

# Certificate of Insurance

## GROUP LONG TERM DISABILITY INSURANCE

County of Flathead School District 5  
Kalispell, Montana  
Administrators and Certified Employees

Administered By:



**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**  
Home Office: 1241 John Q. Hammons Drive ▪ Madison, WI 53717

GROUP LONG TERM DISABILITY INSURANCE  
CERTIFICATE OF COVERAGE

Policyowner: County of Flathead School District #5

Policy Effective Date: July 1, 2022

The Group Policy has been issued to the above referenced Policyowner. No coverage under the Group Policy is in effect until approved in writing by Madison National Life Insurance Company, Inc.

All provisions on this and the following pages are part of the Certificate of Coverage.

The Group Policy is on file and available for review at the main office of the Employer. The Certificate summarizes and explains the parts of the Group Policy that apply to you. This certificate is not an insurance policy. In the event of any conflict between the Group Policy and the Certificate, the Group Policy will control.


This Certificate replaces any other Certificates previously provided to you under the Group Policy.

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

Unless defined differently within a particular provision, the terms “you” and “your” mean the Eligible Person. “We”, “us” and “our” mean Madison National Life Insurance Company, Inc. Other defined terms appear with their initial letters capitalized. References to section headings appear in quotation marks.

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

By



Marita Zuraitis  
President

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**SCHEDULE OF BENEFITS**

Employer: County of Flathead School District #5

Plan Number: 7943

Plan Effective Date: July 1, 2022

Eligible Class: Class 01: Administrators and Certified Employees

Minimum Hourly Work Requirement: 30 hours per week

Waiting Period: None

Employee Eligibility Date: First of month following completion of the Waiting Period

LTD Benefit Percentage: 60%

Maximum Monthly Covered Salary: \$5,000

Maximum Monthly Benefit: \$3,000

Minimum Monthly Benefit: \$100

Maximum Benefit Period:

Age at Disablement	Benefit Duration
59 or younger	To Age 65
60	5 years
61	4 years
62	3-1/2 years
63	3 years
64	2-1/2 years
65	2 years
66	1-3/4 years
67	1-1/2 years
68	1-1/4 years
69 and over	1 year

Claim Payment Method:	Monthly
Elimination Period:	60 consecutive calendar days
Own Occupation Period:	24 months following the end of the Elimination Period
Any Occupation Period:	From the end of the Own Occupation Period to the end of the Maximum Benefit Period
Definition of Disability:	Zero Day
Definition of Predisability Earnings:	Base pay only
Employee Premium Contribution:	0%
Employer Premium Contribution:	100%
Minimum Participation Requirement:	100%
Evidence of Insurability Requirement:	Required if over the Guarantee Issue Amount and for Late Enrollees
Pre-existing Condition Exclusion:	3 month/12 months
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment until the end of the month following the month in which a Paid or Unpaid Leave began
Mental Disorder Limitation:	24 Months Lifetime unless hospital confined, with recovery
Substance Abuse Limitation:	24 Months Lifetime unless hospital confined, with recovery
Special Conditions Limitation:	12 Months Lifetime unless hospital confined, with recovery
Social Security Integration:	Full Family
Freeze Type:	General Freeze
Integration with Work Earnings:	Work Incentive

**OPTIONAL RIDERS**

Reasonable Accommodation Expense Benefit:	Applies
Rehabilitation Benefit:	Applies
Survivor Benefit:	Applies

## DEFINITIONS

**Active Work** and **Actively at Work** are defined in the “Eligibility for Insurance” section.

**Any Occupation** means any job for which you are qualified by education, training, or experience regardless of whether you are working in that or another occupation.

**Contributory** means that you pay all or a portion 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.

**Deductible Income** is defined in the “Deductible Income” section.

**Disability** and **Disabled** are defined in the “Definition of Disability” section.

**Eligible Class** means an employment classification defined by the Employer and specified in the “Schedule of Benefits”. You must be a member of an Eligible Class in order to be eligible for insurance under the Group Policy.

**Eligible Person** is defined in the “Eligibility for Insurance” section.

**Elimination Period** means the period of time that you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable during the Elimination Period. Your Elimination Period is specified in the “Schedule of Benefits”.

**Employee** is defined in the “Eligibility for Insurance” section.

**Employer** means an employer (including approved affiliates and subsidiaries) to whom we have assigned a Plan Number and issued a Policy.

**Evidence of Insurability** is defined in the “Becoming Insured” section.

**Group Policy** means the group LTD insurance policy issued by us to the Employer under a specified Plan Number.

**Gross LTD Benefit** is defined in the “LTD Benefit Calculation” section.

**Guarantee Issue** is the amount of coverage provided, up to the Maximum Monthly Benefit, which is not subject to Evidence of Insurability.

**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.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted annually by the rate of increase in the CPI-W. During the first year of Disability, Indexed Predisability Earnings are the same as the Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability

using the above method. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings may increase or remain the same, but will never decrease, even if the CPI-W decreases.

**Injury** means a bodily injury that is the direct result of an accident, that is not related to any other cause, and which in and of itself results in your Disability within 90 days. Benefits will be payable to you only if the Injury occurs while you are insured under the Group Policy.

**Insured Person** means an Eligible Person whose coverage has become effective under the Group Policy.

**Late Enrollee** means an Employee who applies for coverage under the Group Policy more than 31 days after becoming an Eligible Person.

**LTD** means long term disability.

**LTD Benefit** means the net benefit payment due to you after deductions are applied to your Gross LTD Benefit as provided for under the Group Policy. Your LTD Benefit is calculated under the “LTD Benefit Calculation” section.

**Material Duties** is defined in the “Eligibility for Insurance” section.

**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 Elimination Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. Your Maximum Benefit Period is specified in the “Schedule of Benefits”.

**Mental Disorder** means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease. There will not be limitations for Severe Mental Illness, as it will be treated the same as sickness. See definition of Severe Mental Illness.

**Noncontributory** means the Employer pays the entire premium for insurance.

**Own Occupation** means the occupation you routinely perform for the Employer at the time Disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific employer or at a specific location.

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

**Physician** means a licensed medical professional under the laws of a state of the United States of America, acting within the scope of such license, who is permitted by law to prescribe medications and practice independent of supervision.

For the purpose of this Group Policy, “Physician” will not include you or your Spouse, or the brother, sister, parent or child of either an Insured Person or an Insured Person’s Spouse.

**Plan Effective Date** means the date on which the Group Policy becomes effective.

**Plan Number** means the number used by us to reference an Employer and the terms of coverage specified under the Group Policy.

**Predisability Earnings** is defined in the “Predisability Earnings” section.

**Pre-existing Condition** is defined in the “Exclusions” section.

**Pregnancy** means a pregnancy, childbirth, or related medical conditions.

**Prior Plan** means an Employer’s group long term disability insurance plan in effect on the day immediately preceding the Plan Effective Date under this Group Policy.

**Proof of Loss** is defined in the “Claims” section.

**Regular Care of a Physician** means:

1. that you personally visit a Physician as frequently as is medically recommended according to standard medical practice, but in no event less than annually, to effectively manage and treat your disabling condition(s);
2. that your Physician is rendering treatment and care for the disabling condition(s) which conform(s) with standard medical practice; and
3. that you are complying with all aspects of the treatment plan prescribed by the Physician.

**Retirement Date** means the earlier of:

1. the date you retire as defined by your Employer;
2. the date you become eligible to receive retirement benefits under any pension plan to which the Employer contributes, or
3. the date you become eligible to receive retirement benefits under any state or federal retirement plan or under social security law.

**Severe Mental Illness** means the following disorders as defined by the American Psychiatric Association: schizophrenia, schizoaffective disorder, bipolar disorder, major depression, panic disorder, obsessive-compulsive disorder and autism. No limitation apply to severe mental illness for it is treated the same as sickness.

**Special Condition** means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following:

1. Musculoskeletal and connective tissue disorders of the neck and back;
2. Any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue;
3. Chronic sprains and strains of joints and adjacent muscles;
4. Chronic Fatigue Syndrome.
5. Fibromyalgia;
6. Environmental Allergic Sickness;
7. Chemical and environmental sensitivities;
8. Sick Building Syndrome.

**Spouse** means a person to whom you are legally married and from whom you are not legally separated.

**Substance Abuse** means a condition listed in the latest edition of the American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305.

**Waiting Period** is defined in the “Eligibility for Insurance” section and the “Schedule of Benefits”.

**Work Earnings** means your gross monthly earnings from work performed while Disabled.

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



If you are paid in a lump sum or on a basis other than monthly, we will prorate the Work Earnings over the period of time to which they apply. If no period of time is stated, we will make a reasonable estimate.

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 Work Earnings by averaging your earnings over the most recent 3 month period. During the Own Occupation Period, you will no longer be Disabled when your average Work Earnings over the last 3 month period equal or exceed 80% of your Indexed Predisability Earnings, or when you are capable of earning 80% or more of your Indexed Predisability Earnings. During the Any Occupation Period, you will no longer be Disabled when your average Work Earnings over the last 3 month period equal or exceed 60% of your Indexed Predisability Earnings, or when you are capable of earning 60% or more of your Indexed Predisability Earnings.

## I. INSURING CLAUSE

- A. If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy, after we receive satisfactory Proof of Loss.

MNL-GLDI-C600-(12/06)-NT

## II. ELIGIBILITY FOR INSURANCE

- A. To be eligible for insurance under the Group Policy, you must be an Eligible Person. An **Eligible Person** is an Employee who has met the following requirements:
1. You must be an Employee. **Employee** means an individual who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes.
  2. You must be a citizen or legal resident of the United States or Canada, and you must reside in the United States or Canada;
  3. You must be Actively at Work and capable of sustained Active Work.
    - a) **Active Work** and **Actively at Work** mean performing all the Material Duties of your Own Occupation at your Employer's usual place of business, and satisfying the Minimum Hourly Work Requirement. 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.
    - b) **Minimum Hourly Work Requirement** means the work hours over a given time period that are required of you in order to be eligible for coverage. Your Minimum Hourly Work Requirement is specified in the "Schedule of Benefits".
    - c) **Material Duties** means the duties generally required by employers in the national economy of those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will working an average of more than 40 hours per week be considered a Material Duty.
  4. You cannot be a temporary or seasonal employee; full-time member of the armed forces of any country; leased employee; independent contractor.
  5. You must satisfy your Waiting Period. **Waiting Period** means the period of time that you must be Actively at Work as an Employee before your coverage may become effective. Your Waiting Period is specified in the "Schedule of Benefits".

MNL-GLDI-C700-(12/06)-NT

### III. BECOMING INSURED

A. To become an Insured Person under the Group Policy, you must be an Eligible Person and meet the following requirements as each may apply:

#### **EVIDENCE OF INSURABILITY WILL ONLY BE REQUIRED FOR REQUESTED AMOUNTS OVER THE GUARANTEE ISSUE AMOUNT AND FOR LATE ENROLLEES**

1. If Evidence of Insurability is required, You must provide such Evidence of Insurability and be approved for coverage by Us. The “Schedule of Benefits” specifies when Evidence of Insurability is required.
2. Evidence of Insurability.
  - a) Providing **Evidence of Insurability** means that an applicant must:
    - (1) complete and sign our Evidence of Insurability application and return the original application to us no later than 60 days from the date of signing; and
    - (2) authorize us to obtain information about the applicant’s health; and
    - (3) undergo a physical examination, if required by us, which may include diagnostic testing; and
    - (4) provide any additional information about the applicant’s insurability that we may reasonably require.
  - b) If you, your Spouse or your dependents are required to provide Evidence of Insurability, you will be responsible for all costs associated with providing Evidence of Insurability.
  - c) In each case where Evidence of Insurability is required, we base our decision whether to approve coverage on the information provided during the underwriting process. If we learn that the information relied on to approve coverage was incorrect, or that relevant information was omitted, we may retroactively rescind coverage and deny claims.
3. If the insurance you wish to obtain is Contributory insurance, you must apply in writing and remit the required premiums.

B. Effective Date of Your Insurance

1. Initial Enrollment
  - a) Noncontributory insurance not subject to Evidence of Insurability, or which is subject to Evidence of Insurability and has been approved by us, becomes effective on the date you become an Eligible Person. If, however, you initially waive participation in such coverage and then later wish to participate, you will be treated as a Late Enrollee, subject to Evidence of Insurability.
  - b) Contributory insurance subject to Evidence of Insurability becomes effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
  - c) Contributory insurance not subject to Evidence of Insurability. Provided that you apply prior to, or within 31 days of becoming an Eligible Person, Contributory insurance not subject to Evidence of Insurability becomes effective on the date you become an Eligible Person. If you do not apply for such coverage prior to, or within 31 days of becoming an Eligible Person and subsequently wish to obtain coverage, you will be a Late Enrollee, subject to Evidence of Insurability.
2. Increases in Existing Coverage and Late Enrollee Applications

- a) Where Evidence of Insurability is required, increases of existing coverage and Late Enrollee applications become effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
  - b) Where Evidence of Insurability is not required, an increase of existing coverage becomes effective on the date that you become eligible for such coverage.
3. If you are incapable of sustained Active Work due to a Disability on the day before the scheduled effective date of your insurance, such insurance will not become effective until the day after you are capable of sustained Active Work and complete one day of Active Work as an Eligible Person.

MNL-GLDI-C800-(12/06)-NT-MT

#### **IV. WAIVER OF PREMIUM**

- A. Premium payments are required during the Elimination Period. However, payment of premium is waived while LTD Benefits are payable. Upon your return to Active Work, premium payments will again be payable.

MNL-GLDI-C900-(12/06)-NT

#### **V. WHEN YOUR INSURANCE ENDS** **This provision applies to you if you are not Disabled.**

- A. Except as otherwise provided for under this section, your coverage will cease on the earliest of the following to occur:
- 1. the date your Employer's coverage under the Group Policy terminates;
  - 2. the date you cease to be an Eligible Person;
  - 3. the date that your premium payment is not paid when required;
  - 4. the date you become eligible for coverage under another group long-term disability policy;
  - 5. if you are a contract employee not returning to work as an Eligible Person the next contract year, the earlier of the following:
    - a) the date you become employed with another employer;
    - b) your Retirement Date;
    - c) expiration of the current contract year;
  - 6. your Retirement Date.
- B. Approved FMLA Leave of Absence – Contributory or Noncontributory Coverage
- 1. If you are on a FMLA leave, coverage will continue until the later of the leave period required by the Federal Family and Medical Leave Act of 1993, as amended, or the leave period required by applicable state law, provided that:
    - a) we receive written notice in advance of a leave approved by the Employer which includes the beginning and ending dates of the leave and the amount of your covered salary; and
    - b) FMLA leaves of absence and the right to continue coverage during FMLA leaves are available to all Employees in the same Eligible Class under the Group Policy; and
    - c) the Employer remits the required premium for coverage.
  - 2. The Elimination Period can be satisfied and benefits may be payable during a FMLA leave subject to all other contract provisions. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the leave, or the salary for which premium was paid.
- C. Paid Leave of Absence. If you are on a paid leave of absence, coverage will continue subject to the following:

1. Noncontributory coverage

- a) Coverage will continue provided that:
  - (1) we receive written notice in advance of a leave approved by the Employer which includes the beginning and ending dates of the leave and the amount of your covered salary; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the leave is scheduled to end, coverage extended during a paid leave will terminate on the earlier of the date the paid leave is scheduled to end or the end of the month following the month in which the paid leave began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) we receive written notice in advance of a paid leave of absence approved by the Employer which includes the beginning and ending dates of the leave and the amount of your covered salary; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end, or the end of the month following the month in which the paid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during a paid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

D Unpaid Leave of Absence - If you are on an unpaid leave of absence, coverage will continue subject to the following:

1. Noncontributory Coverage

- a) Coverage will continue provided that:
  - (1) we receive written notice in advance of an unpaid leave of absence approved by the Employer which includes the beginning and ending dates of the unpaid leave of absence and the amount of your covered salary; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.

- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end or the end of the month following the month in which the unpaid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) we receive written notice in advance of an unpaid leave of absence approved by the Employer which includes the beginning and ending dates of the leave and the amount of your covered salary; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leave of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (2) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end or the end of the month following the month in which the unpaid leave of absence began, or the date you fail to pay the premium as required.
- d) If you choose not to continue coverage or your coverage terminates during an unpaid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

**VI. RULES FOR TRANSFER OF EMPLOYEES FROM PRIOR PLAN**

- A. If you were eligible for insurance and insured under the Prior Plan on the day before the Plan Effective Date, you can become insured on the Plan Effective Date without meeting the Active Work requirement in the “Eligibility for Insurance” section.
- B. The LTD Benefit will be the lesser of the monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force, or the LTD Benefit as determined under the other provisions of this Group Policy. However, no benefits will be payable to you under the Group Policy if any benefits are payable to you under the Prior Plan.
- C. If you were eligible for insurance under the Prior Plan for more than 31 days but were not insured under the Prior Plan, you must provide Evidence of Insurability and be approved by us to become insured.

D. Continuation of Coverage and Pre-existing Conditions. In calculating the coverage period for determining whether the Pre-existing Condition Exclusion applies, we will include any period of continuous coverage under the Prior Plan immediately preceding the date you became insured under the Group Policy.]

MNL-GLDI-C1100-(12/06)-NT

## VII. REINSTATEMENT OF COVERAGE

- A. If your coverage ends, you may become covered again as an Insured Person, subject to the following:
1. If you cease to be an Eligible Person and coverage ends, and then you return to Active Work with the Employer again within 3 months, the Waiting Period will be waived on the first day of your return to Active Work and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph, the Pre-existing Condition Exclusion will be applied as if there had been no gap in coverage.
  2. If your coverage ends because you fail to make the required contribution while on an approved Family Medical Leave Act (FMLA) leave of absence, and then you return to Active Work and enroll for coverage within 31 days of the earlier of:
    - a) the end of the period of leave you and your Employer agreed upon; or
    - b) the end of the 12-week period following the date your leave began,then the Waiting Period will be waived and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph and a Pre-existing Condition Exclusion applies, such Exclusion will be applied as if there had been no gap in coverage.
  3. In all other cases, if your coverage ends because you fail to make the required contribution, you must provide Evidence of Insurability to become covered again.
  4. In no event will insurance coverage be retroactive.

MNL-GLDI-C1200-(12/06)-NT

## VIII. DEFINITION OF DISABILITY

A. **Disability or Disabled** means that during the Elimination Period and your Own Occupation Period you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions, or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

B. After your Own Occupation Period ends, **Disability and Disabled** mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions, or Pregnancy, unable to perform one or more of the Material Duties of Any Occupation, and, due to such inability, your Work Earnings are less than 60% of your Indexed Predisability Earnings, and you are incapable of earning 60% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

MNL-GLDI-C1300-(12/06)-NT

- C. Loss of License or Certification. For an Insured Person whose occupation requires a license, a restriction or loss of license does not, in itself, constitute a Disability.
- D. Preventive Measures. Your inability to perform any of your Material Duties because of preventive treatments or other preventive measures does not, by itself, constitute a Disability.
- E. Your Own Occupation Period and Any Occupation Period are specified in the "Schedule of Benefits".

MNL-GLDI-C1300-(12/06)-NT

## **IX. CUMULATIVE ELIMINATION PERIOD**

- A. If, during the Elimination Period, you return to Active Work at your Own Occupation or Any Occupation, and then become Disabled again from the same or a related cause(s), then only days of Disability due to the same or a related Sickness or injury will count towards the satisfaction of the Elimination Period, provided that 60 days of Disability due to the same or a related Sickness or Injury are completed with a 120 day period.

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## **X. RECURRENT DISABILITY**

- A. If you return to work for your Employer from a Disability for which benefits were payable under the Group Policy and then become Disabled again due to the same or related cause, we will treat the separate periods of Disability as one period of continuous Disability, provided you are continuously insured under the Group Policy during the period of recovery and the period of recovery does not exceed six months. Benefits resume on the date your Disability recurs.
- B. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again due to an unrelated cause, we will treat the subsequent Disability as a new claim, subject to all of the terms of the Group Policy.
- C. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again more than six months after you return to work, the subsequent Disability will be treated as a new claim, subject to all of the terms of the Group Policy.
- D. For the purposes of this provision, if your occupation with the Employer does not allow you to be Actively at Work for the entire calendar year due to a seasonal or regularly scheduled employment break, we will consider you to have returned to work if you would have been able to return to work had work been regularly scheduled.

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## **XI. WHEN LTD BENEFITS END**

- A. Your LTD Benefits end automatically on the earliest of the following:
  1. The date you are no longer Disabled;
  2. The date your Maximum Benefit Period ends;
  3. The date you die;
  4. The date you become eligible for coverage under any other group LTD plan under which you become insured through employment;
  5. The date you fail to provide satisfactory objective medical evidence of continued Disability;
  6. The date you fail to comply with our request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of our choice;

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7. The date you refuse to accept an accommodated position in your Own Occupation, offered by your Employer, which you are able to perform;
8. The date at which you have resided outside of the United States or Canada for 6 months;
9. The date you are confined in a penal or correctional institution or under house arrest;
10. The date you fail to comply with any requirements set forth in the “Responsibilities of Disabled Insureds” section.

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## XII. PREDISABILITY EARNINGS

- A. **Predisability Earnings** means your earnings in effect on your last full day of Active Work prior to becoming Disabled. Unless otherwise specifically provided for under the Group Policy, any subsequent change in your earnings will not affect your Predisability Earnings.
- B. Methods of Calculating Predisability Earnings
1. Salaried Employees. Your monthly Predisability Earnings are equal to your annual Predisability Earnings divided by twelve.
  2. Hourly Employees. If you are paid hourly, your monthly Predisability Earnings will be based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, not to exceed 173 hours. If you do not have regular work hours, your monthly Predisability Earnings are based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), not to exceed 173 hours.
- C. **Predisability Earnings** includes the following:
1. your base rate of pay;
- D. **Predisability Earnings** does not include the following:
1. commissions;
  2. bonuses;
  3. overtime pay;
  4. pay for extracurricular activities;
  5. longevity pay;
  6. extra duty pay;
  7. supplemental pay;
  8. shift differential;
  9. your Employer’s contributions to your health insurance premium;
  10. your Employer’s contributions to a Tax Sheltered Annuity (TSA);
  11. your Employer’s contributions on your behalf to any deferred compensation arrangement, pension plan, or other fringe benefits;
  12. any other extra compensation.
- E. Notwithstanding Section A above, in no event will your monthly Predisability Earnings exceed either the monthly salary for which premiums have been paid or the Maximum Monthly Covered Salary.

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### XIII. LTD BENEFIT CALCULATION

- A. Your monthly **Gross LTD Benefit** is equal to the lesser of your monthly Predisability Earnings times the LTD Benefit Percentage, or the Maximum Monthly Benefit.
- B. Your monthly **LTD Benefit** is equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit), where:
  - A = monthly Predisability Earnings minus Work Earnings.
  - B = monthly Predisability Earnings.
  - C = monthly Gross LTD Benefit minus monthly Deductible Income (exclusive of Work Earnings) is equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit).

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### XIV. DEDUCTIBLE INCOME

- A. Your Gross LTD Benefit will always be reduced by Deductible Income which is available to you or which you are eligible to receive as a result of your Disability, whether or not you apply for and receive such payments or benefits. The Deductible Income that we will subtract from your Gross LTD Benefit is listed below.
- B. To receive the full measure of income under the Group Policy, you must apply for all Deductible Income for which you may be eligible as soon as you are entitled to such benefits. If you do not apply for and actively pursue in good faith all Deductible Income for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are entitled to Deductible Income, we will estimate the amount of those benefits and reduce the Gross LTD Benefit by that estimated amount as of the date on which we deem you were eligible to receive Deductible Income. Integration of the estimated amount of Deductible Income that we have determined is available to you will continue until you provide us with proof that you have filed application(s) and continue to actively pursue Deductible Income.

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

- C. If you are paid Deductible Income in a lump sum, we will use the period of time to which the Deductible Income applies. If no period of time is stated, we will make a reasonable estimate.
- D. We will not estimate the amount of Deductible Income nor reduce your Gross LTD Benefit by any amounts for which applications or administrative appeals for Deductible Income are pending, provided that you:
  - 1. apply for in good faith and pursue to our satisfaction all Deductible Income for which we determine you might be eligible;
  - 2. designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
  - 3. keep us informed on a timely basis of the status of all applications for Deductible Income;
  - 4. sign a Reimbursement Agreement; and
  - 5. pursue administrative appeals of Deductible Income denials.

E. **Deductible Income** includes the following:

1. Sick pay (including donated amounts and paid time off);
2. Annual or personal leave pay, severance pay, or other salary continuation, payable to you by your Employer;
3. Work Earnings as follows:
  - a) During the first 12 months of benefits, if the total amount of your Gross LTD Benefit plus the amount you receive from Work Earnings exceeds 100% of your Predisability Earnings, the amount in excess of 100% of your Predisability Earnings will be included in Deductible Income;
  - b) After the first 12 months of benefits, your Work Earnings will be offset as provided in the “LTD Benefit Calculation” section.
4. Any amount you receive or are eligible to receive because of your Disability under any of the following:
  - a) a Workers’ Compensation Law to the extent we, at our discretion, determine that these amounts are of the general character as payments provided under the Group Policy for Disability;
  - b) the Jones Act;
  - c) Maritime Doctrine of Maintenance, Wages or Cure;
  - d) Longshoremen’s and Harbor Worker’s Act;
  - e) any similar act or law;
5. The amount that you, your Spouse and children receive or are eligible to receive because of your Disability, or retirement benefits under:
  - a) the United States 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;

Benefits your Spouse or a child receive or are eligible to receive because of your Disability are Deductible Income regardless of the marital status, custody, or place of residence;

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. Retirement plans
  - a) Any disability or retirement benefits you receive or are eligible to receive because of your Disability under your Employer’s retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members;
  - b) If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income to age 65 with no survivor benefit will be used to determine Deductible Income;
  - c) Your and your Employer’s contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan;
8. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law;

9. 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;
10. 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;
11. Any amount you receive under any “no fault” motor vehicle plan.

F. **Deductible Income** does not include the following:

1. Any cost of living increases 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 received;
6. Group credit or mortgage disability insurance benefits;
7. Accelerated benefits paid under a life insurance policy;
8. Under your Employer’s retirement plan, any amount you could have received upon termination of employment without being disabled or retired;
9. Benefits from the following:
  - a) Profit sharing plan;
  - b) Thrift or savings plan;
  - c) Plan under IRC Section 401(k), 408(k), or 457;
  - d) Individual Retirement Account (IRA);
  - e) Tax Sheltered Annuity (TSA) under IRC Section 403(b);
  - f) Stock ownership plan;
  - g) Keogh (HR-10) plan;
  - h) Retirement plan under a professional service corporation with respect to principals.

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## **XV. BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

- A. During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer’s coverage under 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 or your Employer’s coverage under the Group Policy that is effective after you become Disabled.
  2. termination of the Group Policy or your Employer’s coverage under the Group Policy after you become Disabled.

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## XVI. EFFECT OF NEW DISABILITY

- A. If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled, subject to the following:
1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period;
  2. The “Exclusions” and “Limitations” sections will apply to the new cause of Disability.

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## XVII. EXCLUSIONS

- A. **War.** You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties, or acts of terrorism.
- B. **Criminal Conduct.** You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, 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.
- C. **Military Leave.** You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country.
- D. **Imprisonment.** No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- E. **Intentionally Self-Inflicted Injury-Suicide.** You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane.
- F. **Pre-existing Condition.**
1. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition (excluding Pregnancy) unless you have been continuously insured under the Group Policy for at least 12 months.
  2. **Pre-existing Condition** means a mental or physical condition for which medical treatment or advice was recommended by or received from a Physician or other licensed medical professional, at any time during the 3 month period just before the effective date of your insurance under the Group Policy.
- G. **Elective Surgery**
1. You are not covered for a Disability caused or contributed to by any surgery or other procedure which:
    - a) does not promote the proper function of your body or prevent or treat Physical Disease or Injury; or
    - b) is directed at improving your appearance, unless such surgery or procedure is necessary to correct a deformity resulting from a congenital abnormality or a disfiguring Physical Disease or Injury.

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## XVIII. LIMITATIONS

### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 24 months during your lifetime. This is not a separate maximum for each such condition, or for each period of Disability, but a combined lifetime maximum for all periods of Disability and for Mental Disorders or Substance Abuse, either separate or combined.  
This does not apply to Severe Mental Illness, for Severe Mental Illness is treated the same as any other illness.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a substance abuse program available to you through either: (i) another group plan of your employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to you. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:
  - a) the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
  - b) the date you are no longer participating in the rehabilitative program;
  - c) the date you refuse to participate in an available rehabilitative program; or
  - d) the date you complete the rehabilitative program.
3. Exception to 24 month limitation.
  - a) If at the end of that 24 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.
  - b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 day period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

### B Special Conditions

1. When Disability is due in whole or in part to Special Conditions, the Maximum Benefit Period is 12 months while not Hospital confined. This maximum applies to any and all such periods of Disability during your lifetime.
2. Exception to 12 month limitation.
  - a) If at the end of that 12 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.
  - b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 day period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

- C. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.

D. Payment Limit. In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings.

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## **XIX. RESPONSIBILITIES OF DISABLED INSURED PERSONS**

### **A. Your Obligations During a Period of Disability**

1. You must make a good faith effort to recover from, or reduce the severity of, your Disability and the resulting loss of income, or you will forfeit benefits. The Group Policy requires you to take a variety of actions in this regard, including, but not limited to, the following:
  - a) You must accept any position within a broad definition of Own Occupation that you can perform and which your Employer or another employer makes available during the Own Occupation Period regardless of whether the compensation for such work is less than your Predisability Earnings. The income earned will be treated as Work Earnings and which a Physician has approved following the Own Occupation Period.
  - b) You must arrange for and use the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment that would likely improve your condition or end your Disability, and that does not pose unreasonable risks.
  - c) Where they exist, you must engage in medical and/or occupational rehabilitation programs that are reasonably expected to enable you to return to work. You must notify us when you participate in such a program.
  - d) You must appeal denials of Deductible Income and actively pursue such appeals in good faith.
  - e) You must promptly provide us with all information that we reasonably decide is necessary to verify and administer your claim for benefits.
2. Return to Work Responsibility
  - a) 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 are able to earn at least 80% of your Indexed Predisability Earnings, but you elect not to work.
  - b) 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 are able to earn at least 60% of your Indexed Predisability Earnings, but elect not to work.
  - c) Any earnings you receive from work you perform, or that you could receive if you worked as much as you are able to considering your Disability, that are less than 100% of your Indexed Predisability Earnings will be treated as Work Earnings.
3. Duty to Furnish Information. To receive benefits under the Group Policy, you must authorize and direct medical care providers and sources of earnings or Deductible Income to provide us with all information and records that we reasonably determine to be relevant to the determination of benefits or eligibility for benefits. We do not pay fees charged for submitting this information to us. Any such costs will be your responsibility.

- B. Our Right to Examine. We may require you to be examined by a Physician, other medical practitioner and/or vocational expert of our choice, in addition to your obligation to be under the Regular Care of a Physician as specified above. In such case, we will pay for the additional examination. You must cooperate fully with the Physician, medical practitioner or vocational expert and give full effort to such examinations. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Company representative.
- C. Insured Person's Failure to Comply
1. We have the right to suspend benefits during any portion of a Disability in which you fail to comply with any of the requirements set forth in this Certificate.
  2. We have the further right to terminate irrevocably all further benefits under the Group Policy when benefits have been suspended for a period of 6 consecutive months due to your failure to comply with any of the requirements of the Group Policy.

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## XX. CLAIMS

- A. Notice of Claim
1. Written notice of claim should be given to us within 30 days of the date the Elimination Period ends, if that is possible. If that is not possible, you must notify us as soon as it is reasonably possible to do so.
  2. When we receive a written notice of claim, we will send you our claim forms for filing Proof of Loss. If you do not receive the forms within 15 days after written notice of claim is sent, you can send us written Proof of Loss without waiting for the forms.
- B. Proof of Loss
1. **Proof of Loss** means all the information necessary to determine that a loss occurred:
    - a) for which the Group Policy provides benefits; and
    - b) which is not subject to any exclusions; and
    - c) which meets all other conditions for benefits.
  2. Written Proof of Loss must be furnished to us at our home office no later than 12 months after the end of the Elimination Period. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible, but not later than one year following the end of the 12 month period. These limits will not apply while an Insured Person lacks legal capacity.
  3. Any items we may reasonably require in support of a claim, such as completed claims statements and a signed authorization for us to obtain information including tax information, must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied. No benefits will be paid until we receive Proof of Loss satisfactory to us.
- C. Investigation of Claim
1. We may investigate a claim at any time.
  2. At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend benefits if you fail to attend an examination, give full effort or cooperate with the examiner.
- D. Payment of Claims
1. We will pay LTD Benefits within 30 days after we receive satisfactory Proof of Loss, but not before satisfaction of the Elimination Period.



2. Claim Payment Method. LTD Benefit payments that you qualify for will be paid to you as specified in the "Schedule of Benefits". Payments for partial weekly benefits will be pro-rated based on a 7 day week. Payments for partial monthly benefits will be pro-rated based on a 30 day month.
3. LTD Benefits payable at the time of your death will be paid to the person(s) receiving the "Survivor Benefit" if applicable. If no "Survivor Benefit" is paid, the unpaid LTD Benefits will be paid to your estate.

E. Notice of Adverse Decision on Claim

1. We will notify you of an adverse benefit determination within a reasonable period of time, but not later than 45 days after we receive satisfactory Proof of Loss. This period may be extended by us for up to 30 days, provided that we determine that such an extension is necessary due to matters beyond our control, and provided that we notify you prior to the end of the initial 45 day period, of the circumstances requiring the extension of time and the date by which we expect to render a decision.
2. In the case of any extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be given at least 45 days within which to provide the specified information.
3. If we deny any part of your claim, you will receive a written notice of denial containing the following:
  - a) the reasons for our decision;
  - b) reference to the provisions 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.

F. Review Procedure

1. If all or part of a claim is denied, you may request a review. A request for a review must be in writing and received by us within 120 days after you receive notice of the denial.
2. You may send us written comments or other items to support the claim and may review any non-privileged information that relates to the request for review.
3. We will review the claim promptly after we receive the request. We will send you a notice of our decision within 45 days after we receive the request, unless special circumstances require an extension. If we determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the expiration of the initial 45 day period. In no event will such extension exceed a period of 60 days from the end of the initial period.

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

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## **XXI. RIGHT TO REIMBURSEMENT**

- A. Except as provided in C, D, or E, if we limit the time in which a health care provider or other person is required to submit a claim for payment, we have the same time limit following the payment of the claim to perform any review or audit for reconsidering the validity of the claim and requesting reimbursement for payment of an invalid claim or overpayment of a claim.
- B. Except as provided in C, D, or E, if we do not limit the time in which a health care provider or other person is required to submit a claim for payment, we may not request reimbursement or offset another claim payment for reimbursement of an invalid claim or overpayment of a claim more than 12 months after the payment of an invalid or overpaid claim.

- C. Regardless of the period we allow for submission of claims for payment we may perform a review or audit to reconsider the validity of a claim and may request reimbursement for an invalid or overpaid claim within 12 months from the date upon which we receive notice of a determination, adjustment, or agreement regarding the amount payable with respect to a claim by:
1. medicare;
  2. a workers' compensation insurer
  3. another health insurance issuer or group health plan
  4. a liable or potentially liable third party; or
  5. a foreign health insurance issuer under an agreement among plans operating in different states when the agreement provides for payment by the Montana health insurance issuer or as host plan to Montana providers for services provided to an individual under a plan issued outside of the state of Montana.
- D. 1. The time limitations on us in subsection A. and B. do not commence running until the time specified in subsection D. 2. if we pay a claim in which we:
- a) suspect the health care provider or claimant of insurance fraud related to the claim; and
  - b) have reported evidence of fraud related to the claim to the commissioner pursuant to 33-1-1205.
2. The time limitation commences running on the date that the commissioner determines that insufficient evidence of fraud exists.
- E. The time limitations on us in subsection A. will not commence running until we have actual knowledge of an invalid claim, claim overpayment, or other incorrect payment if we have paid a claim incorrectly because of an error, misstatement, misrepresentation, omission, or concealment, other than insurance fraud, by the health care provider or other person. Regardless of the date upon which we obtain actual knowledge of an invalid claim, claim overpayment, or other incorrect payment, this subsection does not permit us to request reimbursement or to offset another claim payment for reimbursement of the claim more than 2 months after payment of the claim.

If We pay benefits to You in excess of the amounts required by this Certificate or, if You receive retroactive benefits from any Deductible Income source for periods of time We also paid benefits to You, You must reimburse Us for any excess, duplicate, or erroneous benefit payments. We may not request reimbursement or offset another claim payment for reimbursement of an invalid claim or overpayment of a claim more than 12 months after the payment of an invalid or overpaid claim.

You must execute and deliver to Us a reimbursement agreement, provided by Us, setting forth specific terms of reimbursement. Upon Our request, You must execute and deliver to Us any documents We require, and do whatever else necessary to secure Our rights to recover any excess, duplicate, or erroneous benefit payments. We will review Your documents and notify You in a timely manner, but not later than 12 months of Our receipt, if any additional information is needed regarding the claim overpayments in question.

We may perform a review or audit to reconsider the validity of a claim and may request reimbursement for retroactive benefits, an invalid or overpaid claim within 12 months from the date We received notice of a determination, adjustment, or agreement regarding the amount payable with respect to a claim. We may apply the Minimum Monthly Benefit to recover an outstanding overpayment. If You do not notify Us timely of Your receipt of Deductible Income or in making reimbursement to Us, We have the right to charge interest at a reasonable rate on the delinquent amount owed to Us.

The time limitations specified herein do not commence running until We have actual knowledge of the retroactive benefits, an invalid claim, claim overpayment, or other incorrect payment. Regardless of the date We obtain actual knowledge of retroactive benefits, an invalid claim, claim overpayment, or other incorrect payment, We cannot request reimbursement or to offset another claim payment for reimbursement of the claim more than 24 months after payment of the claim.

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## **XXII. SUBROGATION**

- A. If LTD Benefits are paid to you under the Group Policy as the result of any act or omission of a third party, we are entitled to subrogation against a judgment or recovery received by you from a third party found liable for a wrongful act or omission that caused the injury necessitating benefit payments.
- B. If you intend to institute an action for damages against a third party, you shall give us reasonable notice of your intention to institute the action.
- C. You may request we pay a proportionate share of the reasonable costs of the third-party action, including attorney fees. If we elect not to participate in the cost of the action we waive fifty percent of any subrogation rights granted to it.
- D. Our right of subrogation may not be enforced until you have been fully compensated for your injuries.

MNL-GLDI-C2700-(12/06)-NT-MT

## **XXIII. TIME LIMITS ON LEGAL ACTIONS**

- A. No action at law or in equity may be brought until 60 days after we have received Proof of Loss. No such action may be brought more than three years after the earlier of the following:
  - 1. the date we receive Proof of Loss;
  - 2. the time within which Proof of Loss is required to be given.

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## **XXIV. INCONTESTABILITY PROVISIONS**

- A. Incontestability of Insurance
  - 1. Any statement made to obtain or to increase insurance is a representation and not a warranty.
  - 2. No misrepresentation will be used as a basis for reducing or denying a claim or contesting the validity of insurance unless:
    - a) the insurance would not have been approved if we had known the truth; and
    - b) we have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.
  - 3. After insurance has been in effect for two years, during the lifetime of the Insured Person, we will not use a misrepresentation as a basis for reducing or denying a claim, unless it was a fraudulent misrepresentation.

**B. Incontestability of the Group Policy**

1. Any statements made by the Employer to obtain coverage under the Group Policy is a representation and not a warranty.
2. No misrepresentation by the Employer will be used as a basis for denying a claim, or for denying the validity of the Group Policy unless:
  - a) the Group Policy would not have been issued if we had known the truth; and
  - b) we have given the Employer a copy of a written instrument signed by the Employer which contains the misrepresentation.
3. 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.

MNL-GLDI-C3000-(12/06)-NT-MT

**XXV. CLERICAL ERROR AND MISSTATEMENT**

**A. Clerical Error**

1. Clerical error by us, the Employer, or their respective employees or representatives will not:
  - a) cause a person to become insured under the Group Policy or a provision of it.
  - b) invalidate insurance otherwise validly in force.
  - c) continue insurance otherwise validly terminated.
  - d) cause an Employer to obtain coverage under the Group Policy or a provision of it.
2. In the event that a clerical error results in an incorrect rate, we reserve the right to adjust the rate accordingly.

**B.** The payment of premium, by itself, will not obligate us to provide benefits to anyone who is not eligible for coverage under the Group Policy.

**C.** Your Employer acts on its own behalf as your agent, and not as our agent. Your Employer has 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.

**D. Misstatement of Age**

1. If the age of a person has been misstated, we will make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
  - a) the amount of insurance based on the correct age and;
  - b) the difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

**E. Misstatement of Tobacco Use**

1. If a person's use of tobacco has been misstated, we have the following rights:
  - a) The right to make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
    - (1) the amount of insurance based on the correct tobacco use status; and
    - (2) the difference between the premiums paid and the premiums which would have been paid if the tobacco use status had been correctly stated.
  - b) The right to rescind that person's insurance subject to the "Incontestability Provisions" section. In such case, we will return the premium paid for a person's insurance.

MNL-GLDI-C3100-(12/06)-NT-MT

## **XXVI. FRAUD**

- A. It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the Group Policy and recovery of any amounts we have paid.

MNL-GLDI-C3200-(12/06)-NT

## **XXVII. TERMINATION OR AMENDMENT OF THE GROUP POLICY**

- A. The Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy. Any such change or amendment may apply to current or future Eligible Persons covered under the Group Policy or to any separate classes or categories thereof.
- B. 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 Employer's consent.
- C. Except for nonpayment of premium, we may terminate an Employer's coverage on any premium due date by giving the Employer not less than 60 days advance notice. An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Eligible Persons, at any time by giving us advanced written notice at least 60 days prior to such termination. Insurance will terminate automatically for nonpayment of premium. We will give the Employer at least 15 days prior notification to the termination for nonpayment of premium.
- D. Benefits are limited to the terms of the Group Policy, including any valid amendments. No change or amendment of your Employer's coverage will be valid unless it is approved in writing by one of our executive officers and delivered to your Employer. Your Employer and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any terms or provisions thereof without our signed, written approval.

MNL-GLDI-C3300-(12/06)-NT

# **MADISON NATIONAL LIFE INSURANCE COMPANY, INC**

Mailing: PO Box 5008, Madison, WI 53705 • Phone: 1-800-356-9601

Home Office: 1241 John Q. Hammons Drive, Madison, WI 53717

## **REASONABLE ACCOMMODATION EXPENSE BENEFIT RIDER**

**This is an Insured Person's REASONABLE ACCOMMODATION EXPENSE BENEFIT Rider (hereafter referred to as "Rider") while they are insured. This Rider is in addition to the disability insurance benefits available to an Insured Person under the Group Long Term Disability Certificate of Coverage (hereafter referred to as "Certificate") provided under the Group Policy.**

This Rider, including the Certificate, Group Policy and any other attached papers, constitutes the Entire Contract of insurance. No change in this Rider shall be valid until approved by an executive officer of Our Company. No agent has authority to change this Rider or waive any of its provisions.

**Provisions under this Rider are subject to all definitions, terms and conditions, limitations and exclusions of the entire contract, unless otherwise stated herein. Please refer to the Certificate.**

- A. If you return to work in Any Occupation for any employer (but not including self-employment) as a result of a reasonable accommodation made by such employer, we will pay your employer a Reasonable Accommodation Expense Benefit of up to \$2,000, but not to exceed the expenses incurred.
- B. The Reasonable Accommodation Expense Benefit is payable only if:
  - 1. the reasonable accommodation is approved by us in writing prior to its implementation; and
  - 2. the reasonable accommodation meets the federal standards of a reasonable accommodation under the Americans With Disabilities Act of 1991, as amended.

## **REHABILITATION BENEFIT RIDER**

**This is an Insured Person's REHABILITATION BENEFIT Rider (hereafter referred to as "Rider") while they are insured. This Rider is in addition to the disability insurance benefits available to an Insured Person under the Group Long Term Disability Certificate of Coverage (hereafter referred to as "Certificate") provided under the Group Policy.**

This Rider, including the Certificate, Group Policy and any other attached papers, constitutes the Entire Contract of insurance. No change in this Rider shall be valid until approved by an executive officer of Our Company. No agent has authority to change this Rider or waive any of its provisions.

**Provisions under this Rider are subject to all definitions, terms and conditions, limitations and exclusions of the entire contract, unless otherwise stated herein. Please refer to the Certificate.**

- A. While you are Disabled, you may qualify to participate in a Rehabilitation Plan. **Rehabilitation Plan** means a written plan, program or course of medical treatment or vocational training or education that is intended to prepare you to return to work full time.
- B. To participate in a Rehabilitation Plan, you must apply 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 discretion to evaluate, approve and/or terminate any Rehabilitation Plan under this section at any time.
- C. While participating in a Rehabilitation Plan, the monthly LTD Benefit will be increased by the lesser of 10% of your monthly pay or \$2,000. During this period, the monthly LTD Benefit may exceed the Maximum Monthly Benefit. If your LTD Benefit plus Work Earnings exceed 100% of Predisability Earnings, such excess will be included in Deductible Income. At no time will LTD Benefits be paid beyond the Maximum Benefit Period or be less than the Minimum Monthly Benefit.
- D. The Rehabilitation Plan may include, at our discretion, payment of your medical expense, education expense, moving expense, accommodation expense or family care expense.
- E. If you return to work as part of a Rehabilitation Plan while you are disabled, we will pay the Employer the lesser of the following:
  - 1. 50% of your salary, wages, partnership or proprietorship draw, commissions, or similar pay; or
  - 2. your monthly LTD Benefit;
- F. Such payments will be made until the earlier of the end of the first month after you return to work, or the remaining period of disability.
- G. If the disability ends while the Insured is participating in a rehabilitation plan, and he or she is not able to find gainful work, we will:
  - 1. pay you the amount of benefit, other than rehabilitation benefits, that would have been payable if the Insured had remained disabled until three months after the disability ends or the date the Insured is able to find gainful work, if earlier; and
  - 2. provide or pay for reasonable job placement services for a period of up to three months after the disability ends.

## H. Rehabilitation for Your Spouse

1. You and your spouse may request to participate in a rehabilitation plan for your spouse while you are disabled if:
  - a) you are receiving disability benefits from a social security plan, and
  - b) your spouse's earnings in the six calendar months prior to your disability averaged less than 60% of your monthly Predisability Earnings.
2. The rehabilitation plan for the Insured's spouse may include, at our discretion, payment of the Insured's Spouse's education expense, reasonable job placement expenses, and the family's moving expense, if any. It may also include the family care expense incurred by the Insured's Spouse, necessary in order for the Insured's Spouse to be retrained under the Rehabilitation Plan.
3. The Monthly Benefit payable will be reduced by 50% of any salary, wages, partnership or proprietorship draw, commissions, or similar pay from any work the Insured's spouse does as a result of participating in the Insured's Spouse's rehabilitation plan. If the Insured's spouse is working when the rehabilitation plan begins, the Company will only reduce the benefit by 50% of the increase in income that results from participation in this rehabilitation plan.



## **SURVIVOR BENEFIT RIDER**

**This is an Insured Person's SURVIVOR BENEFIT Rider (hereafter referred to as "Rider") while they are insured. This Rider is in addition to the disability insurance benefits available to an Insured Person under the Group Long Term Disability Certificate of Coverage (hereafter referred to as "Certificate") provided under the Group Policy.**

This Rider, including the Certificate, Group Policy and any other attached papers, constitutes the Entire Contract of insurance. No change in this Rider shall be valid until approved by an executive officer of Our Company. No agent has authority to change this Rider or waive any of its provisions.

**Provisions under this Rider are subject to all definitions, terms and conditions, limitations and exclusions of the entire contract, unless otherwise stated herein. Please refer to the Certificate.**

- A. 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 Survivor Benefit as follows:
1. The Survivor Benefit will consist of a lump sum equal to 3 times the amount of your last Gross LTD Benefit.
  2. The Survivor Benefit will first be applied to reduce any overpayment of your claim.
  3. The Survivor Benefit will be paid at our option to any one 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;
    - d) Your estate.

Executed by Madison National Life Insurance Company, Inc, at its Home Office, 1241 John Q. Hammons Drive, Madison, WI 53717.



Marita Zuraitis  
President



Donald M. Carley  
Corporate Secretary

## NOTICE

This notice describes identities of and relationships among the Insurer, Administrator, and Policyowner of this insurance.

**Insurer:** Madison National Life Insurance Company, Inc. (MNL) is the insurance underwriter of this insurance.

**Third Party Administrator:** AP / National Insurance Services (NIS) is the administrator for this group insurance. NIS provides administrative services for insurance issued to group, including, but not limited to, underwriting, premium billing, premium collection, client services, and policy and certificate issuance.

There is no ownership affiliation between MNL and NIS.

**Policyowner:** The Policyowner of your policy/certificate of insurance is the Schools Insurance Fund Trust.

**Employer:** Your Employer participates in the group insurance under the group policy issued to the Trust.

## **NOTICE OF PROTECTION PROVIDED BY MONTANA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

This notice provides a **brief summary** of the Montana Life and Health Insurance Guaranty Association (Association) and the protection it provides for policyholders. The Association was established under Montana law to provide protection in the unlikely event that a life, annuity or health insurance issuer becomes financially unable to meet its obligations and is placed into liquidation. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Montana law, with funding from assessments paid by other insurance companies. In the event a company is placed into liquidation, benefits provided by the Association are payable according to the insurance policy or certificate, and subject to the following maximum limits:

- Life Insurance
  - \$300,000 in death benefits, but limited to \$100,000 in cash surrender or net cash withdrawal values
- Health Insurance
  - \$500,000 in health insurance benefits
  - \$300,000 in disability income insurance benefits
  - \$300,000 in long-term care insurance benefits
  - \$100,000 in other types of health insurance benefits
- Annuities
  - \$250,000 present value, including net cash surrender and net cash withdrawal values

The maximum amount of protection is \$300,000 in benefits with respect to any one life regardless of the number of policies or contracts, except with respect to the \$500,000 maximum in health insurance benefits but not including disability, long term care or other types of health insurance benefits.

**Note: Other restrictions to coverage apply. Certain policies and contracts may not be covered or fully covered.** For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Montana law.

To learn more about the above protections, as well as protections relating to group contracts or retirement plans, please visit the Association's website at [www.mtlifeqa.org](http://www.mtlifeqa.org) or contact:

Montana Life and Health Insurance Guaranty Association  
PO Box 8247, Missoula, MT 59807  
1-877-678-1048 or [administrator@mtlifeqa.org](mailto:administrator@mtlifeqa.org)

Office of the Montana State Auditor, Commissioner of Securities and Insurance  
840 Helena Ave.  
Helena, MT 59601  
1-406-444-2040

**IF YOUR INSURANCE COMPANY IS IN GOOD STANDING AND NOT IN LIQUIDATION, PLEASE DIRECT QUESTIONS ABOUT YOUR POLICY TO YOUR INSURANCE COMPANY!**

**Insurance companies and agents are not allowed by Montana law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage.**

**If there is any inconsistency between this notice and Montana law, then Montana law will control.**