

# RELIANCE STANDARD

## LIFE INSURANCE COMPANY

Home Office: Schaumburg, Illinois • Administrative Office: Philadelphia, Pennsylvania

**POLICYHOLDER:** Baldwin-Whitehall School District

**POLICY NUMBER:** VPS 328263

**EFFECTIVE DATE:** July 1, 2019

**ANNIVERSARY DATES:** July 1, 2020 and each July 1st thereafter.


**PREMIUM DUE DATES:** The first premium is due on the effective date. Further premiums are due monthly, in advance, on the first day of each month.


This Policy is delivered in Pennsylvania and is governed by its laws and/or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended, where applicable.

We agree to provide insurance to you in exchange for the payment of premium and a signed Application. The Policy provides benefits for loss of time due to disability from sickness or injury. It insures those eligible persons for the benefits shown on the Schedule of Benefits. The insurance is subject to the terms and conditions of the Policy.

The effective date of the Policy is shown above. Insurance starts and ends at 12:01 A.M., Local Time, at your main address. It stays in effect as long as premium is paid when due. The "TERMINATION OF THE POLICY" section of the GENERAL PROVISIONS explains when the insurance can be ended.

The Policy is signed by the President and Secretary.

  
Secretary

  
President

### GROUP WEEKLY INCOME INSURANCE NON-PARTICIPATING CONTRIBUTORY

This Weekly Income Policy replaces any Weekly Income Policy previously issued to you by us. It is issued on October 2, 2019.



**RELIANCE STANDARD LIFE INSURANCE COMPANY  
Philadelphia, Pennsylvania**

**GROUP POLICY NUMBER:** VPS 328263                      **POLICY EFFECTIVE DATE:** July 1, 2019

**POLICY DELIVERED IN:** Pennsylvania                      **ANNIVERSARY DATE:** July 1st in each year

Application is made to us by: Baldwin-Whitehall School District

This Application is completed in duplicate, one copy to be attached to your Policy and the other returned to us.

It is agreed that this Application takes the place of any previous application for your Policy.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

Policyholder: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

Please sign and return.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.





\*BC1COAPVPS 32826307/01/2019\*RSL  
\*BC2COAPBaldwin-Whitehall School District

**RELIANCE STANDARD LIFE INSURANCE COMPANY  
Philadelphia, Pennsylvania**

**GROUP POLICY NUMBER:** VPS 328263                      **POLICY EFFECTIVE DATE:** July 1, 2019

**POLICY DELIVERED IN:** Pennsylvania                      **ANNIVERSARY DATE:** July 1st in each year

Application is made to us by: Baldwin-Whitehall School District

This Application is completed in duplicate, one copy to be attached to your Policy and the other returned to us.

It is agreed that this Application takes the place of any previous application for your Policy.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

Policyholder: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.



## TABLE OF CONTENTS

	Page
SCHEDULE OF BENEFITS .....	1.0
DEFINITIONS .....	2.0
CERTAIN RESPONSIBILITIES OF THE POLICYHOLDER .....	3.0
GENERAL PROVISIONS .....	4.0
Entire Contract	
Changes	
Incontestability	
Records Maintained	
Clerical Error	
Misstatement of Age	
Not in Lieu of Workers' Compensation	
Conformity With State Laws	
Certificate of Insurance	
Termination of the Policy	
CLAIMS PROVISIONS .....	5.0
Notice of Claim	
Claim Forms	
Written Proof of Loss	
Payment of Claims	
Physical Examination	
Legal Actions	
INDIVIDUAL ELIGIBILITY, EFFECTIVE DATE AND TERMINATION .....	6.0
General Group	
Eligible Classes	
Waiting Period	
Effective Date of Individual Insurance	
Termination of Individual Insurance	
Individual Reinstatement	
WEEKLY INCOME INSURANCE .....	7.0
Benefits Payable	
Period of Disability	
Exclusions	
PARTIAL DISABILITY BENEFIT .....	8.0
TRANSFER OF INSURANCE COVERAGE .....	9.0
PREMIUMS .....	10.0
Premium Payment	
Premium Rate	
Grace Period	
LIMITATION .....	11.0
EXTENSION OF COVERAGE UNDER THE FAMILY AND MEDICAL LEAVE ACT AND UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA) .....	12.0





## SCHEDULE OF BENEFITS

**NAME OF SUBSIDIARIES, DIVISIONS OR AFFILIATES TO BE COVERED:** NONE

**ELIGIBLE CLASSES:** Each active, Full-time Employee, except any person employed on a temporary or seasonal basis.

**WAITING PERIOD:** None

**INDIVIDUAL EFFECTIVE DATE:** The first of the month coinciding with or next following the date an Eligible Person completes his/her enrollment form.

**INDIVIDUAL REINSTATEMENT:** 6 months

**MINIMUM PARTICIPATION REQUIREMENTS:** Percentage: 35%\*      Number of Insureds: 10

\*The Minimum Participation Percentage requirement shown is applied across all voluntary group disability policies issued to the Policyholder.

### WEEKLY INCOME BENEFIT

**DAY BENEFITS BEGIN:** Benefits, for one period of disability, will be paid as follows:

**INJURY AND SICKNESS:** We will pay benefits from the fifteenth consecutive day of disability.

**MAXIMUM BENEFIT PERIOD:** Benefits, for one period of disability, will be paid up to a maximum of eleven (11) weeks.

**WEEKLY INCOME BENEFIT:** Each Eligible Person may elect an amount of insurance in increments of \$25 from a minimum of \$100 to a maximum of \$1,500 per week up to 60% of his/her Earnings (rounded to the next lower increment), payable in accordance with the section entitled Weekly Income Insurance.

**MINIMUM WEEKLY BENEFIT:** In no event will the Weekly Income Benefit be less than \$25.00.

**CHANGES IN WEEKLY INCOME BENEFIT:** Increases in the benefit amount are effective on the Policy Anniversary Date coinciding with or next following the date of the change, provided the Insured is actively at work on the effective date of the change. If the Insured is not actively at work on that date, the effective date of the increase in the benefit amount will be deferred until the date the Insured returns to active work. Decreases in the benefit amount are effective on the Policy Anniversary Date coinciding with or next following the date the change occurs.

Premium changes due to an Insured's age will occur on the Policy Anniversary Date coinciding with or next following the birthday that causes the Insured to enter the next age bracket.

If an increase in, or initial application for, the Weekly Income Benefit amount is due to a life event change (such as marriage, birth or specific changes in employment status), proof of good health will not be required for amounts up to the guaranteed issue amount, provided the Eligible Person applies within thirty-one (31) days of such life event.

**CONTRIBUTIONS:** Person: 100%

Contributions for the Insured are being made on a post-tax basis. For purposes of filing the Insured's Federal Income Tax Return, this means that under the law as of the date this Policy was issued, the Insured's Weekly Income Benefit might be treated as non-taxable. It is recommended that the Insured contact his/her personal tax advisor.

## DEFINITIONS

"We", "us" and "our" means Reliance Standard Life Insurance Company.

"You", "your" and "yours" means the employer, union or other entity to which this Policy is issued and which is deemed the Policyholder.

"Eligible Person" means a person who meets the eligibility requirements of this Policy.

"Insured" means a person who meets the eligibility requirements of this Policy and is enrolled for this insurance.

"Actively at work" and "active work" means the person actually performing on a full-time basis each and every duty pertaining to his/her job in the place where and the manner in which the job is normally performed. This includes approved time off such as vacation, jury duty and funeral leave, but does not include time off as a result of Injury or Sickness.

"Claimant" means the Insured or a duly authorized representative who makes a claim for benefits under this Policy for a loss covered by this Policy as a result of Injury or Sickness to the Insured.

"Full-time" means working for you for a minimum of 20 hours during a person's regular work week.

"Disabled" means the Insured is:

- (1) unable to do the material duties of his/her job; and
- (2) not doing any work for payment; and
- (3) under the regular care of a physician.

"Injury" means bodily injury resulting directly from an accident, independent of all other causes. The injury must cause disability which begins while an Insured is covered under this Policy.

"Earnings", as used in the SCHEDULE OF BENEFITS section, means the Insured's weekly salary received from you on the day just before the date of disability, prior to any deductions to a 401(k) and Section 125 plan. Earnings does not include commissions, overtime pay, bonuses, incentive pay or any other special compensation not received as basic salary.

"Physician" means any duly licensed practitioner who is recognized by the law of the state in which treatment is received as qualified to treat the type of Injury or Sickness for which claim is made. The physician may not be the Insured or a member of his/her immediate family.

"Regular Care" means Treatment that is administered as frequently as is medically required according to guidelines established by nationally recognized authorities, medical research, healthcare organizations, governmental agencies or rehabilitative organizations. Care must be rendered personally by the Insured's Physician according to generally accepted medical standards in the Insured's locality, be of a demonstrable medical value and be necessary to meet his/her basic health needs.

"Retirement" means the effective date of an Insured's:

- (1) retirement pension benefits under any plan of a state, county or municipal retirement system, if such pension benefits include any credit for employment with you;
- (2) retirement pension benefits under any plan which you sponsor, or make or have made contributions;
- (3) retirement benefits under the United States Social Security Act of 1935, as amended, or under any similar plan or act.

Retirement Benefits do not include:

- (1) a federal government employee pension benefit;
- (2) a thrift plan;
- (3) a deferred compensation plan;
- (4) an individual retirement account (IRA);
- (5) a tax sheltered annuity (TSA);
- (6) a stock ownership plan;
- (7) a profit sharing plan; or
- (8) section 401(k), 403(b) or 457 plans.

"Sickness" means illness or disease causing disability which begins while an Insured is covered under this Policy. Sickness includes pregnancy, childbirth, miscarriage or abortion, or any complications therefrom.

"Treatment" means care consistent with the diagnosis of the Insured's Injury or Sickness that has its purpose of maximizing the Insured's medical improvement. It must be provided by a Physician whose specialty or experience is most appropriate for the Injury or Sickness and conforms with generally accepted medical standards to effectively manage and treat the Insured's Injury or Sickness.

## **CERTAIN RESPONSIBILITIES OF THE POLICYHOLDER**

For the purposes of this Policy, you act on your behalf or as the employee's agent. Under no circumstances will you be deemed our agent.

### **Annual Enrollment Periods**

It is your responsibility to provide us with written notice and obtain our written approval at least 31 days prior to conducting an annual enrollment period.

### **Compliance With Americans With Disabilities Act (ADA)**

It is your responsibility to establish and maintain procedures which comply with the employer responsibilities of the Americans With Disabilities Act of 1990, as amended.

### **Compliance With The Employee Retirement Income Security Act (ERISA)**

It is your responsibility to establish and maintain procedures which comply with the employer and/or Plan Administrator responsibilities of ERISA and the accompanying regulations, where applicable.

### **Distribution Of Certificates Of Insurance**

A Certificate of Insurance will be provided to you for each Insured covered under this Policy. The Certificate will outline the insurance coverage, and explain the provisions, benefits and limitations of this Policy. It is your responsibility to distribute the appropriate Certificates and any updates or other notices from us to each Insured.

### **Maintenance Of Records**

It is your responsibility to maintain sufficient records of each Insured's insurance, including additions, terminations and changes. We reserve the right to examine these records at the place where they are kept during normal business hours or at a place mutually agreeable to you and us. Such records must be maintained by you for at least 3 years after this Policy terminates.

### **Reporting Of Eligibility And Coverage Amounts**

It is your responsibility to notify us on a timely basis of all individuals eligible for coverage under this Policy, of all individuals whose eligibility for coverage ends and of all changes in individual coverage amounts.

It is your responsibility to provide accurate census and salary information on all Insureds on or before each Anniversary Date, if we request such information.

### **Timely Payment Of Premiums**

It is your responsibility to pay all premiums required under this Policy when due. Any change in the premium contribution basis must be approved by us.

## GENERAL PROVISIONS

**ENTIRE CONTRACT:** The entire contract between you and us is this Policy, your application (a copy of which is attached at issue) and any endorsements and amendments.

**CHANGES:** No agent has the authority to change or waive any part of this Policy. To be valid, any change or waiver must be in writing. It must also be signed by one of our executive officers and attached to this Policy.

**INCONTESTABILITY:** Any statement made in your application will be deemed a representation, not a warranty. We cannot contest this Policy after it has been in force for two (2) years from the date of issue, except for non-payment of premium.

Any statements made by you, any Insured, or on behalf of any Insured to persuade us to provide coverage, will be deemed a representation not a warranty. This provision limits our use of these statements in contesting the amount of insurance for which an Insured is covered. The following rules apply to each statement:

(1) No statement will be used in contest unless:

(a) it is in written form signed by the Insured, or on behalf of the Insured; and

(b) a copy of such written instrument is or has been furnished to the Insured, the Insured's beneficiary or legal representative.

(2) If the statement relates to an Insured's insurability, it will not be used to contest the validity of the Insured's coverage after such coverage has been in force for at least two (2) years during the lifetime of the Insured.

**RECORDS MAINTAINED:** You must maintain records of all Insureds. Such records must show the essential data of the insurance, including new persons, terminations, changes, etc. This information must be reported to us regularly. We reserve the right to examine the insurance records maintained at the place where they are kept. This review will only take place during normal business hours.

**CLERICAL ERROR:** Clerical Errors in connection with this Policy or delays in keeping records for this Policy, whether by you, us, or the Plan Administrator:

(1) will not terminate insurance that would otherwise have been effective; and

(2) will not continue insurance that would otherwise have ceased or should not have been in effect.

Clerical Errors include (but are not limited to) the payment of premium for coverage not provided by this Policy. If appropriate, a fair adjustment of premium will be made to correct a clerical error. Such adjustments will be limited to the twelve (12) month period preceding the date we receive proof from you that an adjustment due to overpayment of premium should be made or the date we discover that premium has been underpaid.

**MISSTATEMENT OF AGE:** If an Insured's age is misstated, the premium will be adjusted. If the Insured's insurance is affected by the misstated age, it will also be adjusted. The insurance will be changed to the amount the Insured is entitled to at his/her correct age.

**NOT IN LIEU OF WORKERS' COMPENSATION:** This Policy is not a Workers' Compensation Policy. It does not provide Workers' Compensation benefits.

**CONFORMITY WITH STATE LAWS:** Any section of this Policy, which on its effective date, conflicts with the laws of the state in which this Policy is issued, is amended by this provision. This Policy is amended to meet the minimum requirements of those laws.

**CERTIFICATE OF INSURANCE:** We will send to you an individual certificate for each Insured. The certificate will outline the insurance coverage and to whom benefits are payable.

**TERMINATION OF THE POLICY:** You may cancel this Policy at any time. This Policy will be cancelled on the date we receive your letter or, if later, the date requested in your letter.

We may cancel this Policy if:

- (1) the premium is not paid at the end of the grace period; or
- (2) the number of Insureds is less than the Minimum Participation Number on the Schedule of Benefits; or
- (3) the percentage of eligible persons insured is less than the Minimum Participation Percentage on the Schedule of Benefits.

If we cancel because of (1) above, this Policy will be cancelled at the end of the grace period. If we cancel because of (2) or (3) above, we will give you thirty-one (31) days written notice prior to the date of cancellation.

You will still owe us any premium that is not paid up to the date this Policy is cancelled. We will return, pro-rata, any part of the premium paid beyond the date this Policy is cancelled.

Termination of this Policy will not affect any claim which began prior to termination.

## CLAIMS PROVISIONS

**NOTICE OF CLAIM:** Written notice must be given to us within thirty-one (31) days after the loss occurs, or as soon as reasonably possible. The notice should be sent to us at our Administrative Office or to our authorized agent. The notice should include the Insured's name and the Policy Number.

**CLAIM FORMS:** When we receive notice of claim, we will send the claimant the forms to file the proof of loss. If we do not send them within fifteen (15) days after we receive notice, then the proof of loss requirements will be met by giving us a written statement of the nature and extent of the loss within ninety (90) days after the loss began.

**WRITTEN PROOF OF LOSS:** For any covered loss, written proof must be sent to us within ninety (90) days. If it is not reasonably possible to give proof within ninety (90) days, the claim is not affected if the proof is sent as soon as reasonably possible. In any event, proof must be given within one (1) year, unless the claimant is legally incapable of doing so.

**PAYMENT OF CLAIMS:** When we receive written proof of loss, we will pay any benefits due. Benefits that provide for periodic payment will be paid for each period as we become liable. We will pay benefits to the Insured, if living, or else to his/her estate.

If the Insured has died and we have not paid all benefits due, we may pay up to \$1,000 to any relative by blood or marriage, or to the executor or administrator of the Insured's estate. The payment will only be made to persons entitled to it. An expense incurred as a result of the Insured's last illness, death or burial will entitle a person to this payment. The payments will cease when a valid claim is made for the benefit. We will not be liable for any payment we have made in good faith.

Reliance Standard Life Insurance Company shall serve as the claims review fiduciary with respect to the insurance policy and the Plan. The claims review fiduciary has the discretionary authority to interpret the Plan and the insurance policy and to determine eligibility for benefits. Decisions by the claims review fiduciary shall be complete, final and binding on all parties.

**PHYSICAL EXAMINATION:** At our own expense, we will have the right to have an Insured examined as reasonably necessary when a claim is pending. We can have an autopsy made unless prohibited by law.

**LEGAL ACTIONS:** No legal action may be brought against us to recover on this Policy within sixty (60) days after written proof of loss has been given as required by this Policy. No action may be brought after three (3) years (Kansas, five (5) years; South Carolina, six (6) years) from the time written proof of loss is required to be given.

## INDIVIDUAL ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

**GENERAL GROUP:** The general group will be your employees and employees of any subsidiaries, divisions or affiliates named on the Schedule of Benefits.

**ELIGIBLE CLASSES:** The eligible classes will be those persons described on the Schedule of Benefits.

**WAITING PERIOD:** A person who is continuously employed on a Full-time basis with you for the period specified on the Schedule of Benefits has satisfied the waiting period.

**EFFECTIVE DATE OF INDIVIDUAL INSURANCE:** An Eligible Person must apply in writing for the insurance to go into effect. He/she will become insured on the latest of:

- (1) the first of the month coinciding with or next following the date he/she applies, if he/she applies within thirty-one (31) days of the date he/she is first eligible; or
- (2) the first of the month coinciding with or next following the date we approve any required proof of good health. We require proof of good health if a person applies:
  - (a) after thirty-one (31) days from the date he/she first becomes eligible; or
  - (b) after he/she terminated this insurance but remained in a class eligible for the insurance; or
  - (c) after being eligible for coverage under a prior plan for more than thirty-one (31) days but did not elect to be covered under that prior plan; or
- (3) the date premium is remitted.

Changes in an Insured's amount of insurance are effective as shown on the Schedule of Benefits.

If the Person is not actively at work on the day his/her insurance is to go into effect, the insurance will go into effect on the day he/she returns to active work for one full day.

**TERMINATION OF INDIVIDUAL INSURANCE:** The insurance of an Insured will terminate on the first of the following to occur:

- (1) the date this Policy terminates; or
- (2) the last day of the Policy month in which the Insured ceases to be in a class eligible for this insurance; or
- (3) the end of the period for which premium has been paid for the Insured; or
- (4) the date the Insured enters military service (not including Reserve or National Guard).

**INDIVIDUAL REINSTATEMENT:** The insurance of a terminated person may be reinstated if he/she is:

- (1) on an approved leave of absence; or
- (2) on a temporary lay-off.

The Person must return to active work with you within the period of time shown on the Schedule of Benefits. He/she must also be a member of a class eligible for this insurance.

The Person will not be required to fulfill the eligibility requirements of this Policy again. The insurance will go into effect on the day he/she returns to active work. If a Person returns after having resigned or having been discharged, he/she will be required to fulfill the eligibility requirements of this Policy again.

If a Person returns after terminating at his/her request or for failure to pay premium when due, proof of good health must be approved by us before he/she may be reinstated.



## WEEKLY INCOME INSURANCE

**BENEFITS PAYABLE:** We will pay Weekly Income Benefits if an Insured:

- (1) is Disabled due to Sickness or Injury; and
- (2) becomes Disabled while insured by this Policy.

Weekly Income Benefits are reduced by any income from all Other Sources as listed below and payable from the Day Benefits Begin. Benefits are payable up to the Maximum Benefit Period for one period of disability. Weekly Income Benefits, the Day Benefits Begin and the Maximum Benefit Period can be found on the Schedule of Benefits.

If we have underpaid any benefit for any reason, we will make a lump sum payment. If we have overpaid any benefit for any reason, the overpayment must be repaid to us. At our option, we may reduce the Weekly Income Benefit or ask for a lump sum refund. If we reduce the benefit, the Minimum Benefit, if any, as shown on the Schedule of Benefits page, would not apply. Interest does not accrue on any underpaid or overpaid benefit unless required by applicable law.

**PERIOD OF DISABILITY:** Each period of disability starts from the first day benefits are due. It will end when:

- (1) the Insured is no longer disabled;
- (2) all benefits due have been paid; or
- (3) the Insured has retired from employment with you.

Two or more disabilities will be deemed the same period of disability if they are from:

- (1) the same or related causes and are not separated by one (1) week of active work; or
- (2) a different cause and are not separated by one (1) full day of active work.

**EXCLUSIONS:** Weekly Income Benefits are not paid for any period of disability:

- (1) caused or contributed to by an intentionally self-inflicted Injury; or
- (2) caused or contributed to by an act of war, declared or undeclared; or
- (3) caused by an Injury or Sickness that occurs while the Insured is confined to any penal or correctional institution;  
or
- (4) while the Insured is confined in any penal or correctional institution; or
- (5) caused or contributed to by the Insured committing a felony; or
- (6) caused or contributed to by Sickness which is covered by a Workers' Compensation Act, or other worker's disability law; or
- (7) caused or contributed to by Injury which occurs out of or in the course of work for wage or profit; or
- (8) caused or contributed to by any of the following:
  - (a) cosmetic surgery or treatment primarily to change appearance;
  - (b) in vitro fertilization;
  - (c) embryo transfer procedures;
  - (d) artificial insemination;
  - (e) reversal of sterilization;
  - (f) liposuction; or
  - (g) radial keratotomy.

"Other Sources" are:

- (1) disability income benefits an Insured is eligible to receive under any franchise or group insurance plan;
- (2) disability income benefits the Insured is eligible to receive under any individual disability income policy to the extent that the sum of the Weekly Income benefit on the Schedule of Benefits and Other Sources exceed 100% of Earnings;
- (3) disability income benefits an Insured is eligible to receive under any governmental retirement system, except benefits payable under a federal government employee pension benefit;
- (4) all permanent as well as temporary disability benefits, including any damages or settlement made in place of such benefits (whether or not liability is admitted), an Insured is eligible to receive under:
  - (a) occupational disease laws;
  - (b) any other laws of like intent as (a) above; and
  - (c) any compulsory benefit law;
- (5) disability benefits payable under any of the following Acts:
  - (a) California Unemployment Compensation Disability Insurance;
  - (b) the Hawaii Temporary Disability Insurance Law;
  - (c) the New Jersey Temporary Disability Benefits Law;
  - (d) the New York Disability Benefits Law;
  - (e) the Rhode Island Disability Benefits Law; or
  - (f) the Puerto Rico Disability Benefits Act;
- (6) any of the following that the Insured is eligible to receive:
  - (a) any formal salary continuance plan;
  - (b) wages; and
  - (c) commissions or monies, including vested renewal commission, but excluding commissions or monies that the Insured earned prior to disability which are paid after disability has begun;
- (7) that part of disability or Retirement benefits paid for by you that an Insured is eligible to receive under a group retirement plan;
- (8) disability or Retirement benefits under the United States Social Security Act, the Canadian pension plans, federal or provincial plans, or any similar law which:
  - (a) an Insured is eligible to receive because of his/her disability or eligibility for Retirement benefits; and
  - (b) an Insured's dependents are eligible to receive due to (a) above; and
- (9) benefits or settlements an Insured is eligible to receive under the Jones Act or the Longshore and Harbor Workers' Compensation Act.

"Other Sources" for the purpose of the Partial Disability Benefit only, are:

- (1) disability income benefits an Insured is eligible to receive under any franchise or group insurance plan;
- (2) disability income benefits the Insured is eligible to receive under any individual disability income policy;
- (3) disability income benefits an Insured is eligible to receive under any governmental retirement system, except benefits payable under a federal government employee pension benefit;
- (4) all permanent as well as temporary disability benefits, including any damages or settlement made in place of such benefits (whether or not liability is admitted), an Insured is eligible to receive under:
  - (a) Workers' Compensation Laws;
  - (b) occupational disease laws;
  - (c) any other laws of like intent as (a) or (b) above; and
  - (d) any compulsory benefit law;
- (5) disability benefits payable under any of the following Acts:
  - (a) California Unemployment Compensation Disability Insurance;
  - (b) the Hawaii Temporary Disability Insurance Law;
  - (c) the New Jersey Temporary Disability Benefits Law;
  - (d) the New York Disability Benefits Law;
  - (e) the Rhode Island Disability Benefits Law; or
  - (f) the Puerto Rico Disability Benefits Act;
- (6) any of the following that the Insured is eligible to receive:
  - (a) any formal salary continuance plan;
  - (b) wages, excluding the amount allowed under the Partial Disability Benefit; and
  - (c) commissions or monies, including vested renewal commission, but excluding commissions or monies that the Insured earned prior to disability which are paid after disability has begun;
- (7) that part of disability or Retirement benefits paid for by you that an Insured is eligible to receive under a group retirement plan; and

- (8) disability or Retirement benefits under the United States Social Security Act, the Canadian pension plans, federal or provincial plans, or any similar law which:
  - (a) an Insured is eligible to receive because of his/her disability or eligibility for Retirement benefits; and
  - (b) an Insured's dependents are eligible to receive due to (a) above; and
- (9) benefits or settlements an Insured is eligible to receive under the Jones Act or the Longshore and Harbor Workers' Compensation Act.

## PARTIAL DISABILITY BENEFIT

We will pay Partial Disability Benefits if:

- (1) an Insured is Disabled until the Day Benefits Begin;
- (2) a Weekly Income Benefit is payable under this Policy for such period of disability; and
- (3) an Insured accepts Rehabilitative Employment.

On the Day Benefits Begin, as shown on the Schedule of Benefits, the Insured is considered Partially Disabled.

Partial Disability Benefits are paid from the Day Benefits Begin as shown on the Schedule of Benefits. Benefits are paid up to the Maximum Benefit Period as shown on the Schedule of Benefits for one period of disability.

Partial Disability Benefits will equal the Weekly Income Benefits payable under this Policy but in no event will the sum of:

- (1) the Partial Disability Benefit;
- (2) income from Rehabilitative Employment; and
- (3) income from all Other Sources;

exceed 100% of the Insured's Earnings. If it does, the Partial Disability Benefit will be reduced by one dollar for every dollar the sum exceeds 100%. The Partial Disability Benefit is subject to the Maximum Benefit Period shown in the Schedule of Benefits for any one period of disability.

"Rehabilitative Employment" means working in any gainful occupation for which the Insured's training, education or experience will reasonably allow. The Rehabilitative Employment and a plan of rehabilitation must be supervised by a Physician or licensed rehabilitation specialist, and both must be approved by us. Rehabilitative Employment includes the Insured performing all of the material duties of his/her regular occupation on a part-time basis or some of the material duties on a full-time basis. It does not include performing all of the material duties of his/her regular occupation on a full-time basis.

"Partially Disabled", for the purpose of this Partial Disability Benefit only, means that the Insured is unable to perform the material duties of his/her own job and is under the regular care of a Physician.

## **TRANSFER OF INSURANCE COVERAGE**

If an employee was covered under any group weekly income insurance plan maintained by you prior to this Policy's effective date, that employee will be insured under this Policy, provided that he/she is Actively At Work and meets all of the requirements for being an Eligible Person under this Policy on its effective date.

If an employee was covered under the prior group weekly income disability plan maintained by you prior to this Policy's Effective Date, but was not Actively at Work due to Injury or Sickness on the Effective Date of this Policy and would otherwise qualify as an Eligible Person, coverage will be allowed under the following conditions:

- (1) The employee must have been insured with the prior carrier on the date of the transfer;
- (2) Premiums must be paid; and
- (3) Disability must begin on or after this Policy's Effective Date.

If an employee is receiving weekly income benefits, becomes eligible for coverage under another group weekly income disability insurance plan, or has a period of recurrent disability under the prior group weekly income insurance plan, that employee will not be covered under this Policy. If premiums have been paid on the employee's behalf under this Policy, those premiums will be refunded.

### **Pre-existing Conditions Limitation Credit**

If an employee is an Eligible Person on the Effective Date of this Policy, any time used to satisfy the Pre-existing Conditions Limitation of the prior group weekly income insurance plan will be credited towards the satisfaction of the Pre-existing Condition Limitation of this Policy.

### **Waiting Period Credit**

If an employee is an Eligible Person on the Effective Date of this Policy, any time used to satisfy any Waiting Period of the prior group weekly income insurance plan will be credited towards the satisfaction of the Waiting Period of this Policy.

## PREMIUMS

**PREMIUM PAYMENT:** All premiums are to be paid by you to us, or to an authorized agent, on or before the due date. The premium due dates are stated on the Policy face page.

**PREMIUM RATE:** We will furnish to you the premium rate on the Policy effective date and when it is changed. We have the right to change the premium rate:

- (1) on any premium due date after this Policy is in force for thirty-six (36) month(s);
- (2) when the extent of coverage is changed by amendment; or
- (3) on any Premium Due Date on or after the first Policy Anniversary if your entire group's benefit changes by 25% or more from such group's benefit on the last Policy Anniversary.

We will not change the premium rate due to (1) or (3) above more than once in any twelve (12) month period. We will tell you in writing at least thirty-one (31) days before the date of a change due to (1) or (3) above.

**GRACE PERIOD:** You may pay the premium up to sixty (60) days after the date it is due. The Policy stays in force during this time. If the premium is not paid during the grace period, the Policy will be cancelled at the end of the grace period. You will still owe us the premium up to the date the Policy is cancelled.

## LIMITATION

**PRE-EXISTING CONDITIONS:** An Insured will be considered to have a Pre-existing Condition and will be subject to the Pre-existing Conditions Limitation if:

- (1) the disability begins in the first twelve (12) months after the Insured's effective date; and
- (2) he/she has received medical Treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines for the Sickness or Injury, whether specifically diagnosed or not, causing such disability, during the ninety (90) days immediately prior to the Insured's effective date of insurance.

Weekly Income Benefits will not be paid for a disability:

- (1) caused by;
- (2) contributed to by; or
- (3) resulting from

a Pre-existing Condition unless the Insured has been Actively at Work for one (1) full day following the end of twelve (12) consecutive months from the Insured's effective date of insurance.

With respect to persons electing a benefit increase (whether an increase from coverage under a prior plan, if applicable or under this Policy), any benefit increase will not be paid for a disability:

- (1) caused by;
- (2) contributed to by; or
- (3) resulting from

a Pre-existing Condition unless the Insured has been Actively at Work for one (1) full day following the end of twelve (12) consecutive months from the effective date of the increase.

An Insured will be considered to have a Pre-existing Condition and will be subject to the Pre-existing Conditions Limitation due to a benefit increase if:

- (1) the disability begins in the first twelve (12) months after the effective date of the increase; and
- (2) he/she has received medical Treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines for the Sickness or Injury, whether specifically diagnosed or not, causing such disability, during the ninety (90) days immediately prior to the effective date of the increase.

With respect to persons electing to change their level of coverage during an approved enrollment period, any benefit increase (due to this change) will not be paid for a disability:

- (1) caused by;
- (2) contributed to by; or
- (3) resulting from

a Pre-existing Condition unless the Insured has been Actively at Work for one (1) full day following the end of twelve (12) consecutive months from the effective date of the increase. A Pre-existing Condition means any Sickness or Injury for which the Insured received medical Treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines for the Sickness or Injury, whether specifically diagnosed or not, causing such disability, during the ninety (90) days immediately prior to the effective date of the increase (with respect to any increase in benefits).

**EXTENSION OF COVERAGE UNDER THE FAMILY AND MEDICAL LEAVE ACT AND UNIFORMED SERVICES  
EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)**

**Family and Medical Leave of Absence:**

We will continue the Insured's coverage in accordance with your policies regarding leave under the Family and Medical Leave Act of 1993, as amended, or any similar state law, as amended, if:

- (1) the premium for such Insured continues to be paid during the leave; and
- (2) you have approved the Insured's leave in writing and provide a copy of such approval within thirty-one (31) days of our request.

As long as the above requirements are satisfied, we will continue coverage until the later of:

- (1) the end of the leave period required by the Family and Medical Leave Act of 1993, as amended; or
- (2) the end of the leave period required by any similar state law, as amended.

**Military Services Leave of Absence:**

We will continue the Insured's coverage in accordance with your policies regarding Military Services Leave of Absence under USERRA if the premium for such Insured continues to be paid during the leave.

As long as the above requirement is satisfied, we will continue coverage until the end of the period required by USERRA.

This Policy, while coverage is being continued under this Military Services Leave of Absence extension, does not cover any loss which occurs while on active duty in the military if such loss is caused by or arises out of such military service, including but not limited to war or any act of war, whether declared or undeclared.

While the Insured is on a Family and Medical Leave of Absence for any reason other than his or her own illness, injury or disability or Military Services Leave of Absence he or she will be considered Actively at Work. Any changes such as revisions to coverage due to age, class or salary changes, as applicable, will apply during the leave except that increases in the amount of insurance, whether automatic or subject to election, will not be effective for an Insured who is not considered Actively at Work until the Insured has returned to Active Work for one (1) full day.

A leave of absence taken in accordance with the Family and Medical Leave Act of 1993 or USERRA will run concurrently with any other applicable continuation of insurance provision in this Policy.

The Insured's coverage will cease under this extension on the earliest of:

- (1) the date this Policy terminates; or
- (2) the end of the period for which premium has been paid for the Insured; or
- (3) the date such leave should end in accordance with your policies regarding Family and Medical Leave of Absence and Military Services Leave of Absence in compliance with the Family and Medical Leave Act of 1993, as amended and USERRA. Coverage will not be terminated for an Insured who becomes Disabled during the period of the leave and who is eligible for benefits according to the terms of this Policy. Any Weekly Benefit which becomes payable will be based on the Insured's Earnings immediately prior to the date of Disability.

Should you choose not to continue the Insured's coverage during a Family and Medical Leave of Absence and/or Military Services Leave of Absence, the Insured's coverage will be reinstated.