 hours per week.

For *covered persons* who are paid on less than a 12 months basis, *monthly pay* means:

- for that part of the *period of disability* before the start of the next school year, the amount of *monthly pay* you would have been entitled to receive from the *policyholder* for that month if you had not become *disabled*, and
- for that part of a *period of disability* after the start of the next school year, 1/12th of the amount of annual pay you received or would have received from the *policyholder* for the school year in which the *period of disability* started.

The first determination date is your effective date of insurance. After that the determination date is the first day of each month occurring after you become insured under the *policy*.

If you are an hourly employee, *monthly pay* will be based on your hourly rate of pay, but not on more than 40 hours per week.

Reductions to the Schedule Amount: Your Schedule Amount may be reduced by the *Offset Amount*, *Other Sources Amount* or other provisions in the *policy*. Please review all provisions in the *policy* carefully.

Minimum Benefit: Your minimum monthly benefit will be \$100. For any part of a *period of disability* less than a full month, the Minimum Benefit is 1/30 of \$100 for each day of *disability* after the *qualifying period* ends.

Qualifying Period: The greater of (i) 150 day(s), or (ii) the length of sick leave the *covered person* has accrued.

SCHEDULE (continued)

Maximum Interruption During Qualifying Period: 150 day(s)

This Maximum applies to all returns to *active work* during any one *qualifying period*.

Maximum Benefit Period: We will not pay benefits beyond the maximums stated below, based on your age on the day the *period of disability* started.

<u>Age</u>	<u>Maximum Benefit Period</u>
Before 60	the day before retirement age*
60 but before 65	the day before retirement age* or 36 months of <i>disability</i> ** , whichever is longer
65 but before 68	24 months of <i>disability</i> **
68 but before 70	18 months of <i>disability</i> **
70 but before 72	15 months of <i>disability</i> **
72 or more	12 months of <i>disability</i> **

**following the end of the *qualifying period*.

*"Retirement age" means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act.

Social Security Normal Retirement Age

<u>Year of Birth</u>	<u>Retirement Age</u>
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

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DEFINITIONS

These terms have the meanings shown here when *italicized*. The pronouns “we”, “us”, “our”, “you”, and “your” are not *italicized*.

100% Benefit Period means the 12 consecutive month period starting on the first day, if any, during the benefit period, for which you receive any salary, wages, partnership or proprietorship draw, commissions, or similar pay from any work you do.

Accommodation expense means the costs your employer incurs to accommodate your *disability*, as required by the Americans with Disabilities Act or similar legislation. It also means costs you incur for tools, equipment, furniture, computer software, or other items necessary for you to return to work. The amount of the *accommodation expense* will be limited to \$3,000 for each *period of disability*.

Active work means working for the *policyholder* or an *associated company* at your usual place of business on a *full-time* or *part-time* basis. If you are working on the day your coverage would otherwise take effect, you will be considered to be at *active work* on that day only if, when your work begins on that day, you would be physically and mentally able to complete a *full-time* or *part-time* week of work in your *usual occupation*.

Appropriate medical plan means either an appropriate plan to arrive at a more accurate or more supported diagnosis of your medical condition(s), or an appropriate plan of treatment of your medical condition(s), or both.

Associated company means any company shown in the *policy* which is owned by or affiliated with the *policyholder*.

Children means the following individuals who are under the age of 21 and unmarried:

- your biological or legally adopted children; and
- the biological or legally adopted children of your *spouse* who depend on you for support and maintenance.

Contributory means you pay part or all of the premium.

Covered person means an eligible employee or member of the *policyholder* or *associated company* who has become insured for a coverage.

Disability or *disabled* means that in a particular month or portion of a month, you satisfy the Total Disability Test or the Partial Disability Test, as described below. You need only satisfy one Test to be considered *disabled*.

Total Disability Test

- during the first 24 months of a *period of disability* (including the *qualifying period*), an *injury*, sickness or pregnancy prevents you from performing with reasonable continuity one or more of the *substantial and material acts* necessary to pursue your *usual occupation* and you are not working in your *usual occupation*.
- after the first 24 months of a *period of disability*, an *injury*, sickness, or pregnancy prevents you from engaging with reasonable continuity in any *occupation* in which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity.

Partial Disability Test

During any month of a *period of disability*, you do not satisfy the Total Disability Test, and you are actually working in an *occupation* for some part of that month, but, as the result of an *injury*, sickness, or pregnancy, whether past or present, you are unable to earn more than 80% of your *indexed monthly pay*. We will pro-rate your *indexed monthly pay* for any month during which your *indexed monthly pay* changes.

DEFINITIONS (continued)

If your actual earnings during any month are more than 80% of your *indexed monthly pay*, you will not be considered *disabled* during that month. In making this determination, salary, wages, partnership or proprietorship draw, commissions, bonuses, or similar pay, and any other income you earn will be included. However, *paid time off benefits* for periods not at work will not be included. Any lump sum payment will be pro-rated, based on the time over which it accrued or the period for which it was paid.

The loss of a professional or occupational license or certificate does not, in itself, constitute *disability*.

Provided that you are *disabled*, work you do during such time will not interrupt the *qualifying period* or the *period of disability*.

Doctor means a person acting within the scope of his or her license to practice medicine, prescribe drugs or perform surgery. Also, a person whom we are required to recognize as a *doctor* by the laws or regulations of the governing jurisdiction, or a person who is legally licensed to practice psychiatry, psychology or psychotherapy and whose primary work activities involve the care of patients, is a *doctor*. However, neither you nor a *family member* will be considered a *doctor*.

Domestic partner means:

- a person registered as your *domestic partner* in accordance with Section 297 of the California Family Code, or any similar applicable law or ordinance; or
- a person listed on the *policyholder's* affidavit or declaration of domestic partnership.

Education expense means, in your *rehabilitation plan*, the reasonable costs you incur which are required for your education or training to return to work. These costs may include the cost of tuition, books, computers, and other equipment.

Eligible class means a class of persons eligible for insurance under the *policy*. This class is based on employment or membership in a group.

Family care expense means the amount you spend for care of a family member in order for you to work or be retrained under a *rehabilitation plan*. To qualify:

- your family member must be under age 13, or be physically or mentally incapable of caring for him or herself;
- your family member must be dependent on you for support and maintenance; and
- the person who cares for your family member cannot be a relative.

Not more than \$350 per family member per month will be included. A pro-rated amount will apply to any period shorter than a month.

Family member means a person who is a parent, spouse, child, sibling, domestic partner, grandparent or grandchild of the *covered person*.

Full-time means working at least 30 hours per week, unless indicated otherwise in the *policy*.

Government plan means the United States Social Security Act, the Railroad Retirement Act, the Canadian Pension Plan, similar plans provided under the laws of other nations, and any plan provided under the laws of a state, province, or other political subdivision. It also includes any public employee retirement plan or any teachers' employment retirement plan, or any plan provided as an alternative to any of the above acts or plans. It does not include any Workers' Compensation Act or similar law, the Maritime Doctrine of Maintenance, Wages, or Cure, or the Jones Act (Title 46, United States Code 688).

DEFINITIONS (continued)

Home office means our office located in Kansas City, Missouri.

Hospital means a facility supervised by 1 or more *doctors* and operated under state and local laws. It must have 24-hour nursing service by registered nurses.

It may specialize in treating alcoholism, drug addiction, chemical dependency, or mental disease, but it cannot be a rest home, convalescent home, or a home for the aged.

Hospital confined and *hospital confinement* means staying in a *hospital* for 24 hours a day.

Indexed monthly pay means your *monthly pay* increased on each anniversary of the date your *disability* started by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as reflected in the cost of living adjustment (COLA), if any, in Social Security disability benefits effective on the December 1st coinciding with or immediately preceding each such anniversary. Increases, if any, will be compounded annually. Should the Social Security Administration make COLA's effective on some day other than December 1, that day will be substituted for December 1 in determining *indexed monthly pay*, and any relevant previous COLA increases not yet incorporated into *indexed monthly pay* will be included on the first anniversary next following their effective dates.

Injury means bodily injury. It does not mean intentionally self-inflicted injury.

Long term disability insurance means the group long term disability insurance provided under the *policy*.

Medical expense means the reasonable costs you incur for medical treatment, physical therapy, and adaptive equipment necessary for your vocational rehabilitation, in excess of amounts paid or payable by third parties and any amounts under a policy of major medical coverage.

Mental illness means a mental disorder as listed in the Diagnostic and Statistical Manual for Mental Disorders, Fourth Edition, Text Revision, as published by the American Psychiatric Association. A *mental illness*, as so defined, may be related to or be caused by physical or biological factors, or result in physical symptoms or expressions. For the purposes of the *policy*, *mental illness* does not include any mental disorder listed within any of the following categories found in the Diagnostic and Statistical Manual of Mental Disorders, as published by the American Psychiatric Association:

- Mental Retardation;
- Motor Skills Disorder;
- Pervasive Developmental Disorders;
- Delirium, Dementia, and Amnesic and other Cognitive Disorders; and
- Narcolepsy, Obstructive Sleep Apnea, and Sleep Disorder due to a general medical condition.

Moving expense means the costs you incur to move more than 35 miles so that you can attend school or accept gainful work.

No-fault motor vehicle coverage means a motor vehicle plan that pays disability or medical benefits without considering who was at fault in any accident that occurs. It does not include benefits provided under optional coverage.

Noncontributory means the *policyholder* pays the premium.

Occupation means a group of jobs:

- in which a common set of tasks is performed; or

DEFINITIONS (continued)

- which are related in terms of similar objectives and methodologies, and which may be related in terms of materials, products, worker actions, or worker characteristics.

Offset Amount means the total sum of all the types of benefits or other amounts listed in the provision entitled Offset Amount that you receive or are eligible to receive.

Other plan means any group disability plan sponsored by your employer, the *policyholder* or an *associated company*, issued by us, except the one provided under the *policy*.

Other Sources Amount means the total sum of all the types of benefits or other amounts listed in the provision entitled Other Sources Amount that you receive or are eligible to receive.

Paid time off benefits means any payments from a formal or informal salary continuance plan, sick leave plan or paid time off program sponsored by your employer, the *policyholder*, or an *associated company*.

Part-time means working at least 20 hours per week, unless indicated otherwise in the *policy*.

Period of disability means the time that begins on a day you become *disabled* and ends on a day before a day on which you are not *disabled*. Each *period of disability* has a *qualifying period*.

During the *qualifying period*, in applying the Total Disability Test, if you:

- return to *active work* in your *usual occupation* for no more than the number of days shown in the Maximum Interruption During Qualifying Period in the Schedule;
- remain insured under the *policy*; and
- become *disabled* again for the same cause or one related to it;

the same *period of disability* will continue and you will not have to satisfy again the part of the *qualifying period* that you have already fulfilled. If your return to *active work* in your *usual occupation* lasts for longer than the number of days shown in the Maximum Interruption During Qualifying Period in the Schedule, and you then become *disabled* again, you will start a new *period of disability*. You must satisfy the *qualifying period* again and the Maximum Benefit Period will start over.

After you satisfy the *qualifying period*, if you

- cease to be *disabled*;
- become *disabled* again; and
- remain insured under the *policy*;

the same *period of disability* may continue. Your period of recovery must be for less than:

- 6 months, if the later *disability* results from the same cause, or a related one; or
- 1 day, if the later *disability* results from a different cause.

If your period of recovery meets either of the above conditions, you do not have to satisfy the *qualifying period* again. The Maximum Benefit Period will continue on the day you become *disabled* again and your claim will remain subject to the same terms and conditions as in the earlier part of your *period of disability*.

If your period of recovery lasts for more than the time shown above, and you then become *disabled* again, you will start a new *period of disability*. You must satisfy the *qualifying period* again and the Maximum Benefit Period will start over.

DEFINITIONS (continued)

Policy means the group policy issued by us to the *policyholder* that describes the benefits for which you may be eligible.

Policyholder means the entity to whom the *policy* is issued.

Proof of good health means a statement of your medical history that we will use to determine if you are approved for coverage.

Qualifying period means the length of time shown in the Schedule that you must be *disabled* before benefits are payable. Your *qualifying period* will commence on a day you become *disabled*. If you can satisfy a *qualifying period*, that day will be the day that results in the earliest benefit commencement date.

If you satisfy the Partial Disability Test during the entire *qualifying period*, the Maximum Interruption During Qualifying Period will not apply. If application of the Total Disability Test and the Maximum Interruption During Qualifying Period would result in an earlier entitlement to benefits, we will apply those provisions instead of the Partial Disability Test.

In applying the Total Disability Test, any days of *active work* in your *usual occupation* (including weekends and holidays in between) will not count in satisfying the *qualifying period*.

You cannot satisfy any part of the *qualifying period* by any part of a *period of disability* that results from a cause for which we do not pay benefits.

Quality of care services means services which are designed to assist you in reaching and maintaining the functional capacity to work in any *occupation* in which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity with reasonable continuity.

Regular care and attendance means care at a frequency medically appropriate for your condition. If your condition does not require frequent visits to your *doctor*, neither will we.

Rehabilitation plan means a written statement, developed by us, which describes:

- the vocational rehabilitation goals for you;
- our responsibilities, your responsibilities, and the responsibilities of any other parties to the plan; and
- the timing of the implementation and expected completion of the plan, to the extent that it can be established, assuming your full cooperation.

The *rehabilitation plan* will be designed to enable you to return to work in any *occupation* in which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity with reasonable continuity.

Retirement plan means a formal or informal retirement plan, whether or not under an insurance or annuity contract. It does not include:

- a plan you pay for entirely;
- a qualified profit-sharing plan;
- a thrift plan;
- an individual retirement account (IRA);
- a tax sheltered annuity (TSA);

DEFINITIONS (continued)

- a stock ownership plan;
- a *government plan*; or
- a plan that qualifies under Internal Revenue Service Code 401(k).

Social security plan means:

- the United States Social Security Act;
- the Railroad Retirement Act;
- the Canadian Pension Plan; or
- any similar plan provided under the laws of any other nation.

It also means any public employee retirement plan, or teachers' employment retirement plan provided as an alternative to rather than a supplement for such plans.

Spouse means:

- a person to whom you are legally married;
- a person who is a party with you to a civil union established according to applicable law; or
- your *domestic partner*.

SSA representatives are persons or organizations which specialize in assisting people to obtain disability benefits under the United States Social Security Act. If you appoint an SSA representative, and they agree you are a good candidate, they will help you pursue your Social Security claim.

Substantial and material acts means the important tasks, functions and operations generally required by employers from those engaged in your *usual occupation* that cannot be reasonably omitted or modified.

In determining what *substantial and material acts* are necessary to pursue your *usual occupation*, we will first look at the specific duties required by your employer or job. If you are unable to perform one or more of these duties with reasonable continuity, we will then determine whether those duties are customarily required of other employees or individuals engaged in your *usual occupation*. If any specific material duties required of you by your employer or job differ from the material duties customarily required of other employees or individuals engaged in your *usual occupation*, then we will not consider those duties in determining what *substantial and material acts* are necessary to pursue your *usual occupation*.

Usual occupation means the employment, business, trade or profession that involves the *substantial and material acts* of the *occupation* you were regularly performing for the employer, the *policyholder*, or an *associated company* when *disability* began. *Usual occupation* is not necessarily limited to the specific job you performed for the employer, the *policyholder*, or an *associated company*.

We, us, and our mean Union Security Insurance Company.

You and your means an eligible employee or member of:

- the *policyholder*, or
- an *associated company*,

who has become insured for a coverage.

ELIGIBILITY AND TERMINATION PROVISIONS

Eligible Persons

To be eligible for insurance, a person must:

- be a member of an *eligible class*; and
- complete any Service Requirement shown in the Schedule by continuous service with the employer, the *policyholder*, or an *associated company*; and
- give us *proof of good health*.

The Present Service Requirement applies to persons in an *eligible class* on the Effective Date of the *policy*. The Future Service Requirement applies to persons who become members of an *eligible class* after that.

Effective Date for an Eligible Person

Any *noncontributory* insurance will take effect on the Entry Date shown in the Schedule.

For any *contributory* insurance, a person must apply for insurance on a form acceptable to us, and agree to pay part or all of the premium.

- If a person applies before becoming eligible, insurance will take effect on the Entry Date shown in the Schedule.
- If the application is made on the date the person becomes eligible, or within 31 days after that, insurance will take effect on the Entry Date occurring on or after the date of the application.
- If application is made more than 31 days after the day the person becomes eligible or after insurance ended because the premium was not paid, then *proof of good health* is required. If the proof is acceptable to us, insurance will take effect on the Entry Date occurring on or after the date we approve your *proof of good health*.

Exception to Effective Date

If an eligible person is not at *active work* on the day insurance would otherwise take effect, insurance will not take effect until the person returns to *active work*. If the day insurance would normally take effect is not a regular work day for a person, insurance will take effect on that day if the person is able to do his or her regular job.

When a Person's Insurance Ends

A *covered person's* insurance will end on the date:

- the *policy* ends;
- the *policy* is changed to end the insurance for a person's *eligible class*;
- a person is no longer in an *eligible class*;
- you stop *active work*; however, if you renew your contract with the *policyholder* for the next school year, the *policyholder* may consider insurance to continue even though you stop *active work* during the summer recess; or
- a required contribution was not paid.

ELIGIBILITY AND TERMINATION PROVISIONS (continued)

Continuance of Insurance

If a person is unable to perform *active work* for a reason shown below, the *policyholder* may continue the person's insurance on a premium-paying basis provided the person remains in other respects a member of the *eligible class*. The continuance cannot be more than the maximum continuance shown below. Continuance must be based on a uniform policy, and not individual selection.

The maximum continuance for *long term disability insurance* is:

- the Maximum Benefit Period, for *injury*, sickness, or pregnancy covered under the *policy*;
- the end of the *disability*, for *injury*, sickness, or pregnancy not covered under the *policy* because of a pre-existing condition;
- the end of the calendar month following the month *active work* stopped, for any other *injury*, sickness, or pregnancy not covered under the *policy*, or for lay-off, leave of absence, or transfer to part-time; and
- the end of the period the *policyholder* is required to allow after the last day of *active work*, for a family or medical leave of absence under:
 - the federal Family and Medical Leave Act; or
 - any similar state law.

There is no continuance for any other reason.

Reinstatement

If a person re-enters an Eligible Class within 12 months after insurance ends, the person will not have to complete the Service Requirement again. Any Pre-Existing Conditions provision will be applied as if insurance never ended if a person re-enters an Eligible Class immediately after the end of a family or medical leave of absence under the federal Family and Medical Leave Act or any similar state law. All other provisions of the *policy* will apply.

LONG TERM DISABILITY INSURANCE

Insurance Provided

If you become *disabled* while insured under the *policy*, we will pay *long term disability insurance* benefits if you satisfy the *qualifying period* and are under the *regular care and attendance* of a *doctor*. We will continue to pay benefits during your *disability*, but not beyond the Maximum Benefit Period. Any benefits are subject to the provisions of the *policy*.

Amount of Benefit

The amount of benefit we will pay is the lesser of:

- the Schedule Amount minus the *Offset Amount*; or
- the Monthly Payment Limit* minus the sum of the *Offset Amount* and the *Other Sources Amount*;

*70.0% of *monthly pay*

However, during the 100% Benefit Period, if you receive any salary, wages, partnership or proprietorship draw, commissions, or similar pay from any work you do, the amount of our benefit as calculated above, will be further reduced to the extent that the sum of:

- the amount of our benefit as calculated above;
- the amount of the income described above;
- the *Offset Amount*; and
- the *Other Sources Amount*;

exceeds your *indexed monthly pay*.

In any case, we will not pay less than the Minimum Benefit.

Notwithstanding any other provisions of the *policy*:

- any specific retirement benefit (other than a disability retirement benefit) that you began receiving before the day you became *disabled* under the *policy*; and
- any *paid time off benefits*, salary, wages, partnership or proprietorship draw, commissions, or similar pay you receive for any work you do for an employer by whom you were also employed on the day before you became *disabled* under the *policy*, other than the *policyholder* or *associated company*;

will not be considered in calculating the amount of your benefit under the *policy*.

REDUCTIONS TO SCHEDULE AMOUNT

Offset Amount

If you receive any of the following benefits or other amounts, the total of all such monthly benefits and other amounts plus the pro-rated amount of any lump sum payments or payments on other than a monthly schedule, including any settlements or compromises in connection with a claim for any of the following items, will be subtracted from the Schedule Amount in calculating the Amount of Benefit as described above:

- disability benefits from the United States Social Security Act (in other words, Social Security Disability Benefits), including dependent benefits, payable because of your *injury*, sickness, or pregnancy.

LONG TERM DISABILITY INSURANCE (continued)

- group disability benefits from any *other plan*.
- retirement benefits from a *government plan*.
- disability benefits from a *government plan*, except Social Security.
- any benefits (except medical or death benefits) under:
 - any Workers' Compensation Act (or a similar law);
 - the Maritime Doctrine of Maintenance, Wages or Cure; or
 - the Jones Act (Title 46, United States Code Section 688).
- retirement benefits from the United States Social Security Act unless your *disability* begins after age 65 and you were already receiving such retirement benefits.
- retirement benefits, disability benefits, or similar benefits (not including your contributions) from a retirement plan sponsored by your employer, the *policyholder*, or an *associated company*.

We will not consider any amounts rolled over or transferred into any eligible retirement plan unless such amounts are subsequently withdrawn during the Maximum Benefit Period, at which time we will subtract such amounts retroactively without regard to any other provisions of the *policy*.

Other Sources Amount

If you receive any of the following benefits or other amounts, the total of all such monthly benefits and other amounts plus the pro-rated amount of any lump sum payments or payments on other than a monthly schedule, including any settlements or compromises in connection with a claim for any of the following items, will be subtracted from the Schedule Amount and the Monthly Payment Limit in calculating the Amount of Benefit as described above:

- any amount you receive from a third party in connection with a *disability* which you suffered because of an act or omission of the third party, after reducing the gross amount by the pro-rated amounts for court costs and legal fees, if any.
- after the *100% Benefit Period*, 70% of any salary, wages, partnership or proprietorship draw, commissions or similar pay you receive from any work you do. If you have incurred *family care expense*, we will deduct that expense from any pay you receive.
- any amount you receive of a type included in your *monthly pay* for the purpose of determining your *long term disability insurance* benefit under the *policy*, other than types included elsewhere in the Other Sources Amount.
- any *no-fault motor vehicle coverage*, unless:
 - state law or regulation does not allow group disability benefits to be reduced by benefits from *no-fault motor vehicle coverage*; or
 - the *no-fault motor vehicle coverage* determines its benefits after benefits have been paid under the *policy*; or
 - the benefits are provided under optional coverage.

LONG TERM DISABILITY INSURANCE (continued)

Estimate of Benefits or Other Amounts

You are obligated to apply for the following benefits or other amounts if you are eligible for them:

- Social Security Disability Benefits, including Dependent Benefits if applicable;
- Temporary disability benefits under a Workers' Compensation Law;
- Benefits under the Maritime Doctrine of Maintenance, Wages or Cure; or the Jones Act; or
- Disability Benefits from a *government plan*.

You are also obligated to pursue those applications with reasonable diligence.

If:

- it is reasonable to believe that you would be paid such benefits or other amounts if you had applied for them, or if you had applied on time and had pursued such applications with reasonable diligence, and
- if we have a means of reasonably estimating the benefits or other amounts payable to you and your dependents if applicable under those circumstances,

then we may figure your benefit as though you were receiving those benefits or other amounts even if you are not.

In the event we are estimating and offsetting you or your dependents' Social Security disability benefits, we may continue to do so until we receive notice of a denial of such benefits at the first level of appeal after an initial denial.

Social Security Assistance

Your claim for Social Security disability benefits may be denied up to the reconsideration level. If it is, we will have it reviewed by an *SSA representative*, at your request.

If we consider you a good candidate, we will start this process. We will give you a list of *SSA representatives*. If you choose from this list, we will pay their fee.

Whether you use our help or not, we will reimburse you for the fee charged you by your *SSA representative*. To obtain this reimbursement, you must become entitled to Social Security disability benefits while eligible for benefits under our *policy*. Our reimbursement is limited to the fee approved by the Social Security Administration. If your claim is overpaid, we may use the reimbursement amount to reduce the amount of the overpayment, rather than paying it to you directly.

Adjustment of Benefits

If we find that the amount of benefits from any source described in the Amount of Benefit, Offset Amount or Other Sources Amount above should be different from the amount we used to figure your monthly benefit, we will adjust it.

If we paid you less than we should have, we will pay you the difference.

If we paid you more than we should have, you must pay us the difference. We may reduce your benefit or stop paying benefits until the overpayment is recovered. If your Amount of Benefit is determined to be the Minimum Benefit, we may still withhold that amount to further reduce your overpayment.

LONG TERM DISABILITY INSURANCE (continued)

Lump Sum Benefit

If you receive benefits from any source described in the Amount of Benefit, Offset Amount, or Other Sources Amount above in a lump sum, we will pro-rate it over the time in which it accrued, based on information from the source of the payment. If we do not receive all the information we need, we will pro-rate the payment according to its nature and purpose.

Benefit Freeze

We will not reduce your monthly benefit further if the amount of benefits from any source, other than the *policy*, changes because of a cost of living increase that occurs automatically or by law after you satisfy the *qualifying period*.

Managed Rehabilitation Benefit

Rehabilitation Plan for You

You may be eligible to receive vocational rehabilitation services. In order to be eligible for such services you must demonstrate to us that you have the functional capability to successfully complete a *rehabilitation plan*.

Vocational rehabilitation services will include the preparation of a *rehabilitation plan* for you, with input from you and your *doctor*. We, you, your *doctor*, or your employer can begin the process of developing a *rehabilitation plan*. Vocational rehabilitation services may include payment of your *medical expense*, *education expense*, *moving expense*, *accommodation expense* or *family care expense*.

While you are participating, with your full cooperation, in your *rehabilitation plan*, we will increase your Schedule Amount by 10% of your *monthly pay* or \$1,000, whichever is less. During this period, your Schedule Amount may exceed the maximum Schedule Amount in the Schedule.

If you return to work as part of a *rehabilitation plan* while you are *disabled*, we will pay your employer:

- 100% of your salary, wages, partnership or proprietorship draw, commissions, or similar pay; or
- the Schedule Amount, if less;

for the first month after you return to work, or your remaining *period of disability*, if less.

If your *disability* ends while you are participating, with your full cooperation, in your *rehabilitation plan*, and you are not able to find gainful work, we will:

- pay you the amount of benefit, other than rehabilitation benefits, that would have been payable to you if you had remained *disabled* until:
 - 3 months after your *disability* ends; or
 - the date you are able to find gainful work, if earlier; and
- provide or pay for reasonable job placement services for a period of up to 3 months after your *disability* ends.

Failure to participate with your full cooperation in the *rehabilitation plan*, without good cause, will result in the reduction or the end of your *long term disability insurance* benefits. If benefits end, your *long term disability insurance* coverage under the *policy* will end. Reduction of benefits will be based on your projected income if you had met the goals of the *rehabilitation plan*. Benefits will be figured as though you were:

- actually working in the occupation contemplated in the *rehabilitation plan*; and

LONG TERM DISABILITY INSURANCE (continued)

- earning the projected income amount.

If such work at the projected income amount would have resulted in the end of your *long term disability insurance* benefits, your benefits will end as of the expected completion of the *rehabilitation plan*. "Good cause" means a medical reason preventing implementation of the *rehabilitation plan*.

Rehabilitation Plan for Your Spouse

You and your *spouse* may ask to participate in a *rehabilitation plan* for your *spouse* while you are *disabled* if:

- you are receiving disability benefits from a *social security plan*; and
- your *spouse's* earnings in the six calendar months prior to your *disability* averaged less than 60% of your *monthly pay*.

The terms and conditions of the *rehabilitation plan* must be mutually agreed by you, your *spouse* and us.

The *rehabilitation plan* for your *spouse* may include payment of your *spouse's education expense*, reasonable job placement expenses, and the family's *moving expense*, if any. It may also include *family care expense* incurred by your *spouse*, necessary in order for your *spouse* to be retrained under the *rehabilitation plan*.

We will reduce the amount of your benefit we pay you by 50% of any salary, wages, partnership or proprietorship draw, commissions, or similar pay from any work your *spouse* does as a result of participating in your *spouse's rehabilitation plan*. If your *spouse* is working when your *spouse's rehabilitation plan* begins, we will only reduce your benefit by 50% of the increase in income that results from your *spouse's* participation in your *spouse's rehabilitation plan*.

Quality of Care Benefit

You may be eligible for *quality of care services*, while you are *disabled*. In providing *quality of care services*, we will help develop an *appropriate medical plan* for you. As part of the *appropriate medical plan*, we may:

- arrange any necessary second medical opinions or specialty consultations;
- recommend referral to therapeutic programs including, but not limited to, physical therapy, occupational therapy, speech therapy, exercise programs, mental health programs, pain clinic programs, and other medical rehabilitation programs;
- identify durable medical equipment which might improve your ability to function;
- provide published medical materials for you or your *doctor*, and refer you to support groups for people with similar impairments;
- negotiate discounts for your benefit with providers of medical services, equipment or prescription drugs;
- help you identify third parties who may pay for needed therapeutic programs, equipment, or services; or
- pay for reasonable costs you incur to participate in the plan, in excess of amounts paid or payable by third parties (including any amounts receivable under a policy of medical coverage). We may pay for such costs if you would not otherwise be able to undertake the necessary therapeutic program or receive the services. We will consider, among other things, the likelihood that such programs or services will result in an overall lowering of benefits payable to you under the *policy*.

LONG TERM DISABILITY INSURANCE (continued)

Exclusions

We will not pay benefits for any time you are confined to any facility because you were convicted of a crime or public offense.

We will not pay benefits for any *disability* caused by:

- war or any act of war, whether declared or not;
- intentionally self-inflicted injury, while sane or insane; or
- taking part in or the result of taking part in committing an assault.

We will not pay benefits if:

- your employer, the *policyholder*, or an *associated company* has offered you the opportunity to return to limited work while you are *disabled*; and
- you are capable of performing the limited work which is offered; and
- you do not return to work when and as scheduled.

Benefits will end as of the date you were first scheduled to return to work. Subject to the terms of the *policy*, benefits will recommence on the earlier of the date you return to such work, if you remain *disabled*, or the date your *disability* worsens so that you are no longer capable of such work.

Alcoholism, Drug Addiction, Chemical Dependency, and Mental Illness

We pay only a limited benefit for any parts of *periods of disability* due to alcoholism, drug addiction, chemical dependency, and *mental illness*. The Maximum Benefit Period for all such parts of *periods of disability* is 24 months. This is not a separate maximum for each such condition, or for each *period of disability*, but a combined maximum for all *periods of disability* and for all of these conditions.

A part (or the whole) of a *period of disability* will be considered due to alcoholism, drug addiction, chemical dependency, and *mental illness* if:

- you are limited by one or more of the stated conditions; and
- you do not have other conditions which, in the absence of the stated conditions, would continue to exist, limit your activities, and lead us to conclude that you were *disabled*.

Benefits may be payable for more than 24 months, but not beyond the Maximum Benefit Period in the Schedule, if you

- are *hospital confined* at the end of the 24-month period above, and
- remain *disabled*.

Benefits will be payable for the length of your confinement and for up to 60 days following the end of your confinement.

If you are *hospital confined* again during the 60-day period for at least 10 consecutive days, benefits will be payable for the length of the second confinement and for up to 60 days following the end of the second confinement.

LONG TERM DISABILITY INSURANCE (continued)

Pre-Existing Conditions

We will not pay benefits for any *disability* caused or substantially contributed to by a pre-existing condition (defined below) or medical or surgical treatment of a pre-existing condition unless the *disability* begins after the earlier of:

- 3 consecutive months, ending on or after the day you became insured under the *long term disability insurance policy*, during which you do not receive medical treatment, care or services or take prescribed medication for that diagnosed condition; or
- 12 consecutive months during which you are continuously insured under the *long term disability insurance policy*.

You have a pre-existing condition if you received medical treatment, care or services for a diagnosed condition or took prescribed medication for a diagnosed condition during the 3 months ending on the day you became insured under the *long term disability insurance policy*.

Extended Benefit

If you are *disabled* on the day your *long term disability insurance* ends, and if you remain *disabled* long enough to qualify, we will pay benefits according to the *policy*.

Conversion Privilege

If your *long term disability insurance* ends, you may be able to convert to coverage provided under a conversion policy. You must have been insured under the *policy* for at least a year. This includes time insured under any similar group policy which the *policy* replaces.

Within 31 days after your insurance ends, you must:

- apply for coverage under the conversion policy; and
- pay the first premium.

Proof of good health is not required.

You cannot convert if your *long term disability insurance* ends because:

- the *policy* ends;
- the *policy* is changed to end your coverage;
- you are *disabled*;
- a required premium is not paid; or
- you retire from your employer, the *policyholder*, or an *associated company*.

The benefits of the conversion policy will be those we offer for conversion at the time you apply. The premium will be based on rates in effect for conversion policies at that time. The effective date of coverage will be the day after your insurance under the *policy* ends.

Survivor Benefit

If you die while entitled to benefits under the *policy*, we will pay a survivor benefit. We must receive proof of your death and proof that the person claiming the benefit is entitled to it. We will pay the survivor benefit only to your *spouse*, if living, otherwise, to your *children*.

LONG TERM DISABILITY INSURANCE (continued)

The survivor benefit equals the monthly benefit payable under the Amount of Benefit provision of the *policy* for your last full calendar month of *disability*. If no benefit was paid for a full calendar month, a survivor benefit for a full month will be determined.

The survivor benefit is payable on:

- the first of the month after your death; and
- the first of each of the next 2 months.

If there is no one entitled to the survivor benefit, or if no one entitled to the survivor benefit is living on the first of any month after your death, we will pay a survivor benefit to your estate.

Payment of the survivor benefit is subject to the other provisions of the *policy*.

COMPULSORY PROVISIONS

Entire Contract

The *policy*, the application of the *policyholder*, and the applications, if any, of persons desiring coverage under the *policy*, constitute the entire contract between the parties, and any statement made by such a person or the *policyholder* shall, in the absence of fraud, be deemed a representation and not a warranty. A statement will not be used in defense of a claim unless it is in a written application.

Changing the Policy

The *policy* may be changed at any time by an endorsement or amendment agreed upon by the *policyholder* and us. No change in this *policy* shall be valid unless approved by one of our executive officers. No agent can change the *policy* or waive any of its provisions.

Time Limit on Certain Defenses

After two years from the date of issue of this *policy*, no misstatement of the *policyholder*, except a fraudulent misstatement, made in its application shall be used to void the *policy*.

After two years from the effective date of coverage with respect to which any claim is made, no misstatement of any employee eligible for coverage under the *policy*, except a fraudulent misstatement, made in an application under the *policy* shall be used to deny a claim for loss incurred or *disability* commencing after two years.

No claim for loss starting 2 or more years after the *covered person's* effective date may be reduced or denied because a disease or physical condition existed before the person's effective date, unless the condition was specifically excluded by a provision in effect on the date of loss.

Grace Period

A grace period of 31 days will be granted for the payment of premiums accruing after the first premium, during which grace period the *policy* shall continue in force, but the *policyholder* shall be liable to us for the payment of the premium accruing for the period the *policy* continues in force.

Notice of Claim

You or someone acting on your behalf must send us notice of the claim. We must have written notice of any insured loss within 30 days after it occurs, or as soon as reasonably possible, if later. Notice given by you or on your behalf can be sent to our *home office*, or to one of our regional group claims offices, or to one of our agents. We need enough information to identify you.

Claims Forms

Within 15 days after our receipt of your notice, we will send you certain claim forms. The forms must be completed and sent to our *home office* or to one of our regional group claims offices. If you do not receive the claim forms within 15 days, you will be deemed to comply with the requirements of this *policy* as to proof of loss upon submitting, within the time for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

Proofs of Loss

Written proofs of loss must be furnished to us, within 90 days after the termination of the first period for which we may be liable. After that, proof of loss must be given within 90 days after the end of the period for which we are liable. If it was not reasonably possible to file your claim or provide such ongoing proof of loss on a timely basis, we will not deny or reduce your claim if you file it or provide ongoing proof of loss as soon as reasonably possible and in no event, except in the absence of your legal capacity, later than one year from the time proof is otherwise required.

COMPULSORY PROVISIONS (continued)

Proof of loss may include but is not limited to medical records, hospital records, pharmacy records, test results, therapy and office notes, mental health progress notes, medical exams and consultations, tax returns, business records, Workers' Compensation records, payroll and attendance records, job descriptions, Social Security award and denial notices, and Social Security earnings records.

You should provide us with all information that you want us to consider regarding your claim, including statements from your *doctor* or other experts of your choosing.

If you do not furnish proof of loss, we will not pay benefits.

Examination

We, at our expense, have the right and option to examine the person of any individual whose injury or sickness is the basis of claim when and as often as we may reasonably require during the pendency of a claim.

Time of Payment of Claim

Subject to due written proof of loss, all indemnities for loss for which this *policy* provides payment will be paid to you as they accrue and any balance remaining unpaid at the termination of the period of liability will be paid to you immediately upon receipt of due written proof.

Limit on Legal Action

No action at law or in equity shall be brought to recover on this *policy* prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this *policy*. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Cancellation

We may cancel this *policy* at any time by written notice delivered to the *policyholder*, or mailed to the last address as shown on our records, stating when, not less than 31 days thereafter, such cancellation shall be effective; and after the *policy* has been continued beyond its original term the *policyholder* may cancel this *policy* at any time by written notice delivered or mailed to us effective on receipt or on such later date as may be specified in the notice. In the event of such cancellation by either us or *policyholder*, we shall promptly return on a prorata basis the unearned premium paid, if any, and the *policyholder* shall promptly pay on prorata basis the earned premium which has not been paid. (In computing the prorata premium to be returned by us or to be paid by us or to be paid by the *policyholder*, any discounts in premium or premium rate actually allowed to the *policyholder* because of the longer periods for which premiums, at the time of the cancellation, had been paid or agreed to be paid shall be disregarded, and the prorata return or payment of premium will be computed upon the basis of our regular and customary premium or premium rate for the coverage of this *policy*.) Such cancellation shall be without prejudice to any claim originating prior to the effective date of such cancellation.

Illegal Occupation or Commission of Felony

We shall not be liable for any loss to which a contributing cause was the commission of or attempt to commit a felony by the person whose injury or sickness is the basis of claim, or to which a contributing cause was such person's being engaged in an illegal occupation.

Intoxicants and Controlled Substances

The insurer shall not be liable for any loss sustained or contracted in consequence of the person whose injury or sickness is the basis of claim being intoxicated or under the influence of any narcotic unless administered on the advice of a physician.

GENERAL PROVISIONS

Review Procedure

If your claim is denied, in whole or in part, and you desire us to review that denial, you must request that we do so by submitting a written request within 180 days after you receive notice of denial. You may be unable to obtain a review of our denial by a court until after you have gone through our internal review process, so it is important that you request a review on a timely basis.

You have the right to see, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits. In connection with your request for a review of a denial, you may submit written comments, documents, records and other information relating to your claim for benefits.

We will review your claim after receiving your request and any accompanying documentation, and send you a notice of our review decision within 45 days after we receive your request, or within 90 days if special circumstances require an extension. We will state the reasons for our review decision and refer you to the relevant provisions of the *policy*. We will also advise you of any further internal review procedures, if applicable.

Certificates

We will send certificates to the *policyholder* to give to each *covered person*. The certificate will state the insurance to which the person is entitled. It does not change the provisions of the *policy*.

Workers' Compensation

The *policy* is not in place of, and does not affect any state's requirements for coverage by Workers' Compensation insurance.

Agency

Neither the *policyholder*, any employer, any *associated company*, nor any administrator appointed by the foregoing is our agent. We are not liable for any of their acts or omissions.



ASSURANT
Employee
Benefits

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