

<i>SERFF Tracking Number:</i>	<i>PRLF-125684948</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Principal Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>40120</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>H11G Group Health - Disability Income</i>	<i>Sub-TOI:</i>	<i>H11G.002 Short Term</i>
<i>Product Name:</i>	<i>2008 STD Filing</i>		
<i>Project Name/Number:</i>	<i>AR 2008 STD/</i>		

## Filing at a Glance

Company: Principal Life Insurance Company

Product Name: 2008 STD Filing

TOI: H11G Group Health - Disability Income

Sub-TOI: H11G.002 Short Term

Filing Type: Form

SERFF Tr Num: PRLF-125684948 State: ArkansasLH

SERFF Status: Closed

State Tr Num: 40120

Co Tr Num:

State Status: Approved-Closed

Co Status:

Reviewer(s): Rosalind Minor

Authors: Bonnie Blue, Donna Burns, Mark Curtis, Jean Helm,

Disposition Date: 09/05/2008

Tracy Israel, Jan Majerus

Date Submitted: 08/29/2008

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: AR 2008 STD

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/05/2008

State Status Changed: 09/05/2008

Corresponding Filing Tracking Number:

Filing Description:

RE Group Short Term Disability Forms – see enclosed forms list

- Group Policy Forms GC 4000-1, et al
- Group Booklet-Certificate Forms GH 850-1, et al

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 06/05/2008

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Group Market Type: Employer, Trust

Deemer Date:

The above referenced forms are enclosed for your review and are being submitted for approval on a general use basis.

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
Filing Company: Principal Life Insurance Company State Tracking Number: 40120  
Company Tracking Number:  
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
Product Name: 2008 STD Filing  
Project Name/Number: AR 2008 STD/

The revised forms are updated versions of our Group Short Term Disability Insurance Policy series, GC 4000, et al, which was originally filed and approved by your department on March 14, 2002 with subsequent revisions also filed and approved. This has been filed and approved in our domicile state of Iowa on June 5, 2008.

These forms are being submitted on a general-use basis for use with all types of eligible groups allowed under Arkansas law, including single-employer and multiple employer groups (METS).

All text revisions are shown in red italics in the enclosed documents.

We have updated our product offering to include additional optional benefits and provisions. Some of these benefits and provisions were previously filed with your Department on a limited use basis for physician offices, clinics, and hospital groups and were approved on October 24, 2006. Some of these additional benefits and provisions are summarized below. Please refer to the enclosed Addendum for a description of the forms being revised with this filing and to the Statement of Variability form for a description of the variable items within the forms. Please note that we have also included several forms that are not being revised, so that this filing includes the entire policy and booklet-certificate. These forms are noted as "no change" on the enclosed forms list.

1. Special definitions of "Own Occupation" for physicians and attorneys that references specialties that exist in the medical or legal field.
2. An option to remove "Other Income Sources" when calculating various benefits.
3. An option to include domestic partners in the optional Survivor Benefit.
4. An option to provide additional benefit calculations, including an increment benefit plan option.
5. A new optional injury only plan.

Also enclosed are:

1. All required certification forms.
2. The applicable filing fee.

Thank you for your consideration of this submission. If you have any questions on any of the attached materials, please feel free to contact me by fax, e-mail or at the toll-free number shown above.

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 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

## Company and Contact

### Filing Contact Information

Jan Majerus, State/Federal Compliance Analyst Majerus.Jan@principal.com  
 711 High Street (800) 986-3343 [Phone]  
 Des Moines, IA 50392-0002 (515) 246-2491[FAX]

### Filing Company Information

Principal Life Insurance Company	CoCode: 61271	State of Domicile: Iowa
711 High Street	Group Code: 332	Company Type: Life & Health
Des Moines, IA 50392	Group Name:	State ID Number:
(800) 986-3343 ext. [Phone]	FEIN Number: 42-0127290	

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$50.00 for each policy.  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Principal Life Insurance Company	\$50.00	08/29/2008	22201761

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
Product Name: 2008 STD Filing  
Project Name/Number: AR 2008 STD/

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/05/2008	09/05/2008

*SERFF Tracking Number:* PRLF-125684948      *State:* Arkansas  
*Filing Company:* Principal Life Insurance Company      *State Tracking Number:* 40120  
*Company Tracking Number:*  
*TOI:* H11G Group Health - Disability Income      *Sub-TOI:* H11G.002 Short Term  
*Product Name:* 2008 STD Filing  
*Project Name/Number:* AR 2008 STD/

## **Disposition**

Disposition Date: 09/05/2008

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice	Approved	Yes
Supporting Document	Application	Approved	Yes
Supporting Document	STD Forms List	Approved	Yes
Supporting Document	STD Addendum	Approved	Yes
Supporting Document	STD Statement of Variability	Approved	Yes
Form	Title Page	Approved	Yes
Form	Table of Contents	Approved	Yes
Form	PART IA - SHORT TERM DISABILITY SUMMARY OF BENEFITS	Approved	Yes
Form	PART I - DEFINITIONS	Approved	Yes
Form	PART II - POLICY ADMINISTRATION, Section A - Contract	Approved	Yes
Form	PART II - POLICY ADMINISTRATION, Section B - Premiums	Approved	Yes
Form	PART II - POLICY ADMINISTRATION, Section C - Policy Termination	Approved	Yes
Form	PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS, Section A - Eligibility	Approved	Yes
Form	PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS, Section B - Effective Dates	Approved	Yes
Form	PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS, Section C - Member Termination, Continuation, and Reinstatement	Approved	Yes
Form	PART IV - BENEFITS, Section A - Benefit Qualification	Approved	Yes
Form	PART IV - BENEFITS, Section B - Benefits Payable	Approved	Yes
Form	PART IV - BENEFITS, Section C - Rehabilitation [Services and] Benefits	Approved	Yes
Form	PART IV - BENEFITS, Section D - Survivor Benefit	Approved	Yes
Form	PART IV - BENEFITS, Section E - Weekly Payment Limit	Approved	Yes
Form	PART IV - BENEFITS, Section F - Benefit	Approved	Yes

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

Payment Period and Recurring Disability

<b>Form</b>	PART IV - BENEFITS, Section G - Limitations	Approved	Yes
<b>Form</b>	PART IV - BENEFITS, Section H - Subrogation and Reimbursement	Approved	Yes
<b>Form</b>	PART IV - BENEFITS, Section I - Claims Procedures	Approved	Yes
<b>Form</b>	PART V - PARTICIPATING UNIT PROVISIONS	Approved	Yes
<b>Form</b>	Introductory Page	Approved	Yes
<b>Form</b>	Table of Contents	Approved	Yes
<b>Form</b>	Short Term Disability Summary of Benefits	Approved	Yes
<b>Form</b>	How to be Insured - Eligibility and Individual Incontestability	Approved	Yes
<b>Form</b>	How to be Insured - Effective Dates	Approved	Yes
<b>Form</b>	How to be Insured - Termination, Continuation and Reinstatement	Approved	Yes
<b>Form</b>	Description of Benefits - Benefit Qualification	Approved	Yes
<b>Form</b>	Description of Benefits - Benefits Payable	Approved	Yes
<b>Form</b>	Description of Benefits - Rehabilitation [Services and] Benefits	Approved	Yes
<b>Form</b>	Description of Benefits - Survivor Benefit	Approved	Yes
<b>Form</b>	Description of Benefits - Weekly Payment Limit	Approved	Yes
<b>Form</b>	Description of Benefits - Benefit Payment Period and Recurring Disability	Approved	Yes
<b>Form</b>	Description of Benefits - Limitations	Approved	Yes
<b>Form</b>	Description of Benefits - Subrogation and Reimbursement	Approved	Yes
<b>Form</b>	Description of Benefits - Claims Procedures	Approved	Yes
<b>Form</b>	Definitions	Approved	Yes
<b>Form</b>	Policy Notice	Approved	Yes
<b>Form</b>	Booklet-Certificate Notice	Approved	Yes

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
 Filing Company: Principal Life Insurance Company State Tracking Number: 40120  
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 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

## Form Schedule

**Lead Form Number:** GC 4000-1, et al

Review Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
Approved	GC 4000-1	Policy/Cont Title Page ract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Revised	Replaced Form #: GC 4000 Previous Filing #:	0	GC 4000-1.pdf
Approved	GC 4001-2	Policy/Cont Table of Contents ract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Revised	Replaced Form #: GC 4001-1 Previous Filing #:	0	GC 4001-2.pdf
Approved	GC 4002-1	Policy/Cont PART IA - SHORT ract/Fraternal SUMMARY OF Certificate: BENEFITS Amendment, Insert Page, Endorsement or Rider	Revised	Replaced Form #: GC 4002 Previous Filing #:	0	GC 4002-1.pdf
Approved	GC 4004-2	Policy/Cont PART I - ract/Fraternal DEFINITIONS al Certificate: Amendment	Revised	Replaced Form #: GC 4004-1 Previous Filing #:	0	GC 4004-2.pdf

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

t, Insert  
 Page,  
 Endorseme  
 nt or Rider

Approved GC 4006-3 Policy/Cont PART II - POLICY Revised Replaced Form #: 0 GC 4006-  
 ract/Fratern ADMINISTRATION, GC 4006-2 3.pdf  
 al Section A - Contract Previous Filing #:  
 Certificate:  
 Amendmen  
 t, Insert  
 Page,  
 Endorseme  
 nt or Rider

Approved GC 4008-2 Policy/Cont PART II - POLICY Revised Replaced Form #: 0 GC 4008-  
 ract/Fratern ADMINISTRATION, GC 4008-1 2.pdf  
 al Section B - Previous Filing #:  
 Certificate: Premiums  
 Amendmen  
 t, Insert  
 Page,  
 Endorseme  
 nt or Rider

Approved GC 4010-3 Policy/Cont PART II - POLICY Revised Replaced Form #: 0 GC 4010-  
 ract/Fratern ADMINISTRATION, GC 4010-2 3.pdf  
 al Section C - Policy Previous Filing #:  
 Certificate: Termination  
 Amendmen  
 t, Insert  
 Page,  
 Endorseme  
 nt or Rider

Approved GC 4012-2 Policy/Cont PART III - Revised Replaced Form #: 0 GC 4012-  
 ract/Fratern INDIVIDUAL GC 4012-1 2.pdf  
 al REQUIREMENTS Previous Filing #:  
 Certificate: AND RIGHTS,  
 Amendmen Section A - Eligibility  
 t, Insert  
 Page,

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/  
 Endorsement or Rider

Approved GC 4014-1 Policy/Cont PART III - Revised Replaced Form #: 0 GC 4014-  
 ract/Fratern INDIVIDUAL GC 4014 1.pdf  
 al REQUIREMENTS Previous Filing #:  
 Certificate: AND RIGHTS,  
 Amendmen Section B - Effective  
 t, Insert Dates  
 Page,  
 Endorsement or Rider

Approved GC 4016-1 Policy/Cont PART III - Revised Replaced Form #: 0 GC 4016-  
 ract/Fratern INDIVIDUAL GC 4016 1.pdf  
 al REQUIREMENTS Previous Filing #:  
 Certificate: AND RIGHTS,  
 Amendmen Section C - Member  
 t, Insert Termination,  
 Page, Continuation, and  
 Endorsement Reinstatement  
 nt or Rider

Approved GC 4018-1 Policy/Cont PART IV - Revised Replaced Form #: 0 GC 4018-  
 ract/Fratern BENEFITS, Section GC 4018 1.pdf  
 al A - Benefit Previous Filing #:  
 Certificate: Qualification  
 Amendmen  
 t, Insert  
 Page,  
 Endorsement or Rider

Approved GC 4020-1 Policy/Cont PART IV - Revised Replaced Form #: 0 GC 4020-  
 ract/Fratern BENEFITS, Section GC 4020 1.pdf  
 al B - Benefits Payable Previous Filing #:  
 Certificate:  
 Amendmen  
 t, Insert  
 Page,  
 Endorsement or Rider

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
 Filing Company: Principal Life Insurance Company State Tracking Number: 40120  
 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

Approved	GC 4022-1	Policy/Cont PART IV - ract/Fratern BENEFITS, Section al C - Rehabilitation Certificate: [Services and] Amendmen Benefits t, Insert Page, Endorseme nt or Rider	Revised	Replaced Form #: 0 GC 4022 Previous Filing #:	GC 4022- 1.pdf
Approved	GC 4026-1	Policy/Cont PART IV - ract/Fratern BENEFITS, Section al D - Survivor Benefit Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Revised	Replaced Form #: 0 GC 4026 Previous Filing #:	GC 4026- 1.pdf
Approved	GC 4038-1	Policy/Cont PART IV - ract/Fratern BENEFITS, Section al E - Weekly Payment Certificate: Limit Amendmen t, Insert Page, Endorseme nt or Rider	Revised	Replaced Form #: 0 GC 4038 Previous Filing #:	GC 4038- 1.pdf
Approved	GC 4042-2	Policy/Cont PART IV - ract/Fratern BENEFITS, Section al F - Benefit Payment Certificate: Period and Recurring Amendmen Disability t, Insert Page, Endorseme nt or Rider	Revised	Replaced Form #: 0 GC 4042-1 Previous Filing #:	GC 4042- 2.pdf
Approved	GC 4046-2	Policy/Cont PART IV - ract/Fratern BENEFITS, Section	Revised	Replaced Form #: 0 GC 4046-1	GC 4046- 2.pdf

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 Product Name: 2008 STD Filing  
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al G - Limitations Previous Filing #:  
 Certificate:  
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 t, Insert  
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 nt or Rider

Approved GC 4048 Policy/Cont PART IV - Other Other Explanation: 0 GC 4048.pdf  
 ract/Fratern BENEFACTS, Section  
 al H - Subrogation and  
 Certificate: Reimbursement  
 Amendmen  
 t, Insert  
 Page,  
 Endorseme  
 nt or Rider

Approved GC 4050-1 Policy/Cont PART IV - Revised Replaced Form #: 0 GC 4050-  
 ract/Fratern BENEFACTS, Section I GC 4050  
 al - Claims Procedures Previous Filing #:  
 Certificate:  
 Amendmen  
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 Endorseme  
 nt or Rider

Approved GC 4052 Policy/Cont PART V - Other Other Explanation: 0 GC 4052.pdf  
 ract/Fratern PARTICIPATING  
 al UNIT PROVISIONS  
 Certificate:  
 Amendmen  
 t, Insert  
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 Endorseme  
 nt or Rider

Approved GH 850-1 Certificate Introductory Page Revised Replaced Form #: 0 GH 850-1.pdf  
 Amendmen  
 t, Insert  
 Page,  
 Previous Filing #:

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 Company Tracking Number:  
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

Endorsement or Rider

Approved	GH 851	Certificate Amendment, Insert Page, Endorsement or Rider	Table of Contents	Other	Other Explanation: No change to previously filed form	0	GH 851.pdf
Approved	GH 852-1	Certificate Amendment, Insert Page, Endorsement or Rider	Short Term Disability Summary of Benefits	Revised	Replaced Form #: GH 852 Previous Filing #:	0	GH 852-1.pdf
Approved	GH 854-2	Certificate Amendment, Insert Page, Endorsement or Rider	How to be Insured - Eligibility and Individual Incontestability	Revised	Replaced Form #: GH 854-1 Previous Filing #:	0	GH 854-2.pdf
Approved	GH 855-1	Certificate Amendment, Insert Page, Endorsement or Rider	How to be Insured - Effective Dates	Revised	Replaced Form #: GH 855 Previous Filing #:	0	GH 855-1.pdf
Approved	GH 856-1	Certificate Amendment, Insert Page, Endorsement or Rider	How to be Insured - Termination, Continuation and Reinstatement	Revised	Replaced Form #: GH 856 Previous Filing #:	0	GH 856-1.pdf
Approved	GH 857-1	Certificate Amendment, Insert Page, Endorsement or Rider	Description of Benefits - Benefit Qualification	Revised	Replaced Form #: GH 857 Previous Filing #:	0	GH 857-1.pdf

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
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Approved	GH 858-1	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Benefits Payable	Revised	Replaced Form #: GH 858 Previous Filing #:	0	GH 858-1.pdf
Approved	GH 859-1	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Rehabilitation [Services and] Benefits	Revised	Replaced Form #: GH 859 Previous Filing #:	0	GH 859-1.pdf
Approved	GH 861-1	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Survivor Benefit	Revised	Replaced Form #: GH 861 Previous Filing #:	0	GH 861-1.pdf
Approved	GH 862-1	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Weekly Payment Limit	Revised	Replaced Form #: GH 862 Previous Filing #:	0	GH 862-1.pdf
Approved	GH 863-2	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Benefit Payment Period and Recurring Disability	Revised	Replaced Form #: GH 863-1 Previous Filing #:	0	GH 863-2.pdf
Approved	GH 864-2	Certificate Amendments, Insert Page, Endorsement or Rider	Description of Benefits - Limitations	Revised	Replaced Form #: GH 864-1 Previous Filing #:	0	GH 864-2.pdf
Approved	GH 865	Certificate Amendments	Description of Benefits -	Other	Other Explanation: No change from	0	GH 865.pdf

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
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 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
 Product Name: 2008 STD Filing  
 Project Name/Number: AR 2008 STD/

t, Insert Subrogation and previously filed form  
 Page, Reimbursement  
 Endorsement or Rider

Approved GH 866-1 Certificate Description of Revised Replaced Form #: 0 GH 866-1.pdf  
 Amendment Benefits - Claims  
 t, Insert Procedures  
 Page, Previous Filing #:  
 Endorsement or Rider

Approved GH 867-2 Certificate Definitions Revised Replaced Form #: 0 GH 867-2.pdf  
 Amendment  
 t, Insert  
 Page, Previous Filing #:  
 Endorsement or Rider

Approved GC 803 AR Policy/Cont Policy Notice Other Other Explanation: GC 803  
 ract/Fraternal No change from AR.pdf  
 al  
 Certificate:  
 Amendment  
 t, Insert  
 Page,  
 Endorsement or Rider

Approved GH 198 AR Certificate Booklet-Certificate Other Other Explanation: GH 198  
 Amendment Notice No change from AR.pdf  
 t, Insert  
 Page,  
 Endorsement or Rider



**PRINCIPAL LIFE INSURANCE COMPANY**  
**(called The Principal in this Group Policy)**  
**Des Moines, Iowa 50392-0002**

This group insurance policy is issued to:

[1] [John Doe Company]  
[Trustee of the Multiple Employer Trust for Life, Disability, Dental and Vision Benefits]

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(called the Policyholder in this Group Policy)

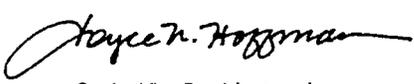
The Date of Issue is [April 1, 2002.]

In return for the Policyholder's application and payment of all premiums when due, The Principal agrees to provide:

**SHORT TERM DISABILITY INSURANCE**

*[1A] [THIS POLICY PROVIDES COVERAGE ONLY FOR DISABILITY DUE TO INJURY]*

subject to the terms and conditions described in this Group Policy.

 Senior Vice President and Corporate Secretary	 President and Chief Executive Officer
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GROUP POLICY NO. GST [99999]  
NON-PARTICIPATING  
CONTRACT STATE OF ISSUE: ARKANSAS

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## **PART IV – BENEFITS (Continued)**

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<i>Documentation of Loss .....</i>	<i>Article 3A</i>
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[Proof of Disability while outside the United States .....	Article 4]
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**[PART V - PARTICIPATING UNIT PROVISIONS**

**Section A - Eligible Participating Unit**

**Section B - Participating Unit**

**Section C - Member Insurance**

**Section D - Administration**

**Section E - Termination**

***/Section F - List of Participating Units/***

**PART IA – SHORT TERM DISABILITY INSURANCE SUMMARY**  
 [(Non-Occupational)]

Minimum Hours Requirement	Employees must be working [an average of] at least [/30/ hours a week]
Member Contribution	Members [are] [not] [ <i>may be</i> ] required to contribute [a part of] the [entire] premium for their insurance under the Group Policy.
Elimination Period	A Benefit Payment Period will begin on the [later of]:  [First] day for Disability Due to Injury  <i>[/Eighth] day for Disability Due to Sickness/</i>  [The date accumulated [sick leave][personal time off] [plus [15] [working] days] expire(s)]  [Benefits will begin on the earlier of completion of an Elimination Period or on the first day of Hospitalization if the Member is Hospitalized for any Disability]
Primary Benefit	[[60%] of Predisability Earnings] [[\$300][not to exceed [66 2/3%] of the Member's Predisability Earnings]  <i>[An amount in increments of [\$25] between a minimum of [\$200] and a maximum of [\$1,500] as applied for by the Member and approved by The Principal.]</i>
[Maximum Weekly Benefit]	[\$1500]  <i>[The lesser of [\$1,500] or [60%] of Predisability Earnings]</i>
[Minimum Weekly Benefit]	[\$15]
Maximum Benefit Payment Period	[13] weeks
[Rehabilitation [Services and] Benefits]	
[Rehabilitation Services]	[Included]
[Predisability Intervention Services]	[Included]
[Rehabilitation Incentive Benefit]	[5%]
[Reasonable Accommodation Benefit]	[\$500]
[Other Coverage Features]	
[Work Incentive Benefit]	[Included]
[Proportionate Benefit if Working]	[Included]
[Survivor Benefit]	[3 times Primary Benefit]

**NOTE:**

*[No premiums are required during a Short Term Disability Benefit Payment Period.]*

Benefits may be reduced by other sources of income and disability earnings.

Some disabilities may not be covered or may be limited under this insurance.

This summary provides only highlights of the Group Policy. The entire Group Policy determines all rights, benefits, exclusions, and limitations of the insurance described above.

## PART I – DEFINITIONS

When used in this Group Policy, the terms listed below will mean:

### Active Work; Actively at Work

- [3] A Member will be considered Actively at Work if he or she is *engaged in the active performance of all of his or her regular duties with the intent of continuing the active performance of all said duties on an ongoing basis*. [While on contract following the academic school year, a Member will be considered Actively at Work.] Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, personal time off, *or an approved FMLA leave of absence for the care of a qualified family member* is considered Active Work provided the Member is able and available for active performance of all of his or her regular duties and was working the day immediately prior to the date of his or her absence.

### Benefit Payment Period

The period of time during which benefits are payable.

### [4] [Current Earnings

A Member's Weekly Earnings for each week he or she is Disabled. *This includes all sources of income from the [Policyholder][or a][Participating Unit] that comprised earnings prior to Disability such as Personal Time Off (PTO), sick pay, vacation pay, and holiday pay. Earnings from Secondary Employment are not considered Current Earnings.* While Disabled, a Member's Weekly Earnings may result from working for the [Policyholder][or a][Participating Unit] or any other employer.]

### Date of Issue

The date this Group Policy is placed in force: [April 1, 2002].

### [5] [Dependent

Any person who qualifies for benefits as a dependent under the Federal Social Security Act as a result of the Member's Disability or retirement, whether or not residing in the Member's home.]

### [6] Disability; Disabled

- [6A] [A Member will be considered Disabled if, solely and directly because of [sickness, injury, or pregnancy,][*Injury,*] one of the following applies:

- a. The Member cannot perform [the majority][*one or more*] of the Substantial and Material Duties of his or her [Own Occupation][*Own Job*].
- [6A1] b. The Member is performing the duties of his or her [Own Occupation][*Own Job*] on a Modified Basis or any [occupation][*job*] and is unable to earn more than [80%] of his or her Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

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- [6B] [A Member will be considered Disabled if, solely and directly because of [sickness, injury, or pregnancy,][*Injury,*] the Member cannot perform [the majority][*one or more*] of the Substantial and Material Duties of his or her [Own Occupation][*Own Job*] and is not working for wage or profit.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

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- [6C] [A Member will be considered Disabled if, solely and directly because of [sickness, injury, or pregnancy,][*Injury,*]:

- [6C1] a. during the first [six] weeks of Disability, the Member cannot perform [the majority][*one or more*] of the Substantial and Material Duties of his or her [Own Occupation][*Own Job*], and is not working for wage or profit.

- [6C1] b. following the first [six] weeks of Disability, if one of the following applies:

- (1) The Member cannot perform [the majority][*one or more*] of the Substantial and Material Duties of his or her [Own Occupation][*Own Job*].

- [6A1] (2) The Member is performing the duties of his or her [Own Occupation][*Own Job*] on a Modified Basis or any [occupation][*job*] and is unable to earn more than [80%] of his or her Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

### **Disability Due to Injury; *Injury***

A Disability that:

- a. occurs solely and directly because of an accidental injury; and
- [7] b. begins within [*180*] days of the accident.

An accidental injury means an injury that is caused by an accident.

- [7A] [*Disability Due to Injury does not include any Disability that occurs directly or indirectly because of:*

[a. *disease, medical or surgical treatment of disease, or complications following the surgical treatment of disease; or*]

[b. *sickness or pregnancy; or*]

[c. *a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or*]

- [d. participation in flying, ballooning, parachuting, parasailing, bungee jumping, or other aeronautic activities[, except as a passenger [on a commercial aircraft] [or as a passenger] [or] [crew member][in a] [Policyholder-owned] [or a] [Participating Unit-owned] or leased aircraft on company business]; or]*
- [e. the use of alcohol if, at the time of the injury, the Member's alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*
- [f. the operation by the Member of a motor vehicle or motor boat if, at the time of the injury, the Member's alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*
- [g. the use of any drug, narcotic, or hallucinogen not prescribed for the Member by a licensed Physician].]*

[8] ***[Disability Due to Sickness***

A Disability that:

- a. occurs directly or indirectly because of disease, a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or
- b. is not a Disability Due to Injury as defined in this PART I.]

**Elimination Period**

The period of time a Member must be Disabled before benefits begin to accrue. An Elimination Period starts on the date a Member is Disabled and must be satisfied for each period of Disability. *A Member cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which The Principal does not pay benefits.*

[9] ***[Employee***

*A person who is employed by and receives a W-2 from the [Policyholder][or a][Participating Unit] or has a direct ownership interest in the [Policyholder][Participating Unit.]*

**Generally Accepted**

Treatment, service or medication that:

- a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and
- b. is in general use in the medical community; and
- c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

## Group Policy

The policy of group insurance issued to the Policyholder by The Principal which describes benefits and provisions for insured Members.

## Hospital

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

### [10] [Hospitalization; Hospitalized

The period of time the Member is confined:

- a. in a Hospital as a registered bed patient (for any cause); or
- b. in a licensed birthing center for obstetrical delivery; or
- c. while undergoing outpatient surgery at a Hospital or freestanding ambulatory surgery center that requires the services of an anesthesiologist, for other than local or digital anesthesia.]

### [11] [Income Loss Percentage

A Member's Income Loss Percentage is equal to:

- a. the Member's Predisability Earnings less any Current Earnings from the Member's [Own Occupation][*Own Job*] or any [occupation][*job*]; divided by
- b. the Member's Predisability Earnings.]

## Insurance Month

[Calendar Month.] [The first insurance month begins on [November 15, 2002], and ends on [December 31, 2002].] [The period of time from the [15th] day of any month to the [14th] day of the next month.]

## Maximum Weekly Benefit

[12] [\$1500] [*The lesser of [\$1,500] or [60%] of Predisability Earnings.*]

### [13] Member

[Any [salaried] person [, residing in the United States, who is a U.S. [*or Canadian*] citizen or is legally working in the United States,] who is a [full-time] [*contracted*][*Employee*][employee][*or*][*independent contractor*][*working in behalf*] of the [Policyholder][*or a*][Participating Unit] and who [is on contract and] regularly works [an average of] at least [[30] hours a week]. Work must be at the [Policyholder's] [*or a*][Participating Unit's] usual place or places of business, at an alternative worksite at the direction of the [Policyholder][*or a*][Participating Unit], or at another place to which the [*contracted*] [employee][*Employee*] [*or*] [*independent contractor*] must travel to perform his or her regular duties. [*This excludes any person*

who is scheduled to work for the [Policyholder][or a][Participating Unit] on a [seasonal,][temporary,] [contracted,][or][part-time] basis.] [A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.]

[14] **[Mental Health Condition**

Any condition which is:

- a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and
- b. categorized in the current edition of the American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders *or its successor*.

Conditions not considered a Mental Health Condition include:

[14A] [a. dementia *[that is the result of any of the following conditions:*

- (1) *stroke;*
- (2) *head injury;*
- (3) *viral infection; or*
- (4) *Alzheimer's disease]]* [; and]

[b. organic brain syndrome; and]

[c. delirium; and]

[d. organic amnesia syndromes; and]

[e. organic delusional or organic hallucinogenic syndromes].]

[15] **[Modified Basis**

[15A] A Member will be considered working on a Modified Basis if he or she is working [to his or her full  
[15B] medical and vocational capacity] on [either] a part-time basis[ or performing some but not all of the Substantial and Material Duties of the *[occupation][job]* on a full-time basis].]

[16] **[Other Income Sources**

The weekly equivalent of:

- a. all disability payments for the month that the Member [and the Member's Dependents receive][receives] (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]
- b. for a Member who has reached Social Security Normal Retirement Age or older, all retirement payments for the month that the Member [and the Member's Dependents receive][receives] (or would have received if complete and timely application had been made) under the Federal

Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]

- [c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that the Member [and the Member's Dependents receive][receives] under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]
- [d. all payments for the month that the Member receives from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and]
- [e. all payments for the month that the Member receives (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the [Policyholder] [or a] [Participating Unit] pays a part of the cost or makes payroll deductions for that coverage; and]
- [f. all payments for the month that the Member receives or is eligible to receive under another group disability insurance policy; and]
- [g. all payments for the month that the Member receives under any state disability plan; and]
- [h. all payments attributable to individual disability insurance policies; and]
- [i. all payments attributable to employee paid individual disability insurance policies; and]
- [j. all [sick pay,][ or][ salary continuance payments,][personal time off,][severance pay,][ vacation pay,] for the month that the Member receives from the [Policyholder] [or a] [Participating Unit].][For any month, any portion of the Member's contract salary is considered salary continuance if it is received by the Member for the month regardless of when it is paid to the Member.]; and]
- [k. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that the Member receives under a pension plan sponsored by the [Policyholder] [or a] [Participating Unit]. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and]
- [l. all payments for the month that the Member receives for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and]
- [m. all renewal commissions for the month that the Member receives from the [Policyholder] [or a] [Participating Unit].]

*[n. all payments for the month that the Member receives under state unemployment laws.]*

[16A] **[NOTE:** [If any [sick pay,][salary continuance payments,][personal time off,] [severance pay,] [vacation pay,] or loss of time from work payments specified above are attributable to individual disability insurance policies, the payments will not be considered an Other Income Source.]

[Any retirement payments the Member receives under the Federal Social Security Act or a pension plan which he or she had been receiving in addition to his or her Weekly Earnings prior to a claim for Disability, will not be considered an Other Income Source.]

[Military or Veteran's Administration disability or retirement payments will not be considered an Other Income Source.]

After the initial deduction for each of the Other Income Sources, benefits will not be further reduced due to any cost of living increases payable under the above stated sources.

[Withdrawal of pension plan benefits by a Member for the purpose of placing the benefits in a subsequent pension plan or a deferred compensation plan will not be considered an Other Income Source unless the Member withdraws pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement.]

[If any income specified above is payable in a monthly payment, the weekly equivalent will be calculated by multiplying the monthly benefit by 12 and dividing by 52.]

*[Any income the Member receives for services rendered prior to the Member's date of Disability will not be considered Other Income Sources.]*

*[Any commissions earned prior to the Member's date of Disability will not be considered Other Income Sources.]*

[17] ***[Own Job***

*The job the Member is routinely performing for the [Policyholder][or a][Participating Unit] when his or her Disability begins.]*

[18] ***[Own Occupation***

*[The occupation the Member is routinely performing when Disability begins.] [The occupation of the Member as it is performed in the national economy when Disability begins.] Own Occupation does not mean the specific tasks or job the Member is performing for the [Policyholder] [or a][Participating Unit] or at a specific location.]*

[18A] ***[Own Occupation (for attorneys)***

*The specialty in the practice of law the Member is routinely performing for the [Policyholder] [or a] [Participating Unit] when his or her Disability begins.]*

[18B] ***[Own Occupation (for physicians)***

*The general specialty or sub-specialty the Member is routinely performing for the [Policyholder] [or a] [Participating Unit] when his or her Disability begins. The Member will be considered practicing in the general specialty category if the sub-specialty in which the Member is practicing is not recognized by the American Board of Medical Specialties.]*

**[Participating Unit**

Any entity meeting the requirements outlined in PART II and PART V, of this Group Policy.]

**Physician**

- a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under this Group Policy, provided that the services provided by such person are within the lawful scope of his or her license.

[19] The term Physician does not include the Member, *[an employee of the Member,] [a business or professional partner or associate of the Member,] [any person who has a financial affiliation or business interest with the Member,] anyone related to the Member by blood or marriage, or anyone living in the Member's household.*

**Policy Anniversary**

[[April 1, 2002], and the same day of each year.]

**Policyholder**

The entity to whom this Group Policy is issued (see Title Page).

**Predisability Earnings**

A Member's Weekly Earnings in effect prior to the date Disability begins.

[20] ***[Primary Benefit***

[20A] [[60%] of a Member's Predisability Earnings.]

[20B][20C] [The Primary Benefit will not exceed the Maximum Weekly Benefit of [\$1,500].] [\$300] [not to  
[20D] exceed [66 2/3%] of the Member's Predisability Earnings.]

[21] **/Primary Benefit**

*[An amount in increments of [\$25] between a minimum of [\$200] and a maximum of [\$1,500] as applied for by the Member and approved by The Principal. [The Primary Benefit will not exceed the lesser of [\$1,500] or [60%] of Predisability Earnings.]]*

*[The Primary Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 5. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the amount elected by the Member. If the approved amount of insurance is different than the Member election, the approved amount will apply.]*

[22] **[Prior Plan**

The Group Short Term Disability coverage of [*one of the following*:

- a.] the [Policyholder][or a][Participating Unit][; or
- b. a business entity which has been obtained by the [Policyholder][or a][Participating Unit] through a merger or acquisition] [*; or*
- c. *an individual disability worksite plan;*]

for which this Group Policy is a replacement.]

**Proof of Good Health**

Written evidence that a person is insurable under the underwriting standards of The Principal. This proof must be provided in a form satisfactory to The Principal.

[23] **[Reasonable Accommodation**

Changes in a Member's work environment or in the way a job is performed which allows the Member to perform the essential functions of that job.]

**Regular and Appropriate Care**

A Member will be considered to be receiving Regular and Appropriate Care if he or she:

- a. is evaluated in person by a Physician; and
- b. receives treatment appropriate for the condition causing the Disability; and
- c. undergoes evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and
- d. undergoes evaluations and treatment at a frequency intended to return the Member to full time work; and
- e. pursues reasonable treatment options or recommendations to achieve maximum medical improvement.

The Principal may require the Member to have his or her Physician provide a Written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to The Principal.

The Principal may waive, in Writing to the Member, the Regular and Appropriate Care requirement if it is determined by The Principal that continued care would be of no benefit to the Member.

[24] **[Rehabilitation Plan**

An individualized Written agreement between the Member and The Principal developed with the assistance of the Member *and others as appropriate*. The Rehabilitation Plan may include medical, psychological, or vocational services and benefits, which are provided with the intent to restore the Member's ability to perform his or her *[Own Occupation][Own Job]* or any *[occupation][job]* which the Member is or could reasonably become qualified by education, training, or experience.]

[25] ***[Secondary Employment***

*Employment the Member is engaged in with an employer, other than the [Policyholder] [or a] [Participating Unit], prior to the date Disability begins. Earnings from Secondary Employment will be determined by using the average weekly earnings over the [six] calendar months just prior to the date of Disability. Any post disability increase above the average weekly earnings will be considered Current Earnings. ]*

**Signed or Signature**

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by The Principal.

[26] **[Social Security Normal Retirement Age (SSNRA)**

Social Security Normal Retirement Age as defined by the Social Security Administration on the date Disabled.

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
After 1959	67]

[27] **Substantial and Material Duties**

The essential tasks generally required by employers from those engaged in a particular [occupation]/[job] that cannot be modified or omitted. [If a Member routinely works on average 40 hours or more per week, The Principal will consider the Member able to perform the Substantial and Material Duties of [an occupation]/[a job] if he or she is working, or has the capacity to work, 40 hours per week.]

[28] **[Weekly Earnings**

[28A] [For Members with no ownership interest in the business entity of the [Policyholder][or a [Participating Unit]:

[28B] [On any date, a Member's basic weekly (or weekly equivalent) wage then in force, as established by the [Policyholder] [or a] [Participating Unit]. Basic wage does not include [commissions,] [bonuses,][*stock options,*][tips,] [differential pay,][housing and/or car allowance,] [or overtime pay]. Basic wage does include [commissions,][bonuses,][*stock options,*][*tips,*] [*differential pay,*][*housing and/or car allowance,*] [*or overtime pay*] [and][any deferred earnings under a [qualified] [or] [nonqualified] [deferred compensation plan , such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements] [and any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan [*or Health Savings Account*]].

[[Commissions] [and][ bonuses] will be averaged for:

- a. the [two][three] [calendar] year period prior to the date Disability begins, if the Member has been employed for at least [one] [two][three] [calendar] year(s); or
- b. the completed weeks of employment prior to the date Disability begins, if the Member has been employed for less than [one][two][three] [calendar] year(s).]

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[28C] [On any date, the weekly equivalent (1/52) of a Member's annual (or annual equivalent) wage, as established by the [Policyholder] [or a] [Participating Unit], that:

- a. with respect to a Member who has been employed for at least [one][two][three] calendar year(s), was paid to such Member during the last [two][three] calendar year(s) and reported on the [*Form 1099*] [W-2 Wage & Tax Statement [including] [excluding][qualified][nonqualified] deferred compensation, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements [including any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan [*or Health Savings Account*]], [excluding housing and/or car allowance]]; or
- b. with respect to a Member who has been employed for less than [one][two][three] calendar year(s), was paid to such Member during the completed weeks of [employment] [*service*] divided by the number of such completed weeks of [employment] [*service*].]

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[28D] [For Members with *a direct* ownership interest in the business entity of the [Policyholder] [and] [Participating Unit], such as, *but not limited to*, an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Weekly Earnings on any date are based on an

average of the following earnings as reported for Federal Income Tax purposes for the last [two] calendar year(s), assuming the owner meets all eligibility requirements:

- a. The Member's share (based on ownership or contractual agreement) of the gross revenue or income earned by the [Policyholder][and][Participating Unit], including income earned by the Member and others under the Member's supervision or direction; less
- b. The Member's share **of expenses** (based on ownership or contractual agreement) *that is* deductible for Federal Income Tax purposes, and *does* not exceed the expenses before Disability began; plus
- c. The salary, benefits, and other forms of compensation which are payable to the Member, and any contributions to a pension or profit sharing plan made on the Member's behalf by the [Policyholder][and][Participating Unit].

*With respect to a Member with an ownership interest of less than [two] calendar year(s), The Principal will use the amounts of a., b., and c. as described above during the completed weeks of direct ownership divided by the number of such completed weeks of direct ownership.*

Weekly Earnings do not include any form of unearned income such as dividends, rent, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.]

**[29] [Weekly Earnings (Contract Salary)]**

For Members whose annual contract salary is issued on a 12-month basis:

On any date, the weekly equivalent (1/52) of the Member's annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**[30] [Weekly Earnings (Contract Salary - For premium payment purposes)]**

On any date, the weekly equivalent (1/52) of the Member's annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**[31] [Weekly Earnings (Contract Salary - For Benefit Payable purposes)]**

For Members whose annual contract salary is issued on a 12-month basis:

On any date, the weekly equivalent (1/52) of the Member's annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

[32] **[Weekly Earnings (Contract Salary - For Benefit Payable purposes)**

For Members whose annual contract salary is issued on other than a 12-month basis:

On any date, the weekly equivalent [(1/44)] of the Member's annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] [*stock options,*] [or] [extra compensation].]

**Written or Writing**

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

## PART II - POLICY ADMINISTRATION

### Section A - Contract

#### Article 1 - Entire Contract

This Group Policy, the current Certificate [, the attached Policyholder application] [, the Participating Unit's application,] [and any Member applications] make up the entire contract. The Principal is obligated only as provided in this Group Policy and is not bound by any trust or plan to which it is not a signatory party.

#### Article 2 - Policy Changes

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated. No agent, employee, or person other than an officer of The Principal has authority to change this Group Policy, and, to be effective, all such changes must be in Writing and Signed by an officer of The Principal.

The Principal reserves the right to change this Group Policy as follows:

- a. Any or all provisions of this Group Policy may be amended or changed at any time, including retroactive changes, to the extent necessary to meet the requirements of any law or any regulation issued by any governmental agency to which this Group Policy is subject.
- b. Any or all provisions of this Group Policy may be amended or changed at any time when The Principal determines that such amendment is required for consistent application of policy provisions.
- c. By Written agreement between The Principal and the [Policyholder,] [Participating Unit, the Participating Unit's coverage under] this Group Policy may be amended or changed at any time as to any of its provisions.

Any change to this Group Policy, including, but not limited to, those in regard to coverage, benefits, and participation privileges, may be made without the consent of any Member.

Payment of premium beyond the effective date of the change constitutes the [Policyholder's] [Participating Unit's] consent to the change.

#### [Article 3 – [Policyholder][and] [Participating Unit(s)] Eligibility Requirements

To be an eligible group and to remain an eligible group, the [Policyholder [and][Participating Unit(s)] must:

- a. Be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit *organization* within the meaning of the Internal Revenue Code, *or be a governmental agency*; and

## PART II - POLICY ADMINISTRATION

[33] [b. Make at least the level of premium contributions required for insurance on its eligible Members. The [Policyholder][and][Participating Unit(s)] [must contribute [at least [50%]] [a portion] of the required premium for all Members][must contribute 100% of the required premium for all Members]; and]

c. Maintain the following participation with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal:

[34] [(1) 100% if the Member is to contribute no part of the premium; or]

[35] [(2) [75%] if the Member is to contribute part or all of the premium; and]

[36] [(3) [the greater of] [[25%] participation] [or] [[10] insured employees; [and]]]

[(4) Have [three] or more insured employees].]

[37] [If the number of employees insured under this Group Policy has decreased by more than [15%] since the [37A - last Policy Anniversary] [37B - Date of Issue of this Group Policy] [37C - the end of the last rating period as described in PART II, Section, B], The Principal may nonrenew this Group Policy as described in PART II, Section C.]

#### **Article 4 - Policy Incontestability**

In the absence of fraud, after [the Participating Unit's coverage under] this Group Policy has been in force two years, The Principal may not contest its validity except for nonpayment of premium.

#### **Article 5 - Individual Incontestability and Eligibility**

All statements made by any individual insured under this Group Policy will be representations and not warranties. In the absence of fraud, these statements may not be used to contest an insured person's insurance unless:

a. the insurance has been in force for less than two years during the insured's lifetime; and

b. the statement is in Written form Signed by the insured person; and

c. a copy of the form which contains the statement is given to the insured or the insured's beneficiary at the time insurance is contested.

However, these provisions will not preclude the assertion at any time of defenses based upon the person's ineligibility for insurance under this Group Policy or upon the provisions of this Group Policy. In addition, if an individual's age is misstated, The Principal may at any time adjust premium and benefits to reflect the correct age.

[38] The Principal may at any time terminate a Member's eligibility under this Group Policy in Writing and with [31] day notice:

a. if the individual submits any claim that contains false or fraudulent elements under state or federal law;

## **PART II - POLICY ADMINISTRATION**

- b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;
- c. when a Member has submitted a claim which, in good faith judgment and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

#### **Article 6 - Information to be Furnished**

[The Policyholder] [The Participating Unit] must, upon request, give The Principal all information needed to administer this Group Policy. If a clerical error is found in this information, The Principal may at any time adjust premium to reflect the facts. An error will not invalidate insurance that would otherwise be in force. Neither will an error continue insurance that would otherwise be terminated.

The Principal may inspect, at any reasonable time, all Policyholder and Participating Unit records which relate to this Group Policy.

#### **Article 7 - Certificates**

The Principal will give the [Policyholder] [Participating Unit] Certificates for delivery to insured Members. The delivery of such Certificates will be in either paper or electronic format. The Certificates will be evidence of insurance and will describe the basic features of the benefit plan. They will not be considered a part of this Group Policy.

#### **[Article 8 - Experience Premium Refunds**

The Principal will determine the Experience Premium Refund, if any, as of each Policy Anniversary in accordance with the formula to be applied to all such policies receiving an Experience Premium Refund. The [Policyholder] [Participating Unit] has no rights to any Experience Premium Refund unless and until determined by The Principal. If premiums due before the Policy Anniversary and for the next following Insurance Month have been paid, any such Experience Premium Refund will be:

- a. paid in cash to the [Policyholder] [Participating Unit]; or
- b. used to pay future premiums due, if the [Policyholder] [Participating Unit] directs in Writing.

[If at any time total Experience Premium Refund for all years to date exceed the [Policyholder] [Participating Unit] premium contributions and expense for those years, the excess must be used for the sole benefit of the insured Members.]

“Experience Premium Refund” means any portion of the remainder of premium plus any reserves being released by The Principal after all claims, charges, expenses, taxes, amounts to fund deficits, and any other amounts deducted by The Principal have been funded fully, which is determined by The Principal to be distributable for the benefit of the participants in this group insurance or of the employee welfare benefit plan for which this Group Policy was purchased. Any Experience

## **PART II - POLICY ADMINISTRATION**

Premium Refund will be determined by The Principal according to a formula developed by The Principal for all policies of a class.

[This Group Policy and all group policies issued by The Principal to the [Policyholder or its subsidiaries] [Participating Unit] will be combined and treated as one policy for the purpose of determining any Experience Premium Refund.]

#### **Article 9 - Workers' Compensation Insurance Not Replaced**

This Group Policy is not in place of and does not affect nor fulfill the requirements for Workers' Compensation Insurance.

#### **Article 10 - Policy Interpretation**

The Principal *has discretion* to construe or interpret the provisions of this *Group Policy*, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The decisions of The Principal in such matters shall be controlling, binding, and final as between The Principal and persons covered by this Group Policy, subject to the Claims Procedures in PART IV, Section I, of this Group Policy.

#### **Article 11 – Electronic Transactions**

Any transaction relating to this Group Policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law.

Any notice required by the provisions of this Group Policy given by electronic means will have the same force and effect as notice given in writing.

#### **[Article 12] – Value Added Service**

[39]

The Principal reserves the right to offer or provide to a [Policyholder] [Participating Unit] [an employee assistance program] [and] [or][a wellness program] [or any other value added service] for the employees of the [Policyholder] [Participating Unit]. In addition, The Principal may arrange for third party service providers (i.e. [employee assistance program companies], [wellness program providers]), to provide discounted goods and services to those [Policyholders] [Participating Units] of The Principal. While The Principal has arranged these goods, services and third party provider discounts, the third party service providers are liable to the Members for the provisions of such goods and services. The Principal is not responsible for the provision of such goods or services nor is it liable for the failure of the provision of the same. Further, The Principal is not liable to the Members for the negligent provisions of such goods and/or services by the third party service providers.]

[40]

#### ***[Article 13] – Self Accounting [Policyholder] [Participating Unit] Responsibilities***

*The following is a summary of the [Policyholder][Participating Unit] responsibilities for insurance*

#### **PART II - POLICY ADMINISTRATION**

*coverage administered on a self accounting basis. The [Policyholder][Participating Unit]:*

- [a. acknowledges and agrees that it is the plan administrator to the extent the policies are an employee welfare benefit plan subject to ERISA, and that it performs its obligations hereunder as the plan administrator and has fiduciary for, and agent of, the persons insured and not The Principal.]*
- [b. must obtain a completed group enrollment form from each eligible Member applying for initial coverage or for a coverage increase under this Group Policy.]*
- [c. must provide health statement forms to applicants as required and must submit those forms to The Principal on a timely basis.]*
- [d. must maintain the enrollment forms and other necessary records to enable The Principal to determine the current classification, benefits, and termination data for each insured Member.]*
- [e. must promptly deliver or provide online access of the appropriate booklet-certificates to insured Members, and to those Members whose classification or benefits change, the appropriate booklet-certificates and any revisions thereto. Such issuance and delivery constitutes the Policyholder's certification to The Principal that such person should be deemed to be an insured Member under the terms of the Group Policy.]*
- [f. must provide claim forms to insured Members.]*
- [g. must verify that the insured Member is covered under the terms of the Group Policy, considering eligibility for coverage, effective date, and termination.]*
- [h. must prepare the [Policyholder's][Participating Unit's] billing report, including any employee status changes, additions, and include updated salary information if benefits are based on salary. This report and premium remittance should be sent to The Principal by the first of each Insurance Month or as otherwise agreed.]*
- [i. must conduct correspondence with applicants, insured Members, and others as necessary in the administration of the Group Policy and the plan and forward to The Principal any notice, summons, complaint, or other document concerning a current or likely dispute.]*
- [j. must preserve the confidential and private nature of all information related to this Group Policy, referring to The Principal any request for the release of any such information.]*
- [k. must obtain prior approval from The Principal of any decision to delegate the [Policyholder's][Participating Unit's] responsibilities to a third-party administrator.]*
- [l. must furnish The Principal with census or other needed information needed for policy renewal calculations.]*

## **PART II - POLICY ADMINISTRATION**

- [m. must make all records and data related to this Group Policy available to The Principal for audit upon request.]*
- [n. must maintain readily accessible records of all transactions between the [Policyholder][Participating Unit] and The Principal, providers of medical services or other claimants for insurance benefits, or insured Members for the duration of six (6) years after termination of this Group Policy.]*
- [o. must only allow a period of open enrollment for coverage under this Group Policy with Written consent from The Principal.]]*

**PART II - POLICY ADMINISTRATION**

## PART II – POLICY ADMINISTRATION

### Section B - Premiums

#### [41] [Article 1 - Payment Responsibility; Due Dates; Grace Period]

The Policyholder is responsible for payment of all premium due while this Group Policy is in force. Payments must be sent to the designated payment center for The Principal in Des Moines, Iowa.

[41A] The first premium is due on the Date of Issue of this Group Policy. Each premium thereafter will be due on [the first of each Insurance Month]. Except for the first premium, a Grace Period of *[31]* days will be allowed for payment of premium. "Grace Period" means the first *[31-day]* period following a premium due date. The Group Policy will remain in force until the end of the Grace Period, unless the Group Policy has been terminated by notice as described in this PART II, Section C. The Policyholder will be liable for payment of the premium for the time this Group Policy remains in force during the Grace Period.]

#### [42] [Article 1 - Payment Responsibility; Due Dates; Grace Period]

The Participating Unit is responsible for payment of all premium due while the Participating Unit remains covered under this Group Policy. Payments must be sent to the designated payment center for The Principal in Des Moines, Iowa.

[42A] For each Participating Unit: The first premium is due on the date the Unit becomes a Participating Unit. Each premium thereafter will be due on [the first of each Insurance Month]. Except for the first premium, a Grace Period of *[31]* days will be allowed for payment of premium. "Grace Period" means the first *[31-day]* period following a premium due date. The Participating Unit's coverage will remain in force until the end of the Grace Period, unless the Participating Unit's coverage has been terminated by notice as described in this PART II, Section C. The Participating Unit will be liable for payment of the premium for the time coverage remains in force during the Grace Period.]

#### [43] Article 2 - [Initial] Premium Rates

[43][44] The [initial] premium rate will be [as determined for each Participating Unit] \$ [0.00] [for each \$10 of Benefit Payable] [per \$10 of covered Weekly Earnings] for each Member insured for Short Term Disability Insurance.

[45] [If the [Policyholder][Participating Unit] has at least [two] other eligible group insurance policies underwritten by The Principal, as determined by The Principal, the [Policyholder] [Participating Unit] may be eligible for a multiple policy discount.]

## PART II - POLICY ADMINISTRATION

### Article 3 - Premium Rate Changes

The Principal may change a premium rate [for each Participating Unit] on any of the following dates:

- [46] a. on any premium due date, after the initial premium rate has then been in force [two years] or more and if Written notice is given to the [Policyholder] [Participating Unit] at least 31 days before the date of change. After the initial premium rate has been in force for [two years], The Principal may change the premium rate on any due date if the rate has been in force for 12 months or more and if Written notice is given to the [Policyholder] [Participating Unit] at least 31 days before the date of change; or
- b. on any date the definition of Member is changed; or
- c. on any date that the *policy design feature* or class of insured Members is changed; or
- d. on any date a division, subsidiary, or affiliated company is added or terminated; or
- e. on any date the premium contribution required of Members is changed; or
- [45] [f. on any premium due date, if the [Policyholder][Participating Unit] has been receiving a multiple policy discount rate and the [Policyholder][Participating Unit] drops below the minimum number of coverages to receive such discount rate; *or*]
- [47] g. on any Policy Anniversary, if the total [*covered Weekly Earnings for then insured Members*][*or*] [*number of insured lives*] has increased or decreased by more than [25%] since the last Policy Anniversary]; or
- [48] h. on [*any premium due date*][*the next Policy Anniversary*], if the age for then insured Members has changed [*since the last premium due date*]].
- [49] [If the [Policyholder][Participating Unit] agrees to participate in the electronic services program of The Principal and, at a later date elects to withdraw from participation, such withdrawal may result in certain administrative fees being charged to the [Policyholder] [Participating Unit].]
- [49A] [If the [Policyholder][Participating Unit] elects not to participate in the electronic services program of The Principal, such election may result in certain administrative fees being charged to the [Policyholder][Participating Unit].]

### [50] Article 4 - Premium Amount

The amount of premium to be paid on each due date will be the product of total [Primary Benefit payable divided by 10] [covered Weekly Earnings divided by 10] [insured Members] multiplied by the premium rate then in effect [for each age bracket]. [The result will then be multiplied by [three] [six] [12].]

To ensure accurate premium calculations, the [Policyholder][Participating Unit] is responsible for reporting to The Principal, the following information during the stated time periods:

## PART II - POLICY ADMINISTRATION

- a. Members who are eligible to become insured are to be reported during the month prior to or during the month that coverage becomes effective.
- b. Members whose coverage has terminated are to be reported within a month of the date coverage terminated.
- [51] c. Changes in Weekly Earnings are to be reported [within a month of the date that the change in Weekly Earnings took place][during the month of or prior to the Policy Anniversary][during the month of [January] each year].
- [51] d. Changes in Member insurance class are to be reported [within a month of the date that the change in insurance class took place][during the month of or prior to the Policy Anniversary][during the month of [January] each year].

If a Member is added or a present Member's Primary Benefit amount changes or terminates on other than the first of an Insurance Month, premium for that Member will be adjusted and applied as if the change were to take place on the first of the next following Insurance Month.

[52] **Article 5 - Contributions from Members**

Members *[are]* [not] *[may be]* required to contribute [a part of] the [entire] premium for their insurance under this Group Policy.

[53] *If the Member is to contribute no part of the premium, [100%] of eligible employees [who have not rejected coverage in Writing] must enroll.*

*Disability benefits may be taxable to the Member as ordinary income based on the amount of premium attributable to [Policyholder][or a][Participating Unit] contribution, if any, in accordance with Internal Revenue Service regulations.*

**PART II - POLICY ADMINISTRATION**

## PART II - POLICY ADMINISTRATION

### Section C - Policy Termination

#### Article 1 - Failure to Pay Premium

This Group Policy will terminate at the end of a Grace Period if total premium due has not been received by The Principal before the end of the Grace Period. Failure by the [Policyholder] [Participating Unit] to pay the premium within the Grace Period will be deemed notice by the [Policyholder] [Participating Unit] to The Principal to discontinue [the Participating Unit's coverage under] this Group Policy at the end of the Grace Period.

#### Article 2 –Termination Rights of the [Policyholder][Participating Unit]

The [Policyholder] [Participating Unit] may terminate [coverage under] this Group Policy effective on the day before any premium due date by giving Written notice to The Principal prior to that premium due date. [The [Policyholder's] [Participating Unit's] issuance of a stop-payment order for any amounts used to pay premiums for the [Policyholder's] [Participating Unit's] insurance will be considered Written notice from the [Policyholder] [Participating Unit].]

#### Article 3 –Termination Rights of The Principal

- [54] The Principal may nonrenew or terminate this Group Policy by giving the [Policyholder] [Participating Unit] [31] days advance notice in Writing, if the [Policyholder][Participating Unit]:
- a. ceases to be *actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code*; or
  - b. has performed an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of this Group Policy; or
  - c. does not promptly provide The Principal with information that is reasonably required; or
  - d. fails to perform any of its obligations that relate to this Group Policy[; or
  - [55] e. *fails to maintain the participation percentages requirements with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal*][; or.
  - [56] f. *on any Policy Anniversary, if the total[covered Weekly Earnings for then insured Members][number of insured lives] has increased or decreased by more than [25%] since the last Policy Anniversary*].

## PART II - POLICY ADMINISTRATION

[57] [In addition, The Principal may terminate this Group Policy on any premium due date after the Group Policy has been in force for [12] months by giving the [Policyholder][Participating Unit] [31 days] advance notice in Writing.]

[54] [The Principal may terminate the [Policyholder's] [Participating Unit's] coverage on any premium due date if the [Policyholder] [Participating Unit] relocates to a state where this Group Policy is not marketed, by giving the [Policyholder] [Participating Unit] [31 days] advanced notice in Writing.]

#### **Article 4 - [Policyholder] [Participating Unit] Responsibility to Members**

If this Group Policy terminates for any reason, the [Policyholder] [Participating Unit] must:

- a. notify each Member of the effective date of the termination; and
- b. refund or otherwise account to each Member all contributions received or withheld from Members for premiums not actually paid to The Principal.

[If the Participating Unit's coverage under this Group Policy terminates for any reason, the provisions of PART V, Section E will also apply.]

## **PART II - POLICY ADMINISTRATION**

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

### Section A - Eligibility

#### [58] Article 1 - Member Insurance

A person will be eligible for insurance on [the later of] [the date shown below for the Member's status (insurance class)]:

- a. [the Date of Issue of this Group Policy,][the date the entity becomes a Participating Unit,] if the person is a Member on that date; or
- b. [the first of the Insurance Month coinciding with or next following] the date the person [completes [30] calendar days] of employment with the [Policyholder][or a] [Participating Unit] as a Member][becomes a Member as *defined*].

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

### Section B - Effective Dates

#### Article 1 - Actively at Work

A Member's effective date for Short Term Disability Insurance will be as explained in this section, if the Member is Actively at Work on that date. If the Member is not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

[59] [This Actively at Work requirement may be waived as described in Replacement of a Prior Plan in PART IV, Section G, Article 4 of this Group Policy.]

#### [60] /Article 2 - Effective Date for Noncontributory Insurance

/Unless Proof of Good Health is required (see Articles 4 and 5 below), insurance/[/Insurance] for which the Member contributes no part of premium will be in force on the date the Member is eligible./

#### [61] /Article 3 - Effective Date for Contributory Insurance

If a Member is to contribute a part of premium, insurance must be requested in a form provided by The Principal. Unless Proof of Good Health is required (see Articles 4 and 5 below), the requested insurance will be in force on:

- a. the date the Member is eligible, if the request is made on or before that date; or
- b. [the first of the Insurance Month coinciding with or next following] the date of the Member's request, if the request is made within 31 days after the date the Member is eligible.

If the request is made more than 31 days after the date the Member is eligible, Proof of Good Health will be required before insurance can be in force (see Articles 4 and 5 below)./

#### [62] /Article 4 - Effective Date When Proof of Good Health is Required

Insurance for which Proof of Good Health is required will be in force on the later of:

- a. the date insurance would have been effective if Proof of Good Health had not been required; or
- b. [the first of the Insurance Month coinciding with or next following] the date Proof of Good Health is approved by The Principal./

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

[62] ***/Article 5 - Proof of Good Health Requirements***

The type and form of required Proof of Good Health will be determined by The Principal. A Member must submit Proof of Good Health:

- a. If insurance for which a Member contributes a part of premium is requested more than 31 days after the date the Member is eligible.
- b. If a Member has failed to provide required Proof of Good Health or has been refused insurance under this Group Policy at any prior time.
- c. If a Member elects to terminate insurance and, more than 31 days later, requests to be insured again.
- [63] [d. If, on the date a Member becomes eligible, fewer than ten Members are insured.]
- [63] [e. If, on the date a Member becomes eligible for any increase or additional Benefit Payable amount, fewer than ten Members are insured.]
- [64] *[f. To make effective any Benefit Payable amount.]*
- [65] [g. If, after the date the Member is initially insured, he or she elects to increase benefits.]

**Article 6 - Effective Date for Benefit Changes Due to a Change in [Weekly Earnings]**

- [62] */Unless Proof of Good Health is required (see Articles 4 and 5 above), a/[A] change in Benefit Payable amount because of a change in the Member's [Weekly Earnings] will normally be effective on [the first of the Insurance Month coinciding with or next following] [the [January 1] that next follows] [the Policy Anniversary that next follows] the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.*

**Article 6A – Effective Date for Benefit Changes Due to a Change in Insurance Class**

- [62] */Unless Proof of Good Health is required (see Articles 4 and 5 above), a/[A] change in Benefit Payable amount because of a change in the Member's insurance class will normally be effective on [the first of the Insurance Month coinciding with or next following] [the [January 1] that next follows] [the Policy Anniversary that next follows] the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.*

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

**Article 7 - Effective Date for Benefit Changes - Change by Policy *Amendment***

[62] *[Unless Proof of Good Health is required (see Articles 4 and 5 above), a][A]* change in the amount of a Member's Benefit Payable because of a change in the Benefit Payable [elected by the Participating Unit] (as described in PART IV, Section B) by *amendment to* this Group Policy will be effective on the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.

**[Article 8 - Effective Date for Benefit Changes - Change in Benefits Made by The Principal**

A change in a Member's Benefit Payable because of a change made by The Principal will normally be effective on the *[Policyholder's]/[Participating Unit's]* Policy Anniversary (or as otherwise determined by The Principal). However if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.]

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## PART III – INDIVIDUAL REQUIREMENTS AND RIGHTS

### Section C - Member Termination, Continuation, and Reinstatement

#### Article 1 - Member Termination

A Member's insurance under this Group Policy will terminate on the earliest of:

- a. the date this Group Policy is terminated [, either in its entirety or for the Participating Unit]; or
- b. the [end of the Insurance Month for which] [date] the last premium is paid for the Member's Insurance; or
- c. [for contributory insurance,] [the end of any Insurance Month] [any date] [desired], if requested by the Member before that date; or
- d. the [end of the Insurance Month in which] [date] the Member ceases to be a Member as defined; or
- e. the [end of the Insurance Month in which] [date] the Member ceases to be in a class for which Member Insurance is provided; or
- f. the [end of the Insurance Month in which] [date] the Member ceases Active Work, except as provided by Articles 2, 3, 4, and 5 of this section.

Termination of insurance for any reason described above will not affect a Member's rights to benefits, if any, for a Disability that begins while the Member's insurance is in force under this Group Policy. A Member is considered to be continuously Disabled if he or she is Disabled from one condition and, while still Disabled from that condition, incurs another condition that causes Disability.

#### Article 2 – Member Continuation

A Member may qualify to have his or her insurance continued under one or more of the continuation articles below. If a Member qualifies for continuation under more than one article, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

#### [66] Article 3 – Member Continuation and Reinstatement – ~~/Sickness, Injury, or Pregnancy~~~~///Injury~~

If a Member ceases Active Work due to ~~/sickness, injury, or pregnancy,~~~~///Injury,~~ the Member's insurance can be continued subject to payment of premium, until the earliest of:

- a. the date insurance would otherwise terminate as provided in Article 1, items a. through e. above; or

## PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

b. the end of the Insurance Month in which the Member recovers; or

[67] c. the date [27 weeks] after Active Work ends.

[68] For a Member who establishes a Benefit Payment Period, his or her insurance will be reinstated if the Member returns to Active Work for the [Policyholder][or a][Participating Unit] within [six] months of the date the Benefit Payment Period ends. The Member's reinstated insurance will be in force on the date of return to Active Work.

[68] For a Member who does not qualify to have a Benefit Payment Period begin, insurance will be reinstated if he or she returns to Active Work for the [Policyholder][or a][Participating Unit] within [six] months of the date insurance ceased. The Member's reinstated insurance will be in force on the date of return to Active Work.

[62] /Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had the Member remained continuously insured./

[69] **Article 4 – Member Continuation and Reinstatement – Layoff, Leave of Absence, *for* *Labor Strike* or *Sabbatical***

If a Member ceases Active Work due to layoff[, ] *for* leave of absence, *for labor strike* his or her insurance can be continued, subject to premium payment, until the earlier of:

- a. the date insurance would otherwise terminate as provided in Article 1, items a. through e. above; or
- b. [the end of the Insurance Month in which Active Work ends][[three months] after [the end of the month in which] Active Work ends].

[If a Member ceases Active Work due to a sabbatical, his or her insurance can be continued, subject to premium payment, until the earlier of:

- a. the date insurance would otherwise terminate as provided in Article 1, items a. through e. above; or
- b. [one year] after [the end of the Insurance Month in which] Active Work ends.]

[68] A Member's insurance will be reinstated if he or she returns to Active Work for the [Policyholder][or a][Participating Unit] within [six] months of the date insurance ceased. The Member's reinstated insurance will be in force on the date of his or her return to Active Work.

A longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA).

### PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

[62] /Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had the Member remained continuously insured./

**Article 5 – Member Continuation and Reinstatement – Family and Medical Leave Act (FMLA)**

If a Member ceases Active Work due to an approved leave of absence under FMLA, the [Policyholder][or a][Participating Unit] may choose to continue the Member’s insurance, subject to premium payment, until the date 12 weeks after [the end of the Insurance Month in which] Active Work ends.

A Member’s terminated insurance may be reinstated in accordance with the provisions of the FMLA.

**PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS**

## PART IV – BENEFITS

### Section A - Benefit Qualification

#### Article 1 - Benefit Qualification

A Member will qualify for Disability benefits if all of the following apply:

- a. The Member is Disabled under the terms of this Group Policy.
- b. The Disability begins while he or she is insured under this Group Policy.
- c. The Disability is not subject to any Limitations listed in this PART IV, Section G.
- d. An Elimination Period is completed.
- e. A Benefit Payment Period is established.
- f. The Member is under the Regular and Appropriate Care of a Physician.
- g. The claim requirements listed in this PART IV, Section I are satisfied.

[70] [An Elimination Period will start on the date a Member becomes Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the/:

- a./ [first] day if the Disability *is a Disability* Due to Injury/; or
  - b. [eighth] day if the Disability is *a Disability* Due to Sickness/; or
  - c. first day of Hospitalization if the Member is Hospitalized for any Disability].
- 

[71] [An Elimination Period will start on the date a Member becomes Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the /later of:

- a./ [first] day if the Disability *is a Disability* Due to Injury/; or
  - b. [eighth] day if the Disability is *a Disability* Due to Sickness/; or
  - c. the date the Member's accumulated [sick leave] [personal time off] [salary continuance] [plus [15] [working] days] expire(s)].
- 

[72] [However, [if the Member's contract salary is issued on other than a 12 month basis,] a Benefit Payment Period will not begin until the first working day of the next academic school year if Disability begins during a summer vacation.]

[73] [NOTE: /No benefits will be payable during the summer vacation following the academic school year in which Disability begins.]

## PART IV – BENEFITS

[74]

*[No premiums are required during a Short Term Disability Benefit Payment Period.]*

**PART IV – BENEFITS**

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**Section B - Benefits Payable**

**Article 1 - If the Member is not working during a period of Disability**

[75] *[The Benefit Payable to a Member for each full week of a Benefit Payment Period will be the*  
[76] *Member's Primary Benefit [less Other Income Sources].]*

[77] *[The Benefit Payable to a Member for each full week of a Benefit Payment Period will be the lesser of:*

*a. The Member's Primary Benefit; or*

*b. [70%] of the Member's Predisability Earnings[, less Other Income Sources].]*

**[Article 2 - If the Member is working during a period of Disability**

[78] [The work incentive Benefit Payable to a Member for each full week of a Benefit Payment Period will be the lesser of:

[76]  
[78A] a. 100% of Predisability Earnings [less Other Income Sources], less Current Earnings from his or her [Own Occupation][Own Job] or any [occupation][job]; or

b. The Primary Benefit [less Other Income Sources]; or

[77] c. *[70%] of the Member's Predisability Earnings [less Other Income Sources].*

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[79] [The Benefit Payable to a Member for each full week of a Benefit Payment Period will be the lesser of:

[76] a. The Member's Primary Benefit [less Other Income Sources], multiplied by the Member's Income Loss Percentage; or

[76][78A] b. 100% of Predisability Earnings [less Other Income Sources], less Current Earnings from his or her [Own Occupation][Own Job] or any [occupation][job] [; or

[77] c. *[70%] of the Member's Predisability Earnings [less Other Income Sources].*

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[80] [The Benefit Payable to a Member for each full week of a Benefit Payment Period will be the Member's Primary Benefit [less Other Income Sources], less [50%] of Current Earnings from his or her [Own Occupation][Own Job] or any [occupation][job].

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**PART IV – BENEFITS**

[81] [The Member must work to his or her full medical and vocational capacity. If the Member chooses not to work to full capacity, benefits will be paid as if he or she was working to full capacity.]]

[82] *[If the Member is earning less than 20% of his or her Predisability Earnings, the Primary Monthly Benefit will be paid as if he or she is not working.]*

[83] **[Article 3 – Minimum Weekly Benefit**

*The* weekly Benefit Payable *will not* be [less than \$25] for each full week of a Benefit Payment Period, except that The Principal will have the right to reduce the Minimum Weekly Benefit by any prior benefit *overpayment*.]

#### **PART IV – BENEFITS**

## PART IV – BENEFITS

### [84] [Section C - Rehabilitation [Services and] Benefits

#### [Article 1 – Rehabilitation [Services and] Benefits

[85][86] While the Member is Disabled and covered under this Group Policy, he or she may qualify to participate in a [rehabilitation plan][Rehabilitation Plan] and receive Rehabilitation [Services and] Benefits. The Principal will work with the *Member and* others as appropriate, to develop an individualized [rehabilitation plan][Rehabilitation Plan] intended to assist the Member in returning to work.]

#### [87] [Article 2 – Rehabilitation Services

While the Member is Disabled under the terms of the Group Policy, he or she may qualify for Rehabilitation Services. If the Member, the [Policyholder][Participating Unit] and The Principal agree in Writing on a [rehabilitation plan][Rehabilitation Plan] in advance, The Principal may pay a portion of reasonable expenses. The goal of the plan will be to return the Member to work.

Any rehabilitation assistance must be approved in advance by The Principal and outlined in a [rehabilitation plan][Rehabilitation Plan]. The Benefit Payable as described in this PART IV, Section B, Article(s) 1[and 2], (subject to the terms and conditions of the section) will continue, unless modified by the [rehabilitation plan][Rehabilitation Plan]. Rehabilitation assistance may include, but is not limited to:

- [88] [a. Coordination of medical services;]
- [b. Vocational and employment assistance;]
- [c. Purchasing adaptive equipment;]
- [d. Business/financial planning;]
- [e. Retraining for a new occupation;]
- [f. Education expenses][.]

The Principal will periodically review the [rehabilitation plan][Rehabilitation Plan] and the Member's progress and The Principal will continue to pay for the agreed upon expenses as long as The Principal determines that the [rehabilitation plan][Rehabilitation Plan] is providing the necessary action to return the Member to work.

[89] [The Principal may require a Member to participate in an individualized Rehabilitation Plan at the expense of The Principal. If the Member refuses to participate in or does not comply with the Rehabilitation Plan, without good cause, all benefits will cease to be payable. As used in the section, "good cause" means a medical reason preventing implementation of the Rehabilitation Plan.]

## PART IV – BENEFITS

[90] **[Article 3 – Predisability Intervention Services**

Rehabilitation Services may be offered to a Member who has not yet become Disabled under the terms of this Group Policy, provided the Member has a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of his or her *[Own Occupation]**[Own Job].*

[91] **[Article 4 - Rehabilitation Incentive Benefit**

During a Benefit Payment Period, if the Member is participating in and fulfilling the requirements of the *[rehabilitation plan]**[Rehabilitation Plan]*, but is not yet working, he or she will be eligible for a *[5%]* increase in the Primary Benefit percentage as a Rehabilitation Incentive Benefit. Payment of the Rehabilitation Incentive Benefit will begin with the Benefit Payable amount that next follows implementation of the *[rehabilitation plan]**[Rehabilitation Plan]*. The Rehabilitation Incentive Benefit is not subject to the Maximum Weekly Benefit.

The Rehabilitation Incentive Benefit will terminate on the earliest of:

- a. the date the time frame established in the *[rehabilitation plan]**[Rehabilitation Plan]* has elapsed; or
- b. the date the Member fails to meet the goals and objectives established in the *[rehabilitation plan]**[Rehabilitation Plan]*; or
- c. the date benefits would otherwise terminate as provided in this PART IV, Section F, Article 1.]

[92] **[Article 5 - Reasonable Accommodation Benefit**

**a. Eligibility**

An employer or the Member may be eligible for a Reasonable Accommodation Benefit provided the Member would be able to return to work with Reasonable Accommodation of the work environment. This benefit must be approved by The Principal in Writing prior to implementation.

**PART IV – BENEFITS**

**b. Benefit**

[92A] The Principal will reimburse an employer or the Member for expenses incurred to modify the workplace to allow the Member to return to work, up to the actual expense, not to exceed [\$500] *[an amount equal to [one] week's Primary Benefit]* per Benefit Payment Period. Expenses may include the cost of tools, equipment, furniture, or any other changes to the work-site or environment that The Principal agrees will allow the Member to return to work. Any payment made for Reasonable Accommodation would be the difference between the cost and the amount paid or payable by third parties (including any amount paid under a policy of medical coverage).]

**PART IV – BENEFITS**

**PART IV – BENEFITS**

[93]

**[Section D - Survivor Benefit**

**Article 1- Survivor Benefit**

In the event a Benefit Payment Period ends because of the Member's death, a Survivor Benefit will be payable. This Survivor Benefit will be [three] times the Member's [Primary Benefit].

The Principal will pay the Survivor Benefit to a Member's spouse *[or domestic partner]*, child, parent, or estate as described in this PART IV, Section I, Claim Procedures.]

**PART IV – BENEFITS**

[94]

**[Section E - Weekly Payment Limit**

**Article 1 - Weekly Payment Limit**

In no event will the sum of the amounts payable for:

- a. Benefits Payable under this Part IV, Section B, Article(s) 1 [and][,][2][and 3]; and
- [94A] [b. Rehabilitation Incentive Benefit; and]
- [94B] [c. income from Other Income Sources; and]
- [d. Current Earnings from the Member's [Own Occupation][Own Job] or any [occupation][job]; and]
- [e. sick pay; and]
- [f. salary continuance payments; and]
- [g. vacation pay; and]
- [h. personal time off; and]
- [94C] [i. payments attributable to individual disability insurance policies];
- [94D] exceed [100%] of Predisability Earnings. In the event the Member's total income from all sources listed above exceeds [100%] of Predisability Earnings, the benefits under this Group Policy will be reduced by the amount in excess of [100%] of Predisability Earnings.]

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**Section E - Weekly Payment Limit**

## PART IV – BENEFITS

### Section F - Benefit Payment Period and Recurring Disability

#### Article 1 - Benefit Payment Period

[95] Benefits are payable *for a period of* [26 weeks] after the date the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

- a. the date of the Member's death; or
- b. the date Disability ends, unless a Recurring Disability exists as explained in this section; or
- c. the date the Member fails to provide any required proof of Disability; or
- d. the date the Member fails to submit to any required medical examination or evaluation as provided in this PART IV, Section I, Article 13; or
- e. the date the Member fails to report any required Current Earnings information; or
- [96] */f.* the date the Member fails to report income from Other Income Sources; or*/*
- g. the date ten days after receipt of notice from The Principal if the Member fails to pursue Social Security Benefits [or benefits under a Worker's Compensation Act or similar law], as outlined in PART IV, Section I, Article(s) 8[and 9]; or
- h. the date the Member ceases to be under the Regular and Appropriate Care of a Physician[; or
- [97] i. the date the Member performs any work for wage or profit; or]
- [98] [j. the date of the Member's retirement; or]
- [99] [k. the date the Member refuses to participate in or does not comply with a Rehabilitation Plan][; or]
- [100] [l. if a Disability is caused by, a complication of, or resulting from a Preexisting Condition as described in this PART IV, Section G, Article 2, *The Principal will pay a weekly benefit up to a maximum of [six weeks] while The Principal is conducting its Preexisting Condition investigation. Once the investigation is complete and if the Disability is deemed to be a Preexisting Condition, no further benefits will be payable. No benefits will be paid for a subsequent claim subject to a Preexisting Condition investigation for the same condition*].

#### Article 2 - Recurring Disability

A Recurring Disability will exist under this Group Policy if:

## PART IV – BENEFITS

- a. after completing an Elimination Period and during a Benefit Payment Period, a Member ceases to be Disabled; and
- [101] /b. the Member then returns to Active Work; and/
- [102] [c.] while insured under this Group Policy, but before completing [30] continuous days of Active Work, the Member is again Disabled; and
- [d.] the current Disability and the Disability for which the Elimination Period was completed result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability has not ended, except that no benefits will be payable for the time between Disabilities. The Member will not be required to complete a new Elimination Period and a new Benefit Payment Period will not be established. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. *The effective date of any salary increase received during return to Active Work as stated in Part III, Section B, Article [6] which would otherwise be effective, will not apply to any benefit payable under this Recurring Disability provision.*

#### **PART IV – BENEFITS**

## PART IV – BENEFITS

### Section G - Limitations

#### Article 1 - Limitations

No benefits will be paid for any Disability that:

- a. results from willful self-injury *or self-destruction*, while sane or insane; or
- b. results from war or act of war; or
- c. results from *voluntary* participation in an assault, *felony, criminal activity, insurrection, or riot*; or
- [103] *[d. is a new Disability that begins after a prior Benefit Payment Period has ended [or a claim for benefits has been denied] and the Member has not returned to Active Work; or]*
- [103] *[e. is a continuation of a Disability for which a Benefit Payment Period has ended [or a claim for benefits has been denied] and the Member has not returned to Active Work (except as provided for a Recurring Disability in this PART IV, Section F, Article 2); or]*
- [104] *[f. is caused by, a complication of, or resulting from a Preexisting Condition as described in this Group Policy [for a Member who becomes eligible for insurance after the Date of Issue of this Group Policy]; or]*
- [105] *[g. results from a sickness or injury arising out of or in the course of employment for wage or profit; or]*
- [106] *[h. results from normal pregnancy or childbirth, except that benefits will be paid if Disability results from Complications of Pregnancy; or]*
- [107] *[i. results from normal pregnancy or childbirth when the Disability begins prior to the date the Member has been Actively at Work for one full day after his or her coverage under this Group Policy has been in force for [12 consecutive months], except that benefits will be paid if the Disability results from Complications of Pregnancy] [or]*
- [108] [Complications of Pregnancy means a condition whose diagnosis is adversely affected or caused by pregnancy, such as:
  - (1) Acute nephritis or nephrosis;
  - (2) Cardiac decompensation;
  - (3) Missed abortion;
  - (4) Physician prescribed bed rest for intra-uterine growth retardation, funneling, incompetent cervix, and multiple births, or bed rest for a condition considered to be a Complication of Pregnancy;
  - (5) Termination of ectopic pregnancy;
  - (6) An extra-uterine pregnancy;

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- (7) A complication that requires intra-abdominal surgery after termination of pregnancy;
- (8) A miscarriage;
- (9) Placenta previa and placenta abruption;
- (10) Premature rupture of membranes;
- (11) Pernicious vomiting of pregnancy (hyperemesis gravidarum);
- (12) Toxemia (eclampsia or pre-eclampsia);
- (13) Puerperal infection; or
- (14) Similar medical and surgical conditions of comparable severity; or
- (15) Emergency Cesarean Section.

However, Complications of Pregnancy will not include:

- (1) Non-Emergency elective Cesarean Section;
- (2) False labor, occasional spotting, or morning sickness;
- (3) Physician prescribed rest during the period of pregnancy, not related to a condition considered a Complication of Pregnancy; or
- (4) Conditions of comparable severity associated with the management of a difficult pregnancy.]

[109] *[j. results from a sickness or pregnancy; or]*

[110] *[k. [results from [alcohol, drug or chemical abuse, dependency, or addiction,][or a][a][Mental Health Condition], except that a Member's maximum number of Benefits Payable for all such periods of Disability is limited to [52 weeks]. 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 all of these conditions, either separate or combined; or]*

[111] *[l. results from a cosmetic surgery or other elective procedures that are not medically necessary; or]*

*[109A] [m. results from disease, medical or surgical treatment of disease, or complications following the surgical treatment of disease; or]*

*[109A] [n. results from an injury that occurred when participating in flying, ballooning, parachuting, parasailing, bungee jumping, or other aeronautic activities[, except as a passenger [on a commercial aircraft] [or as a passenger] [or] [crew member] in a [Policyholder-owned] [or a] [Participating Unit-owned] or leased aircraft on company business]; or]*

*[109A] [o. results from duty as a member of a military organization; or]*

*[109A] [p. results from the use of alcohol if, at the time of the injury, the Member's alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*

## PART IV – BENEFITS

[109A] [q. results from the operation by the Member of a motor vehicle or motor boat if, at the time of the injury, the Member's alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]

[109A] [r. results from the use of any drug, narcotic, or hallucinogen not prescribed for the Member by a licensed Physician].

[112] **[Article 2 - Preexisting Conditions [Exclusion] [Limitation] for Initial Coverage**

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which a Member:

- a. received medical treatment, consultation, care, or services; or
- b. was prescribed or took prescription medications; [or
- [113] c. had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care, or treatment;]

[114] in the [three month] period before he or she became insured under this Group Policy.

[115] [No benefits will be paid for a Disability] [115A - Benefits will not continue beyond the date [six weeks] following the date of Disability for a Disability] that results from a Preexisting Condition unless, on the date the Member becomes Disabled, he or she has been Actively At Work for one full day after completing [the earlier of:

[116] a. [six consecutive months] during which the Member was insured under this Group Policy, during which the Member received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition; or

[117] b.] [12 consecutive months] during which the Member was insured under this Group Policy.]

[112] **[Article 3 - Preexisting Conditions [Exclusion] [Limitation] for Benefit Increases**

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which a Member:

- a. received medical treatment, consultation, care, or services; or
- b. was prescribed or took prescription medications; [or
- [113] c. had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care, or treatment;]

[114] in the [three month] period prior to an increase in benefits or change in the Group Policy[,  
[118] including increases in benefits due to a change in [Weekly Earnings] of [25%] or greater].

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[115] [The benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable for the duration of a Disability that] [115A - The increase in benefits or change in the Group Policy provisions will not continue beyond the date [six weeks] following the effective date of the increase in benefits or change in the Group Policy provisions for a Disability that]:

a. results from a Preexisting Condition; and

[117] b. begins within [12 months] after the effective date of the increase in benefits or change in the Group Policy provisions.

[115] [Thereafter, the benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable during the duration of the Disability.]

[116] [The increase in benefits or change in the Group Policy provisions will be payable if the Member received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition in the [six consecutive months] following the effective date of the increase in benefits or change in the Group Policy provisions. The Member must be Actively at Work for one full day following this [six consecutive month] period.]]

[119] **[Article 4 - Replacement of a Prior Plan**

**a. Applicability**

When insurance under this Group Policy replaces coverage under a Prior Plan, this Article may apply to a Member who is eligible and enrolled under this Group Policy, and[:

(1)] is not Actively at Work when his or her coverage would otherwise become effective[,  
or

[112] (2) becomes Disabled due to a Preexisting Condition].

**b. Benefit Eligibility**

A Member will qualify for the benefit provided by this article if all of the following apply:

(1) The Member had *disability* coverage under a Prior Plan, which terminated on the date immediately preceding the date the Member became eligible under this Group Policy.

(2) The Member is not receiving any benefits under the Prior Plan but would have been entitled to benefits had the Prior Plan remained in force.

[112] (3) No provision other than the Actively at Work [or the Preexisting Condition] provision(s) would prohibit benefits being paid to the Member under this Group Policy.

**c. Benefits Payable**

The benefits payable, if any, under this article, will be the lesser of the benefits *and plan provisions* of this Group Policy or the benefits *and plan provisions* that would have been paid under the Prior Plan had it remained in force, *including any benefits for a recurring claim*. No benefits will be paid for:

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- (1) any Disability that occurs before the [Date of Issue of this Group Policy] [date the entity becomes a Participating Unit]; or
- (2) any Disability for which benefits would have been paid under the Prior Plan in the absence of this *section*.]

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## **PART IV – BENEFITS**

[120]

### **[Section H - Subrogation and Reimbursement**

#### **Article 1 – Applicability**

Where allowed by law, this section will apply to Members who:

- a. receive benefit payments under this Group Policy as the result of a Disability; and
- b. have a lawful claim against another party, parties, or insurer (including uninsured, underinsured, and no-fault automobile insurers) for compensation, damages, or other payment because of that same Disability.

The Principal will have the right of first reimbursement from any recovery a Member receives even if the Member has not been made whole.

#### **Article 2 - Transfer of Rights**

When applicable, the rights of the Member to claim or receive compensation, damages, or other payments from the other party or parties will be transferred to The Principal, but only to the extent of benefit payments made under this Group Policy.

#### **Article 3 - Member Obligations**

To secure the rights of The Principal, the Member must:

- a. Complete any applications or other instruments and provide any documents The Principal might require, and cooperate with The Principal and its agents in order to protect the subrogation rights of The Principal.
- b. Reimburse The Principal for benefit payments made under this Group Policy (but not more than the amount paid by the other party or parties), if payment from the other party or parties has been received.
- c. Not take any action that prejudices the rights of The Principal. If the Member enters into litigation or settlement negotiations regarding the obligations of other parties, the Member must not prejudice, in any way, the subrogation rights of The Principal.

The costs of legal representation retained by The Principal in matters related to subrogation will be borne solely by The Principal. The costs of legal representation retained by the Member will be borne solely by the Member.]

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### **Section I - Claim Procedures**

#### **Article 1 - Notice of Claim**

Written notice must be sent to The Principal by or for a Member who wishes to file claim for benefits under this Group Policy. This notice must be sent within 20 days after the date of loss for which claim is being made. *If it is not possible to give proof within 20 days, it must be given no later than one year after the time proof is required except in the absence of legal capacity.*

#### **Article 2 - Claim Forms**

The Principal, when it receives notice of claim, will provide appropriate claim forms for filing proof of Disability. If the forms are not provided within 15 days after The Principal receives notice of claim, the person will be considered to have complied with the requirements of the Group Policy regarding proof of Disability upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character, and extent of the loss.

#### **Article 3 - Proof of Disability**

Written proof that Disability exists and has been continuous must be sent to The Principal within 90 days after the date a Member completes an Elimination Period. Proof required includes the date, nature, and extent of loss. Further proof that Disability has not ended must be sent when requested by The Principal. The Principal may request additional information to substantiate loss or require a Signed unaltered authorization to obtain that information from the provider. The Principal reserves the right to determine when these conditions are met. Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when Elimination Period has been completed and the appropriate claim form is received by The Principal.

#### ***Article 3A – Documentation of Loss***

*The Principal must receive satisfactory Written proof of loss. Until The Principal receives the proof of loss requested, benefits will not be paid. Proof of loss may include:*

- a. Any requested claim form including claim forms from the Member or his or her Physician.*
- b. Documentation that the Member is under Regular and Appropriate Care by a Physician.*
- c. Copies of medical records, test results and/or Physician's progress notes.*

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- d. *Occupation information, such as documentation of work duties and activities. This may include the Member's job description or appointment calendar.*
- e. *Independent medical examination(s) (see Examinations and Evaluations in Article [13] below).*
- f. *A Written authorization, signed by the Member, on a form supplied by The Principal, to obtain records and information needed to determine the Member's eligibility for benefits.*
- g. *Other proof of loss as required by The Principal.*

### ***Article 3B – Earnings Documentation***

*The Principal may require proof to determine the Member's Predisability Earnings [and Current Earnings]. A company representative has the right to examine the Member's financial and business records, including his or her Federal income tax returns and supporting documentation, as often as The Principal may require.*

### ***Article 3C - Investigation of Member's Claim***

*The Principal may conduct an investigation of the Member's claim at any time, which may include a personal interview with a company representative and/or an examination under oath. Benefits may not be payable until The Principal has had a reasonable time to conduct an investigation of the Member's claim and determines benefits are payable.*

*Any costs involved in submission of proof of loss or earnings documentation are the Member's responsibility to pay, except for costs incurred by The Principal for items c. and e. in Article 3A above or personal interview or financial examination.*

*Once the Member's claim is approved, no benefits will be continued beyond the end of the period for which the Member has provided The Principal with satisfactory proof of loss. The Principal will require the Member to provide additional documentation of his or her claim, at the Member's expense, at reasonable intervals while the Member is claiming Disability.*

### **[Article 4 - Proof of Disability while outside the United States**

If during a period of Disability, the Member is residing or staying outside the United States, the following will apply:

- a. Any evidence the Member submits for his or her claim will be required to be translated by the U.S. Embassy and contain the U.S. Embassy seal.
- b. The Member may be required to return to the United States at a frequency The Principal deems necessary to substantiate his or her claim for Disability. All expenses incurred by the Member for returning to the United States will be his or her responsibility.

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- c. The Member must notify The Principal in advance of any return to the United States and his or her change of address.

Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by The Principal.

*In administering the benefits provided under this Group Policy, all Predisability Earnings [and Current Earnings] will be expressed in U.S. dollars and all premium and benefit amounts must be paid in U.S. dollars.]*

#### **Article [5] - Payment, Denial and Review**

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, The Principal will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed up to 45 days to provide all additional information requested. The Principal is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to the claimant regarding the extension.

In actual practice, benefits under this Group Policy will be payable sooner, provided The Principal received complete and proper proof of Disability. Further, if a claim is not payable or cannot be processed, The Principal will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by Written request to The Principal within 180 days of receipt of notice of the denial. The Principal will make a full and fair review of the claim. The Principal may require additional information to make the review. The Principal will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because The Principal did not receive the requested additional information, The Principal is permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, “claimant” means Member.

#### **Article [6] - Report of Payments from Other Income Sources**

When asked, a Member must give The Principal:

- a. a report of all payments from Other Income Sources; and
- b. proof of application for all such income for which the Member [and the Member's Dependents] [is][are] eligible; and

### **PART IV - BENEFITS**

- c. proof that any application for such income has been rejected.

### **Article [7] - Lump Sum Payments from Other Income Sources**

If any income from Other Income Sources is payable in a lump sum (except as described below), the lump sum will be deemed to be paid in weekly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated weekly over the expected life span of the Member. The Principal will determine the expected life span.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the weekly amount which:
  - (1) is provided by the standard annuity option under the plan as identified by the *[Policyholder][Participating Unit]*; or
  - (2) is prorated under a standard annuity table over the expected life span of the Member (if the plan does not have a standard annuity option);
- b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or a settlement) will be deemed to be paid weekly:
  - (1) at the rate stated in the award or settlement; or
  - (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or
  - (3) at the maximum rate set by the law ( if no rate is stated and the Member did not receive a periodic award)[.][:;]
- [c. a salary continuance or sick leave program for Members whose annual contract salary is issued on a 12 month basis will be deemed to be paid in a weekly amount which is equal to (1/52) of the Member's annual contract salary in effect prior to the date Disability begins.]

### **Article [8] - Social Security Estimates**

Until exact amounts are known, The Principal may estimate the Social Security benefits for which a Member and his or her Dependents are eligible and may include those estimates in the Member's Other Income Sources.

If it is reasonable that the Member would be entitled to disability benefits under the Federal Social Security Act, The Principal will require that the Member:

- a. apply for disability benefits within ten days after receipt of Written notice from The Principal requesting the Member to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from The Principal that the Member has applied for these benefits within the ten-day period; and

## **PART IV - BENEFITS**

- c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial of reconsideration if an appeal appears reasonable.

[121] **[Article [9] – *[Workers’ Compensation] [or] [Other Disability Coverage]* Estimates**

Until exact amounts are known, The Principal may estimate the *[Workers’ Compensation benefits] [or] [other disability coverage that provides benefits for loss of time from work that are attributable to employer contributions in whole or in part or makes payroll deductions]* for which a Member is eligible and may include those estimates in the Member's Other Income Sources.

If it is reasonable that the Member would be entitled to benefits under *[a Workers’ Compensation Act or a similar law] [or] [other disability coverage]*, The Principal will require that the Member:

- a. apply for benefits within ten days after receipt of Written notice from The Principal requesting the Member to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from The Principal that the Member has applied for these benefits within the ten-day period.]

**Article [10] - Payments For Less Than a Full Week**

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full week will be the weekly benefit divided by [seven].

**Article [11] - Right to Recover Overpayments**

If an overpayment of benefits occurs under this Group Policy, The Principal will have the option to:

- a. reduce or withhold any future benefits The Principal determines to be due, including the Minimum Weekly Benefit; or
- b. recover the overpayment directly from the Member; or
- c. take any other legal action.

**Article [12] - Facility of Payment**

Benefits under this Group Policy will be payable at the end of each week of a Benefit Payment Period, provided complete and proper Proof of Disability has been received by The Principal. The Principal will have the option to issue Benefits Payable in a lump sum amount.

Any unpaid balance that remains after a Benefit Payment Period ceases will be immediately payable.

**PART IV - BENEFITS**

The Principal will normally pay benefits directly to the Member. However, in the special instances listed below, payment will be as indicated. All payments so made will discharge The Principal to the full extent of those payments.

- a. If payment amounts remain due upon a Member's death, those amounts may, at the option of The Principal, be paid to the Member's spouse *[or domestic partner]*, child, parent, or estate.
- b. If The Principal believes a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, The Principal may pay whoever has assumed the care and support of the *person*.

#### **Article [13] - *Examinations* and Evaluations**

The Principal *has the right to* require a *Member to undergo medical evaluations, functional capacity evaluations, vocational evaluations, and or psychiatric evaluations* during the course of a claim. *The examinations or evaluations will be performed by a Physician or evaluator The Principal chooses as appropriate for the condition and will be conducted at the time, place and frequency The Principal reasonably requires.* The Principal will pay for these examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for suspension or denial of the Member's benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of the Member's benefits. If the Member fails to attend an examination or an evaluation, any charges incurred for not attending an appointment as scheduled may be his or her responsibility.

#### **Article [14] - Legal Action**

Legal action to recover benefits under this Group Policy may not be started earlier than 90 days after required Proof of Disability has been filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

#### **Article [15] - Time Limits**

Any time limits listed in this section will be adjusted as required by law.

## **PART IV - BENEFITS**

## **PART V - PARTICIPATING UNIT PROVISIONS**

### **Section A - Eligible Participating Unit**

- [122] [Any entity that is an affiliate or subsidiary of the Policyholder may become a Participating Unit under this Group Policy, provided such affiliate or subsidiary is related to the Policyholder through common control or ownership.]
- [123] [Any entity that subscribes to the trust which is the Policyholder, that is accepted by The Principal as a Participating Unit, and that performs the duties of a Participating Unit specified in this Group Policy.]

### **Section B - Participating Unit**

A Participating Unit is any Eligible Unit listed in this PART V, on the Date of Issue of this Group Policy or so listed later by amendment or endorsement to this Group Policy; or identified to this Group Policy by The Principal.

The Participating Unit must:

- a. apply for coverage under this Group Policy; and
  - [124] [b. employ [three] or more insured employees; and]
  - c. pay all premiums required for insurance on its eligible Members and maintain the contribution level as described in PART II, Section A; and
  - d. fulfill the employee participation requirements as described in PART II, Section A.
- [123] [In addition, the Participating Unit's application must be accepted and approved by the Policyholder and The Principal.]

An entity will become a Participating Unit on:

- a. the Date of Issue of this Group Policy, if eligible on that date; or
- b. the date the entity is eligible to become a Participating Unit, if after the Date of Issue of this Group Policy.

### **Section C - Member Insurance**

Insurance eligibility dates, effective dates, and termination dates for a Participating Unit's Members will be determined as outlined in PART III of this Group Policy.

**Section D - Administration**

Each Participating Unit will be bound by the terms of this Group Policy. A Participating Unit may not change or terminate the Group Policy.

[122] **[Section E - Termination**

An entity will cease to be a Participating Unit on the earliest of:

- a. the date it is no longer an Eligible Participating Unit; or
- b. the date it suspends business, or is dissolved, or is merged; or
- c. the date it is removed from the Group Policy by amendment or endorsement.

All insurance for a Participating Unit's Members will terminate on the date the entity ceases to be a Participating Unit. The rights of all such Members will be determined as if this Group Policy had terminated on that date. The Participating Unit must advise all Members of the date of termination. The Participating Unit must refund or otherwise account for all Member contributions not used to pay premiums.]

[123] **[Section E - Termination**

An entity will cease to be a Participating Unit as outlined in PART II, Section C of this Group Policy.

All insurance for a Participating Unit's Members will terminate on the date the entity ceases to be a Participating Unit. The rights of all such Members will be determined as if the Group Policy had terminated on that date. The Participating Unit must advise all Members of the date of termination. The Participating Unit must refund or otherwise account for all Member contributions not used to pay premiums.]

**/Section F - List of Participating Units**

**Unit Name**

**Effective Date**

[Jane Doe Company

[May 1, 2001]/

Your *Group Short Term Disability Insurance* has been designed to provide financial help for you when a covered loss occurs. This plan has chosen benefits provided by a Group Policy issued by Us, Principal Life Insurance Company. To the extent that benefits are provided by that Group Policy, the administration and payment of claims will be done by Us as an insurer.

Members rights and benefits are determined by the provisions of the Group Policy. This booklet briefly describes those rights and benefits. It outlines what you must do to be insured. It explains how to file claims. It is your certificate while you are insured.

[The effective date of your insurance is as shown on your enrollment *form*.]

THIS BOOKLET REPLACES ANY PRIOR BOOKLET THAT YOU MAY HAVE RECEIVED. If you have any questions about this new booklet, please contact your employer. In the event of future plan changes, you will be provided with a new booklet-certificate or a booklet-certificate rider.

If you have an electronic booklet, paper copies of this booklet-certificate are also available. Please contact your employer if you would like to request a paper copy.

PLEASE READ YOUR BOOKLET CAREFULLY. We suggest that you start with a review of the terms listed in the DEFINITIONS Section (at the back of the booklet). The meanings of these terms will help you understand the insurance.

***[THE GROUP POLICY PROVIDES COVERAGE ONLY FOR DISABILITY DUE TO INJURY.]***

The group insurance policy and your coverage under the Group Policy may be discontinued or altered by the [Policyholder][*Employer*] or Us at any time without your consent.

*In administering the benefits provided under the Group Policy, all Predisability Earnings [and Current Earnings] will be expressed in U.S. dollars and all premium and benefit amounts must be paid in U.S. dollars.*

We *reserve discretion* to construe or interpret the provisions of *the Group Policy*, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. Our decisions in such matters will be controlling, binding, and final as between Us and the persons covered by this group insurance, subject to the Claims Procedures shown on page GH 866 of this booklet.

The insurance provided in this booklet is subject to the laws of the state of Arkansas.

PRINCIPAL LIFE INSURANCE COMPANY  
Des Moines, IA 50392-0002

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## SHORT TERM DISABILITY INSURANCE SUMMARY

Minimum Hours Requirement	Employees must be working [an average of] at least [ <i>30</i> ] hours a week]
Who Pays for the Coverage	You [ <i>are</i> ] [not] [ <i>may be</i> ] required to pay [a part of] the [entire] premium for insurance under the Group Policy.
Elimination Period	A Benefit Payment Period will begin on the [later of]:  [First] day for Disability Due to Injury  <i>[/Eighth] day for Disability Due to Sickness/</i>  [The date accumulated [sick leave][personal time off] [plus [15] [working] days] expire(s)]
[Benefits will begin on the earlier of completion of an Elimination Period or on the first day of Hospitalization if you are Hospitalized for any Disability]	
Primary Benefit	[[60%] of your Predisability Earnings] [\$300][not to exceed [66 2/3%] of your Predisability Earnings] <i>[An amount in increments of [\$25] between a minimum of [\$200] and a maximum of [\$1,500] as applied for by you and approved by Us.]</i>
[Maximum Weekly Benefit]	[\$1500] <i>[The lesser of [\$1,500] or [60%] of Predisability Earnings]</i>
[Minimum Weekly Benefit]	[\$15]
Maximum Benefit Payment Period	[13] weeks
[Rehabilitation [Services and] Benefits]	
[Rehabilitation Services]	[Included]
[Predisability Intervention Services]	[Included]
[Rehabilitation Incentive Benefit]	[5%]
[Reasonable Accommodation Benefit]	[\$500]
[Other Coverage Features]	
[Work Incentive Benefit]	[Included]
[Proportionate Benefit if Working]	[Included]
[Survivor Benefit]	[3 times Primary Benefit]
<p><b>NOTE:</b> <i>[No premiums are required during a Short Term Disability Benefit Payment Period.]</i></p> <p>Benefits may be reduced by other sources of income and disability earnings.</p> <p>Some disabilities may not be covered or may be limited under this insurance.</p>	

This summary provides only highlights of the Group Policy. The entire Group Policy determines all rights, benefits, exclusions and limitations of the insurance described above.

## HOW TO BE INSURED SHORT TERM DISABILITY INSURANCE

### Eligibility and Individual Incontestability

#### Eligibility

You will be eligible for insurance on the later of:

- /a.* [July 1, 2002], if you are a Member on that date [; or
- b.* [the first of the Insurance Month coinciding with or next following] the date you [complete [30] calendar days] of employment with the [Policyholder][*Employer*] as a Member][become a Member as described in this *booklet*.]

#### *Individual Incontestability*

All statements made by any person insured will be representations and not warranties. In the absence of fraud, these statements may not be used to contest the insured person's coverage unless:

- a. the insurance has been in force for less than two years during the insured person's lifetime; and
- b. the statement is in Written form Signed by the insured person; and
- c. a copy of the form which contains the statement is given to the insured person or the insured person's beneficiary at the time insurance is contested.

However, the above will not preclude the assertion at any time of defenses based upon the person's not being eligible for insurance under the Group Policy or upon other provisions of the Group Policy.

In addition, if a person's age is misstated, We may, at any time, adjust premiums and benefits to reflect the correct age.

We may, at any time, terminate a Member's eligibility under the Group Policy, in Writing and with [31] day notice:

- a. if the individual submits any claim that contains false or fraudulent elements under state or federal law;
- b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;
- c. when a Member has submitted a claim which, in good faith judgment and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

## **HOW TO BE INSURED SHORT TERM DISABILITY INSURANCE**

### **Effective Dates**

#### **Actively at Work**

Your effective date for Short Term Disability Insurance will be as explained in this booklet, if you are Actively at Work on that date. If you are not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

#### **/Effective Date for Noncontributory Insurance**

*[Unless Proof of Good Health is required, insurance]* *[Insurance]* for which you contribute no part of premium will be in force on the date you are eligible.]

#### **/Effective Date for Contributory Insurance**

If you are to contribute a part of premium, insurance must be requested in a form provided by Us. Unless Proof of Good Health is required, the requested insurance will be in force on:

- a. the date you are eligible, if the request is made on or before that date; or
- b. [the first of the Insurance Month coinciding with or next following] the date of your request, if the request is made within 31 days after the date you are eligible.

If the request is made more than 31 days after the date you are eligible, Proof of Good Health will be required before insurance can be in force.]

#### **/Effective Date When Proof of Good Health is Required**

Insurance for which Proof of Good Health is required will be in force on the later of:

- a. the date insurance would have been effective if Proof of Good Health had not been required; or
- b. [the first of the Insurance Month coinciding with or next following] the date Proof of Good Health is approved by Us.]

#### **/Proof of Good Health Requirements**

The type and form of required Proof of Good Health will be determined by Us. You must submit Proof of Good Health:

- a. If insurance for which you contribute a part of premium is requested more than 31 days after the date you are eligible.
- b. If you have failed to provide required Proof of Good Health or have been refused insurance under the Group Policy at any prior time.

- c. If you elect to terminate insurance and, more than 31 days later, request to be insured again.
- [d. If, on the date you become eligible, fewer than ten Members are insured.]
- [e. If, on the date you become eligible for any increase or additional Benefit Payable amount, fewer than ten Members are insured.]
- [f. To make effective any Benefit Payable amount.]*
- [g. If, after the date you are initially insured, you elect to increase benefits.]

#### **Effective Date for Benefit Changes Due to a Change in [Weekly Earnings]**

*[Unless Proof of Good Health is required (see above), a][A]* change in Benefit Payable amount because of a change in your [Weekly Earnings] will normally be effective on [the first of the Insurance Month coinciding with or next following][the [January 1] that next follows][the Policy Anniversary that next follows] the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

#### **Effective Date for Benefit Changes Due to a Change in Insurance Class**

*[Unless Proof of Good Health is required (see above), a][A]* change in Benefit Payable amount because of a change in your insurance class will normally be effective on [the first of the Insurance Month coinciding with or next following][the [January 1] that next follows][the Policy Anniversary that next follows] the date of the change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

#### **Effective Date for Benefit Changes - Change by Policy *Amendment***

*[Unless Proof of Good Health is required (see above), a][A]* change in the amount of your Benefit Payable because of a change in the Benefit Payable by *amendment to* the Group Policy will be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

## HOW TO BE INSURED SHORT TERM DISABILITY INSURANCE

### Termination, Continuation, and Reinstatement

#### Termination of Insurance

Your insurance will terminate on the earliest of:

- a. the date the Group Policy is terminated; or
- b. the [end of the Insurance Month for which] [date] the last premium is paid for your insurance; or
- c. [for contributory insurance,] [the end of any Insurance Month] [any date] [desired], if requested by you before that date; or
- d. the [end of the Insurance Month in which] [date] you cease to be a Member as defined; or
- e. the [end of the Insurance Month in which] [date] you cease to be in a class for which Member Insurance is provided; or
- f. the [end of the Insurance Month in which] [date] you cease Active Work except as provided below.

Termination of insurance for any reason described above will not affect your rights to benefits, if any, for a Disability that begins while your insurance is in force under the Group Policy. You are considered to be continuously Disabled if you are Disabled from one condition and, while still Disabled from that condition, incur another condition that causes Disability.

#### Continuation

You may qualify to have your insurance continued under one or more of the continuation provisions below. If you qualify for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

#### Continuation and Reinstatement – */Sickness, Injury, or Pregnancy//Injury/*

If you cease Active Work due to */sickness, injury, or pregnancy, //Injury, /* your insurance can be continued subject to payment of premium, until the earliest of:

- a. the date insurance would otherwise terminate as provided in items a. through e. above; or
- b. the end of the Insurance Month in which you recover; or
- c. the date [27 weeks] after Active Work ends.

If a Benefit Payment Period is established, your insurance will be reinstated if you return to Active Work for the */Policyholder//Employer/* within *[six]* months of the date the Benefit

Payment Period ends. Your reinstated insurance will be in force on the date of return to Active Work.

If you do not qualify to have a Benefit Payment Period begin, insurance will be reinstated if you return to Active Work for the *[Policyholder][Employer]* within *[six]* months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

*[Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.]*

**Continuation and Reinstatement – Layoff, Leave of Absence, *[or][Labor Strike]* *[or][Sabbatical]***

If you cease Active Work due to layoff *[,]* *[or]* leave of absence *[or labor strike]* *[,]* your insurance can be continued, subject to premium payment, until the earlier of:

- a. the date insurance would otherwise terminate as provided in items a. through e. above; or
- b. *[the end of the Insurance Month in which Active Work ends][[three months] after [the end of the month in which] Active Work ends].*

*[If you cease Active Work due to a sabbatical, your insurance can be continued, subject to premium payment, until the earlier of:*

- a. the date insurance would otherwise terminate as provided in items a. through e. above; or
- b. *[one year] after[the end of the Insurance Month in which] Active Work ends.]*

Your insurance will be reinstated if you return to Active Work for the *[Policyholder][Employer]* within *[six]* months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

A longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA).

*[Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.]*

**Continuation and Reinstatement – Family and Medical Leave Act (FMLA)**

If you cease Active Work due to an approved leave of absence under FMLA, the *[Policyholder][Employer]* may choose to continue your insurance, subject to premium payment, until the date 12 weeks after *[the end of the Insurance Month in which] Active Work ends.*

Your terminated insurance may be reinstated in accordance with the provisions of FMLA.

## DESCRIPTION OF BENEFITS

### Benefit Qualification

You will qualify for Disability benefits, if all of the following apply:

- a. You are Disabled under the terms of the Group Policy.
- b. Your Disability begins while you are insured under the Group Policy.
- c. Your Disability is not subject to any of the Limitations listed in this booklet.
- d. An Elimination Period is completed.
- e. A Benefit Payment Period is established.
- f. You are under the Regular and Appropriate Care of a Physician.
- g. The claim requirements listed in the Claim Procedures Section are satisfied.

[An Elimination Period will start on the date you become Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the/:

- a. / [first] day if the Disability is *a Disability* Due to Injury/; or
- b. [eighth] day if the Disability is *a Disability* Due to Sickness/; or
- c. first day of Hospitalization if you are Hospitalized for any *Disability*].

---

[An Elimination Period will start on the date you become Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the /later of:

- a.] [first] day if the Disability is *a Disability* Due to Injury/; or
- b. [eighth] day if the Disability is *a Disability* Due to Sickness/; or
- c. the date your accumulated [sick leave][personal time off][salary continuance] [plus [15] [working] days] expire(s)].

---

[However, [if your contract salary is issued on other than a 12 month basis,] a Benefit Payment Period will not begin until the first working day of the next academic school year if Disability begins during a summer vacation.]

[NOTE: No benefits will be payable during the summer vacation immediately following the academic school year in which Disability begins.]

[No premiums are required during a Short Term Disability Benefit Payment Period.]

## DESCRIPTION OF BENEFITS

### Benefits Payable

#### **[If you are not working during a period of Disability**

[Your Benefit Payable for each full week of a Benefit Payment Period will be your Primary Benefit [less Other Income Sources].]

*[Your Benefit Payable each full week of a Benefit Payment Period will be the lesser of:*

- a. The Primary Benefit; or*
- b. [70%] of Predisability Earnings[, less Other Income Sources].]*

#### **[If you are working during a period of Disability**

[Your work incentive Benefit Payable for each full week of a Benefit Payment Period will be the lesser of:

- a. 100% of Predisability Earnings [less Other Income Sources] less Current Earnings from your [Own Occupation][Own Job] or any [occupation][job]; or
- b. The Primary Benefit less Other Income Sources][.];*or*
- c. *[70%] of Predisability Earnings [less Other Income Sources].]*

---

[Your Benefit Payable for each full week of a Benefit Payment Period will be the lesser of:

- a. Your Primary Benefit [less Other Income Sources], multiplied by your Income Loss Percentage; or
- b. 100% of Predisability Earnings [less Other Income Sources], less Current Earnings from your [Own Occupation][Own Job] or any [occupation][job]][.];*or*
- c. *[70%] of Predisability Earnings [less Other Income Sources].]*

---

[Your Benefit Payable for each full week of a Benefit Payment Period will be your Primary Benefit [less Other Income Sources], less [50%] of Current Earnings from your [Own Occupation][Own Job] or any [occupation][job].

---

[You must work to your full medical and vocational capacity. If you choose not to work to full capacity, benefits will be paid as if you are working to full capacity.]

*[If you are earning less than 20% of your Predisability Earnings, the Primary Benefit will be paid as if you are not working.]*

**[Minimum Weekly Benefit**

*The* weekly Benefit Payable *will not* be [less than \$25] for each full week of a Benefit Payment Period, except that We will have the right to reduce the Minimum Weekly Benefit by any prior benefit *overpayment*.]

## DESCRIPTION OF BENEFITS

### [Rehabilitation [Services and] Benefits

#### [Rehabilitation [Services and] Benefits

While you are Disabled and covered under the Group Policy, you may qualify to participate in a [rehabilitation plan][Rehabilitation Plan] and receive Rehabilitation [Services and] Benefits. We will work with *you and* others as appropriate, to develop an individualized [rehabilitation plan][Rehabilitation Plan] intended to assist you in returning to *work.*

#### *[Rehabilitation Services*

While you are Disabled under the terms of the Group Policy, you may qualify for Rehabilitation Services. If you, the [Policyholder][Employer] and *We* agree in Writing on a [rehabilitation plan][Rehabilitation Plan] in advance, We may pay a portion of reasonable expenses. The goal of the plan will be to return you to work.

Any rehabilitation assistance must be approved in advance by *Us* and outlined in a [rehabilitation plan][Rehabilitation Plan]. The Benefit Payable as described in the booklet (subject to the terms and conditions of the Group Policy) will continue, unless modified by the [rehabilitation plan][Rehabilitation Plan]. Rehabilitation assistance may include, but is not limited to:

- [a. Coordination of medical services;]
- [b. Vocational and employment assessment;]
- [c. Purchasing adaptive equipment;]
- [d. Business/financial planning;]
- [e. Retraining for a new occupation;]
- [f. Education expenses][.]

We will periodically review the [rehabilitation plan][Rehabilitation Plan] and your progress and We will continue to pay for the agreed upon expenses as long as We determine that the [rehabilitation plan][Rehabilitation Plan] is providing the necessary action to return you to work.]

[We may require you to participate in an individualized Rehabilitation Plan at Our expense. If you refuse to participate in or do not comply with the Rehabilitation Plan without good cause, all benefits will cease to be payable. As used in this section, “good cause” means a medical reason preventing implementation of the Rehabilitation Plan.]

#### [Predisability Intervention Services

Rehabilitation Services may be offered if you have not yet become Disabled under the terms of the Group Policy, provided you have a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of your [*Own Occupation*][*Own Job*].]

## **[Rehabilitation Incentive Benefit**

During a Benefit Payment Period, if you are participating in and fulfilling the requirements of the [rehabilitation plan][Rehabilitation Plan], but are not yet working, you will be eligible for a [5%] increase in the Primary Benefit percentage as a Rehabilitation Incentive Benefit. Payment of the Rehabilitation Incentive Benefit will begin with the Benefit Payable amount that next follows implementation of the [rehabilitation plan][Rehabilitation Plan]. The Rehabilitation Incentive Benefit is not subject to the Maximum Weekly Benefit.

The Rehabilitation Incentive Benefit will terminate on the earliest of:

- a. the date the time frame established in the [rehabilitation plan][Rehabilitation Plan] has elapsed; or
- b. the date you fail to meet the goals and objectives established in the [rehabilitation plan][Rehabilitation Plan]; or
- c. the date benefits would otherwise terminate as provided in this booklet.]

## **[Reasonable Accommodation Benefit**

### **Eligibility**

You or an employer may be eligible for a Reasonable Accommodation Benefit provided you would be able to return to work with Reasonable Accommodation of the work environment. This benefit must be approved by *Us* in Writing prior to implementation.

### **Benefit**

We will reimburse you or an employer for expenses incurred to modify the workplace to allow you to return to work, up to the actual expense, not to exceed [\$500] *[an amount equal to [one] week's Primary Benefit]* per Benefit Payment Period. Expenses may include the cost of tools, equipment, furniture, or any other changes to the work-site or environment that We agree will allow you to return to work. Any payment made for Reasonable Accommodation would be the difference between the cost and the amount paid or payable by third parties (including any amount paid under a policy of medical *coverage*).]

## DESCRIPTION OF BENEFITS

### [Survivor Benefit

If your Benefit Payment Period ends because of your death, a Survivor Benefit will be payable. This Survivor Benefit will be [three] times your [Primary Benefit].

We will pay the Survivor Benefit to your spouse [*or domestic partner*], child, parent, or estate as described in the Claim Procedures Section.]

## DESCRIPTION OF BENEFITS

### [Weekly Payment Limit

In no event will the sum of the amounts payable for:

- a. Benefits Payable as described in this booklet; and
- [b. Rehabilitation Incentive Benefit; and]
- ~~/c. income from Other Income Sources; and/~~
- [d. Current Earnings from your ~~/Own Occupation/~~~~/Own Job/~~ or any ~~/occupation/~~~~/job/~~; and]
- [e. sick pay; and]
- [f. salary continuance payments; and]
- [g. vacation pay; and]
- [h. personal time off; and]
- [i. payments attributable to individual disability insurance policies];

exceed [100%] of Predisability Earnings. In the event your total income from all sources listed above exceeds ~~/100%/~~ of Predisability Earnings, the benefits as described in this booklet will be reduced by the amount in excess of ~~/100%/~~ of Predisability Earnings.]

## DESCRIPTION OF BENEFITS

### Benefit Payment Period and Recurring Disability

#### Benefit Payment Period

Benefits are payable *for a period of* [26 weeks] after the date the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

- a. the date of your death; or
- b. the date your Disability ends, unless a Recurring Disability exists as explained in this booklet; or
- c. the date you fail to provide any required proof of Disability; or
- d. the date you fail to submit to any required medical examination or evaluation; or
- e. the date you fail to report any required Current Earnings information/; or
- f. the date you fail to report income from Other Income Sources; or/
- g. the date ten days after receipt of notice from Us if you fail to pursue Social Security Benefits [or benefits under a Worker's Compensation Act or similar law] as described in this booklet; or
- h. the date you cease to be under the Regular and Appropriate Care of a Physician[; or
- [i. the date you perform any work for wage or profit; or]
- [j. the date of your retirement; or]
- [k. the date you refuse to participate in or do not comply with a Rehabilitation Plan][; or]
- [l. if a Disability is caused by, a complication of, or resulting from a Preexisting Condition as described in this booklet, *We will pay a benefit up to a maximum of [six weeks] while We are conducting Our Preexisting Condition investigation. Once the investigation is complete and if the Disability is deemed to be a Preexisting Condition, no further benefits will be payable. No benefits will be paid for a subsequent claim subject to a Preexisting Condition investigation for the same condition*].

#### Recurring Disability

A Recurring Disability will exist under the Group Policy if:

- a. after you have completed an Elimination Period and during a Benefit Payment Period, you cease to be Disabled; and
- /b. you then return to Active Work; and/

- [c.] while insured under the Group Policy, but before completing [30] continuous days of Active Work, you are again Disabled; and
- [d.] your current Disability and the Disability for which you completed the Elimination Period result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not be required to complete a new Elimination Period for a Recurring Disability and a new Benefit Payment Period will not be established. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. *The effective date of any salary increase received during return to Active Work as stated in this booklet on GH 855 which would otherwise be effective, will not be applicable to any benefit payable under this Recurring Disability provision.*

## DESCRIPTION OF BENEFITS

### Limitations

No benefits will be paid for any Disability that:

- a. results from willful self-injury *or self-destruction*, while sane or insane; or
- b. results from war or act of war; or
- c. results from *voluntary* participation in an assault, *felony, criminal activity, insurrection, or riot*; or
- [d. is a new Disability that begins after a prior Benefit Payment Period has ended *[or a claim for benefits has been denied]* and you have not returned to Active Work; or]
- [e. is a continuation of a Disability for which a Benefit Payment Period has ended *[or a claim for benefits has been denied]* and you have not returned to Active Work (except as provided for a Recurring Disability in this booklet); or]
- [f. is caused by, a complication of, or resulting from a Preexisting Condition as described in this booklet [if you become eligible for insurance after [July 1, 2002]; *or]*
- [g. results from a sickness or injury arising out of or in the course of employment for wage or profit; or]
- [h. results from normal pregnancy or childbirth, except that benefits will be paid if Disability results from Complications of Pregnancy; *or]*
- [i. results from normal pregnancy or childbirth when the Disability begins prior to the date you have been Actively at Work for one full day after your coverage under the Group Policy has been in force for 12 consecutive months, except that benefits will be paid if the Disability results from Complications of Pregnancy][*;* *or]*

[Complications of Pregnancy means a condition whose diagnosis is adversely affected or caused by pregnancy, such as:

- (1) Acute nephritis or nephrosis;
- (2) Cardiac decompensation;
- (3) Missed abortion;
- (4) Physician prescribed bed rest for intra-uterine growth retardation, funneling, incompetent cervix, and multiple births, or bed rest for a condition considered to be a Complication of Pregnancy;
- (5) Termination of ectopic pregnancy;
- (6) An extra-uterine pregnancy;
- (7) A complication that requires intra-abdominal surgery after termination of pregnancy;
- (8) A miscarriage;
- (9) Placenta previa and placenta abruption;
- (10) Premature rupture of membranes;

- (11) Pernicious vomiting of pregnancy (hyperemesis gravidarum);
- (12) Toxemia (eclampsia or pre-eclampsia);
- (13) Puerperal infection; or
- (14) Similar medical and surgical conditions of comparable severity; or
- (15) Emergency Cesarean Section.

However, Complications of Pregnancy will not include:

- (1) Non-Emergency elective Cesarean Section;
- (2) False labor, occasional spotting, or morning sickness;
- (3) Physician prescribed rest during the period of pregnancy, not related to a condition considered a Complication of Pregnancy; or
- (4) Conditions of comparable severity associated with the management of a difficult pregnancy.]

*[j. results from a sickness or pregnancy; or]*

*[k. results from [alcohol, drug or chemical abuse, dependency, or addiction,][or a][a][Mental Health Condition], except that, your maximum number of Benefits Payable for all such periods of Disability is limited to [52 weeks]. 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 all of these conditions, either separate or combined; or]*

*[l. results from a cosmetic surgery or other elective procedures that are not medically necessary; or]*

*[m. results from disease, medical or surgical treatment of disease, or complications following the surgical treatment of disease; or]*

*[n. results from an injury that occurred when participating in flying, ballooning, parachuting, parasailing, bungee jumping, or other aeronautic activities[, except as a passenger [on a commercial aircraft] [or as a passenger] [or] [crew member] [in a Policyholder-owned] [in an Employer-owned] or leased aircraft on company business]; or]*

*[o. results from duty as a member of a military organization; or]*

*[p. results from the use of alcohol if, at the time of the injury, your alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*

*[q. results from your operation of a motor vehicle or motor boat if, at the time of the injury, your alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*

*[r. results from the use of any drug, narcotic, or hallucinogen not prescribed for you by a licensed Physician].*

**[Preexisting Conditions [Exclusion] [Limitation] for Initial Insurance**

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications; [or
- c. had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care, or treatment;]

in the [three month] period before you became insured under the Group Policy.

[No benefits will be paid for a Disability/ [Benefits will not continue beyond the date [six weeks] following the date of Disability for a Disability] that results from a Preexisting Condition unless, on the date you become Disabled, you have been Actively At Work for one full day after completing [the earlier of:

- a. [six consecutive months] during which you were insured under the Group Policy, during which you received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition; or
- b.] [12 consecutive months] during which you were insured under the Group Policy.]

**[Preexisting Conditions [Exclusion] [Limitation] for Benefit Increases**

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications; [or
- c. had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care, or treatment;]

in the [three month] period prior to an increase in benefits or change in the Group Policy[, including increases in benefits due to a change in Weekly Earnings of [25%] or greater].

[The benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable for the duration of a Disability that] [The increase in benefits or change in the Group Policy provisions will not continue beyond the date [six weeks] following the effective date of the increase in benefits or change in the Group Policy provisions for a Disability that]:

- a. results from a Preexisting Condition; and
- b. begins within [12 months] after the effective date of the increase in benefits or change in the Group Policy provisions.

[Thereafter, the benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable during the duration of the Disability.]

[The increase in benefits or change in the Group Policy provisions will be payable if you have received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition in [six consecutive months] following the effective date of the increase in benefits or change in the Group Policy provisions. You must be Actively at Work for one full day following this [six consecutive month] period.]

## DESCRIPTION OF BENEFITS

### [Subrogation and Reimbursement

#### Applicability

Subject to applicable law, this section will apply if you:

- a. receive benefit payments under the Group Policy as a result of a Disability; and
- b. have a lawful claim against another party, parties, or insurer (including uninsured, underinsured, and no-fault automobile insurers) for compensation, damages, or other payment because of that same Disability.

We will have the right of first reimbursement from any recovery you receive even if you have not been made whole.

#### Transfer of Rights

When applicable, your rights to claim or receive compensation, damages, or other payments from the other party or parties will be transferred to Us, but only to the extent of benefit payments made under the Group Policy.

#### Member Obligations

To secure Our rights you must:

- a. Complete any applications or other instruments and provide any documents We might require, and cooperate with Us and Our agents in order to protect Our subrogation rights.
- b. Reimburse Us for benefit payments made under the Group Policy (but not more than the amount paid by the other party or parties), if payment from the other party or parties has been received.
- c. Not take any action that prejudices Our rights. If you enter into litigation or settlement negotiations regarding the obligations of other parties, you must not prejudice, in any way, Our subrogation rights.

The costs of legal representation retained by *Us* in matters related to subrogation will be borne solely by *Us*. The costs of legal representation retained by you will be borne solely by you.]

## CLAIM PROCEDURES

### Notice of Claim

Written notice of claim must be given to Us within 20 days after the date of loss for which claim is being made. *If it is not possible to give proof within 20 days, it must be given no later than one year after the time proof is required except in the absence of legal capacity.*

### Claim Forms

Claim forms and other information needed to provide proof of Disability must be filed with Us in order to obtain payment of benefits. The [Policyholder]/[Employer] will provide appropriate claim forms to assist you in filing claims. If the forms are not provided within 15 days after We receive notice of claim, you will be considered to have complied with the requirements of the Group Policy regarding proof of Disability upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character and extent of the loss.

### Proof of Disability

Claim forms and other information needed to prove Disability should be filed promptly. Written proof that Disability exists and has been continuous must be sent to Us within 90 days after the date you complete an Elimination Period. Proof required includes the date, nature, and extent of the loss.

Further proof that Disability has not ended must be sent when requested by Us. We may request additional information to substantiate your loss or require a Signed unaltered authorization to obtain that information from the provider. We reserve the right to determine when these conditions are met. Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by Us.

### *Documentation of Loss*

*We must receive satisfactory Written proof of loss. Until We receive the proof of loss requested, benefits will not be paid. Proof of loss may include:*

- a. Any requested claim form including claim forms from you or your Physician.*
- b. Documentation that you are under Regular and Appropriate Care by a Physician.*
- c. Copies of medical records, test results and/or Physician's progress notes.*
- d. Occupation information, such as documentation of work duties and activities. This may include your job description or appointment calendar.*
- e. Independent medical examination(s) (see Examinations and Evaluations in this section).*

- f. *A Written authorization, signed by you, on a form supplied by Us, to obtain records and information needed to determine your eligibility for benefits.*
- g. *Other proof of loss as required by Us.*

### ***Earnings Documentation***

*We may require proof to determine your Predisability Earnings [and Current Earnings]. A company representative has the right to examine your financial and business records, including your Federal income tax returns and supporting documentation, as often as We may require.*

### ***Investigation of Your Claim***

*We may conduct an investigation of your claim at any time, which may include a personal interview with a company representative and/or an examination under oath. Benefits may not be payable until We have had a reasonable time to conduct an investigation of your claim and determine that benefits are payable.*

*Any costs involved in submission of proof of loss or earnings documentation are your responsibility to pay, except for costs incurred by Us for items c. and e. as shown under Documentation of Loss above or personal interview or financial examination.*

*Once your claim is approved, no benefits will be continued beyond the end of the period for which you have provided Us with satisfactory proof of loss. We will require you to provide additional documentation of your claim, at your expense, at reasonable intervals while you are claiming Disability.*

### **[Proof of Disability while outside the United States**

If during a period of Disability, you are residing or staying outside the United States, the following will apply:

- a. Any evidence you submit for your claim will be required to be translated by the U.S. Embassy and contain the U.S. Embassy seal.
- b. You may be required to return to the United States at a frequency We deem necessary to substantiate your claim for Disability. All expenses incurred by you for returning to the United States will be your responsibility.
- c. You must notify Us in advance of any return to the United States and your change of address.

Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by Us.]

## **Payment, Denial, and Review**

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, We will send a Written explanation prior to the expiration of the 45 days. A claimant is then allowed up to 45 days to provide all additional information requested. We are permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to a claimant regarding the extension.

In actual practice, benefits under the Group Policy will be payable sooner, provided We receive complete and proper proof of Disability. Further, if a claim is not payable or cannot be processed, We will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by Written request to Us within 180 days of the receipt of notice of the denial. We will make a full and fair review of the claim. We may require additional information to make the review. We will notify a claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45 day period because We did not receive the requested additional information, We are permitted a 45-day extension for the review. Written notification will be sent to a claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, “claimant” means Member.

## **Report of Payments from Other Income Sources**

When asked, you must give Us:

- a. a report of all payments from Other Income Sources; and
- b. proof of application for all such income for which you [and your Dependents] are eligible; and
- c. proof that any application for such income has been rejected.

## **Lump Sum Payments from Other Income Sources**

If any income from Other Income Sources are payable in a lump sum (except as described below), the lump sum will be deemed to be paid in weekly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated weekly over your expected life span. We will determine the expected life span.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the weekly amount which:
  - (1) is provided by the standard annuity option under the plan as identified by the [Policyholder][Employer]; or
  - (2) is prorated under a standard annuity table over your expected life span ( if the plan does not have a standard annuity option);

- b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or settlement) will be deemed to be paid weekly:
  - (1) rate stated in the award or settlement; or
  - (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or
  - (3) at the maximum rate set by the law (if no rate is stated and you did not receive a periodic award)[.];
- c. a salary continuance or sick leave program for Members whose annual contract salary is issued on a 12 month basis will be deemed to be paid in a weekly amount which is equal to (1/52) of your annual contract salary in effect prior to the date Disability begins.]

### **Social Security Estimates**

Until exact amounts are known, We may estimate the Social Security benefits for which you [and your Dependents] are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to disability benefits under the Federal Social Security Act, We will require that you:

- a. apply for disability benefits within ten days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the ten-day period; and
- c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial or reconsideration if an appeal appears reasonable.

### ***[/Workers' Compensation] [or] [Other Disability Coverage]***

Until exact amounts are known, We may estimate the *[/Workers' Compensation] [or] [other disability coverage that provides benefits for loss of time from work that are attributable to employer contributions in whole or in part or makes payroll deductions]* benefits for which you are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to benefits under a *[/Workers' Compensation or a similar law] [or] [other disability coverage]*, We will require that you:

- a. apply for benefits within ten days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the ten-day period.]

## **Payments for Less Than a Full Week**

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full week will be the weekly benefit divided by [seven].

## **Right to Recover Overpayments**

If an overpayment of benefits occurs under the Group Policy, We will have the option to:

- a. reduce or withhold any future benefits We determine to be due, including the Minimum Weekly Benefit; or
- b. recover the overpayment directly from you ; or
- c. take any other legal action.

## **Facility of Payment**

Benefits under the Group Policy will be payable at the end of each week of a Benefit Payment Period, provided complete and proper proof of Disability has been received by Us. We will have the option to issue Benefits Payable in a lump sum amount.

Any unpaid balance that remains after a Benefit Payment Period ceases will be immediately payable.

We will normally pay benefits directly to you. However, in the special instances listed below, payment will be as indicated. All payments so made will discharge Us to the full extent of those payments.

- a. If payment amounts remain due upon your death, those amounts may, at Our option, be paid to your spouse *[or domestic partner]*, child, parent or estate.
- b. If We believe a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, We may pay whoever has assumed the care and support of the *person*.

## ***Examinations and Evaluations***

We *have the right to* require *you to undergo medical evaluations, functional capacity evaluations, vocational evaluations, and or psychiatric evaluations* during the course of a claim. *The examinations or evaluations will be performed by a Physician or evaluator We choose as appropriate for the condition and will be conducted at the time, place and frequency We reasonably requires.* We will pay for these examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for suspension or denial of your benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of your benefits. If you fail to attend an examination or an evaluation, any charges incurred for not attending an appointment as scheduled may be your responsibility.

**Legal Action**

Legal action to recover benefits under the Group Policy may not be started earlier than 90 days after proof of Disability is filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

**Time Limits**

All time limits listed in this section will be adjusted as required by law.

## DEFINITIONS

Several words and phrases used to describe your insurance are capitalized whenever they are used in this booklet. These words and phrases have special meanings as explained in this section.

### **Active Work; Actively at Work**

You are considered Actively at Work if you are *engaged in the active performance of all of your regular duties with the intent of continuing the active performance of all said duties on an ongoing basis*. [While on contract following the academic school year, you will be considered Actively at Work.] Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, personal time off, *or an approved FMLA leave of absence for the care of a qualified family member* is considered Active Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

### **Benefit Payment Period**

The period of time during which benefits are payable.

### **[Current Earnings**

Your Weekly Earnings for each week you are Disabled. *This includes all sources of income from the [Policyholder] [Employer] that comprised earnings prior to Disability such as Personal Time Off (PTO), sick pay, vacation pay, and holiday pay. Earnings from Secondary Employment are not considered Current Earnings except as identified in Secondary Earnings.* While Disabled, your Weekly Earnings may result from working for the [Policyholder][Employer] or any other employer.]

### **[Dependent**

Any person who qualifies for benefits as a dependent under the Federal Social Security Act as a result of your Disability or retirement, whether or not residing in your home.]

### **Disability; Disabled**

[You will be considered Disabled if, solely and directly because of [sickness, injury, or pregnancy,][Injury,] one of the following applies:

- a. You cannot perform the [majority][*one or more*] of the Substantial and Material Duties of your [Own Occupation][*Own Job*].
- b. You are performing the duties of your [Own Occupation][*Own Job*] on a Modified Basis or any [occupation][*job*] and are unable to earn more than [80%] of your Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

[You will be considered Disabled if, solely and directly because of /sickness, injury, or pregnancy,][*Injury,*] you cannot perform [majority][*one or more*] of the Substantial and Material Duties of your [Own Occupation][*Own Job*] and are not working for wage or profit.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

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[You will be considered Disabled if, solely and directly because of /sickness, injury, or pregnancy][*Injury*]:

- a. During the first [six] weeks of Disability, you cannot perform [majority][*one or more*] of the Substantial and Material Duties of your [Own Occupation][*Own Job*] and are not working for wage or profit.
- b. Following the first [six] weeks of Disability, if one of the following applies:
  - (1) You cannot perform [majority][*one or more*] of the Substantial and Material Duties of your [Own Occupation][*Own Job*].
  - (2) You are performing the duties of your [Own Occupation][*Own Job*] on a Modified Basis or any [occupation][*job*] and are unable to earn more than [80%] of your Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.]

### **Disability Due to Injury; *Injury***

A Disability that:

- a. occurs solely and directly because of an accidental injury; and
- b. begins within [*180*] days of the accident.

An accidental injury means an injury that is caused by an accident.

*[Disability Due to Injury does not include any Disability that occurs directly or indirectly because of:*

- [a. disease, medical or surgical treatment of disease, or complications following the surgical treatment of disease; or]*
- [b. sickness or pregnancy; or]*
- [c. a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or]*
- [d. participation in flying, ballooning, parachuting, parasailing, bungee jumping, or other aeronautic activities[, except as a passenger [on a commercial aircraft] [or as a passenger] [or] [crew member [in a Policyholder-owned] [in an Employer-owned] or leased aircraft on company business]; or]*

- [e. the use of alcohol if, at the time of the injury, your alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*
- [f. your operation of a motor vehicle or motor boat if, at the time of the injury, your alcohol concentration exceeds the legal limit allowed by the jurisdiction where the injury occurs; or]*
- [g. the use of any drug, narcotic, or hallucinogen not prescribed for you by a licensed Physician].]*

### ***[Disability Due to Sickness***

A Disability that:

- a. occurs directly or indirectly because of disease, a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or
- b. is not a Disability Due to Injury as defined in this booklet.]

### **Elimination Period**

The period of time you must be Disabled before benefits begin to accrue. An Elimination Period starts on the date you are Disabled and must be satisfied for each period of Disability. *You cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which We do not pay benefits.*

### ***[Employee***

*A person who is employed by and receives a W-2 from the [Policyholder] [Employer] or has a direct ownership interest in the [Policyholder] [Employer].]*

### ***[Employer***

*[John Doe Company][and shall include any affiliate or subsidiary of the Employer participating under the Group Policy].]*

### **Generally Accepted**

Treatment, service or medication that:

- a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and
- b. is in general use in the medical community; and
- c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

## Group Policy

The policy of group insurance issued to the Policyholder by Us which describes benefits and provisions for insured Members.

## Hospital

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

## [Hospitalization; Hospitalized

The period of time you are confined:

- a. in a Hospital as a registered bed patient (for any cause); or
- b. in a licensed birthing center for obstetrical delivery; or
- c. while undergoing outpatient surgery at a Hospital or freestanding ambulatory surgery center that requires the services of an anesthesiologist, for other than local or digital anesthesia.]

## [Income Loss Percentage

Your Income Loss Percentage is equal to:

- a. your Predisability Earnings less any Current Earnings from your [Own Occupation][Own Job] or any [occupation][job]; divided by
- b. your Predisability Earnings.]

## Insurance Month

[Calendar Month.] [The first insurance month begins on [November 15, 2002], and ends on [December 31, 2002]. [The period of time from the [15<sup>th</sup>] day of any month to the [14<sup>th</sup>] day of the next month.]

## Maximum Weekly Benefit

[\$1500] *[The lesser of [\$1,500] or [60%] of Predisability Earnings.]*

## Member

[Any [salaried] person [, residing in the United States, who is a U.S. *[or Canadian]* citizen or is legally working in the United States,] who is a *[full-time] [contracted] [employee][Employee] [or] [independent contractor][working on behalf]* of the [Policyholder][Employer] and who [is on contract and] regularly works [an average of] at least [[30] hours a week]. Work must be at the *[Policyholder's][Employer's]* usual place or places of business, at an alternative worksite at the direction of the *[Policyholder][Employer]*, or at another place to which the *[contracted] [employee][Employee] [or][independent contractor]* must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the *[Policyholder][Employer]* on a

[seasonal,] [temporary,][contracted,][or][part-time] basis.] [A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.]

### **[Mental Health Condition**

Any condition which is:

- a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and
- b. categorized in the current edition of American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders *or its successor*.

Conditions not considered a Mental Health Condition include:

- [a. dementia *[that is the result of any of the following conditions:*

- (1) *stroke;*
- (2) *head injury;*
- (3) *viral infection; or*
- (4) *Alzheimer's disease;] [and]*

[b. organic brain syndrome; and]

[c. delirium; and]

[d. organic amnesia syndromes; and]

[e. organic delusional or organic hallucinogenic syndromes].]

### **[Modified Basis**

You will be considered working on a Modified Basis if you are working [to your full medical and vocational capacity] on [either] a part-time basis[ or performing some but not all of the Substantial and Material Duties of the *[occupation][job]* on a full-time basis].]

### **[Other Income Sources**

The Weekly equivalent of:

- [a. all disability payments for the month that you [and your Dependents] receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]
- [b. for a Member who has reached Social Security Normal Retirement Age or older, all retirement payments for the month that you [and your Dependents] receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]

- [c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that you [and your Dependents] receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and]
- [d. all payments for the month that you receive from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and]
- [e. all payments for the month that you receive (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the [Policyholder][Employer] pays a part of the cost or makes payroll deductions for that coverage; and]
- [f. all payments for the month that you receive or are eligible to receive under another group disability insurance policy; and]
- [g. all payments for the month that you receive under any state disability plan; and]
- [h. all payments attributable to individual disability insurance policies; and]
- [i. all payments attributable to employee paid individual disability insurance policies; and]
- [j. all [sick pay,][or] [salary continuance payments,][personal time off,][severance pay,] [vacation pay,] for the month that you receive from the [Policyholder][Employer] [.][For any month, any portion of your contract salary is considered salary continuance if it is received by you for the month regardless of when it is paid to you.] ; and]
- [k. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that you receive under a pension plan sponsored by the Policyholder. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and]
- [l. all payments for the month that you receive for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and]
- [m. all renewal commissions for the month that you receive from the [Policyholder][Employer];  
*and*]
- [n. all payments for the month that you receive under state unemployment laws.]*

**[NOTE:** [If any [sick pay,][salary continuance payments,][personal time off,][severance pay,] [vacation pay,] or loss of time from work payments specified above are attributable to individual disability insurance policies, the payments will not be considered an Other Income Source.]

[Any retirement payments you receive under the Federal Social Security Act or a pension plan which you had been receiving in addition to your Weekly Earnings prior to a claim for Disability, will not be considered an Other Income Source.]

[Military or Veteran's Administration disability or retirement payments will not be considered an Other Income Source.]

After the initial deduction for each of the Other Income Sources, benefits will not be further reduced due to any cost of living increases payable under the above stated sources.

[Withdrawal of pension plan benefits by you for the purpose of placing the benefits in a subsequent pension plan or a deferred compensation plan will not be considered an Other Income Source unless you withdraw pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement.]

[If any income specified above is payable in a monthly payment, the weekly equivalent will be calculated by multiplying the monthly benefit by 12 and dividing by 52.]

*[Any income you receive for services rendered prior to your date of Disability will not be considered Other Income Sources.]*

*[Any commissions earned prior to your date of Disability will not be considered Other Income Sources.]*

### ***[Own Job***

*The job the you are routinely performing for the [Policyholder] [Employer] when your Disability begins.]*

### **[Own Occupation**

*[The occupation you are routinely performing when Disability begins.] [Your occupation as it is performed in the national economy when Disability begins.] Own Occupation does not mean the specific tasks or job you are performing for the [Policyholder][Employer] or at a specific location.]*

### ***[Own Occupation (for attorneys)***

*The specialty in the practice of law you are routinely performing for the [Policyholder] [Employer] when your Disability begins.]*

***[Own Occupation (for physicians)***

*The general specialty or sub-specialty you routinely perform when your Disability begins. You will be considered practicing in the general specialty category if the sub-specialty in which you are practicing is not recognized by the American Board of Medical Specialties.]*

**Physician**

- a. a licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Policy; provided that the services provided by such person are within the lawful scope of his or her license.

The term Physician does not include you, *[one of your employees,] [your business or professional partner or associate,] [any person who has a financial affiliation or business interest with you,] anyone related to you by blood or marriage, or anyone living in your household.*

**Policyholder**

*[John Doe Company] [and shall include any affiliate or subsidiary of the Policyholder participating under the Group Policy]. [The entity to whom the Group Policy is issued.]*

**Predisability Earnings**

Your Weekly Earnings in effect prior to the date Disability begins.

***[Primary Benefit***

*[[60%] of your Predisability Earnings.][The Primary Benefit will not exceed the Maximum Weekly Benefit of [\$1,500].][\$300][not to exceed [66 2/3%] of your Predisability Earnings].]*

***[Primary Benefit***

*[An amount in increments of [\$25] between a minimum of [\$200] and a maximum of [\$1,500] as applied for by you and approved by Us. [The Primary Benefit will not exceed the lesser of [\$1,500] or [60%] of your Predisability Earnings.]]*

*[The Primary Benefit may be subject to the Proof of Good Health requirements as shown in this booklet. Because of the Proof of Good Health requirements, the amount of insurance approved by Us may be different than the amount elected by you. If the approved amount of insurance is different than your election, the approved amount will apply.]*

**Proof of Good Health**

Written evidence that a person is insurable under Our underwriting standards. This proof must be provided in a form satisfactory to Us.

### **[Reasonable Accommodation**

Changes in your work environment or in the way a job is performed which allows you to perform the essential functions of that job.]

### **Regular and Appropriate Care**

You will be considered to be receiving Regular and Appropriate Care if you:

- a. are evaluated in person by a Physician; and
- b. receive treatment appropriate for the condition causing the Disability; and
- c. undergo evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and
- d. undergo evaluations and treatment at a frequency intended to return you to full time work; and
- e. pursue reasonable treatment options or recommendations to achieve maximum medical improvement.

We may require you to have your Physician provide a Written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to Us.

We may waive, in Writing to you, the Regular and Appropriate Care requirement if it is determined by Us that continued care would be of no benefit to you.

### **[Rehabilitation Plan**

An individualized Written agreement between you and Us, developed with your assistance *and* the assistance of *others as appropriate*. The Rehabilitation Plan may include medical, psychological, or vocational services and benefits, which are provided with the intent to restore your ability to perform your [Own Occupation][Own Job] or any [occupation] [job] which you are or could reasonably become qualified by education, training, or experience.]

### ***[Secondary Employment***

*Employment you are engaged in with an employer, other than the [Policyholder][Employer], prior to the date Disability begins. Earnings from Secondary Employment will be determined by using the average monthly earnings over the [six] calendar months just prior to the date of Disability. Any post disability increase above the average monthly earnings will be considered Current Earnings.]*

### **Signed or Signature**

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by Us.

## [Social Security Normal Retirement Age (SSNRA)]

Social Security Normal Retirement Age as defined by the Social Security Administration on the date Disabled.

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
After 1959	67]

## Substantial and Material Duties

The essential tasks generally required by employers from those engaged in a particular [occupation][job] that cannot be modified or omitted. [If you routinely work on average 40 hours or more per week, We will consider you able to perform the Substantial and Material Duties of an [occupation][job] if you are working, or have the capacity to work, 40 hours per week.]

## [Weekly Earnings

[For Members with no ownership interest in the business entity of the [Policyholder][Employer]:]

[On any date, your basic weekly (or weekly equivalent) wage then in force, as established by the [Policyholder][Employer]. Basic wage does not include [commissions,] [bonuses,] [stock options,] [tips,] [differential pay,] [housing and/or car allowance,] [or overtime pay]. Basic wage does include [commissions,] [bonuses,] [stock options,] [tips,] [differential pay,] [housing and/or car allowance,] [or overtime pay] [and] [any deferred earnings under a [qualified] [or] [nonqualified] [deferred compensation plan, such as contributions to Internal Revenue Code Section 401(k), 403 (b), or 457 deferred compensation arrangements] [and any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan] [or Health Savings Account].]

[[Commissions] [and][ bonuses] will be averaged for:

- a. the [two][three] [calendar] year period prior to the date Disability begins, if you have been employed for at least [one][two][three] [calendar] year(s); or
- b. the completed weeks of employment prior to the date Disability begins, if you have been employed for less than [one][two][three][calendar] year(s).]

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[On any date, the weekly equivalent (1/52) of your annual (or annual equivalent) wage, as established by the [Policyholder][Employer], that:

- a. if you have been employed for at least [one][two][three] calendar year(s), was paid to you during the last [two][three] calendar year(s) and reported on *[Form 1099]* [the W-2 Wage & Tax Statement [including] [excluding] [qualified] [nonqualified] deferred compensation, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements [including any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan, *[or Health Savings Account]*][excluding housing and/or car allowance]]; or
  - b. if you have been employed for less than [one][two][three] calendar year(s), was paid to you during the completed weeks of *[employment]* *[service]* divided by the number of such completed weeks of *[employment]* *[service]*.
- 

[For Members with *a direct* ownership interest in the business entity of the *[Policyholder]**[Employer]*, such as, *but not limited to*, an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Weekly Earnings on any date are based on an average of the following earnings as reported for Federal Income Tax purposes for the last [two] calendar year(s), assuming the owner meets all eligibility requirements:

- a. Your share (based on ownership or contractual agreement) of the gross revenue or income earned by the *[Policyholder]**[Employer]*, including income earned by you and others under your supervision or direction; less
- b. Your share *of expenses* (based on ownership or contractual agreement) *that is* deductible for Federal Income Tax purposes, and *does* not exceed the expenses before Disability began; plus
- c. The salary, benefits, and other forms of compensation which are payable to you, and any contributions to a pension or profit sharing plan made on your behalf by the *[Policyholder]**[Employer]*.

*With respect to a Member with an ownership interest of less than [two] calendar year(s), We will use the amounts of a., b., and c. as described above during the completed months of direct ownership divided by the number of such completed months of direct ownership.*

Weekly Earnings do not include any form of unearned income such as dividends, rent, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.]

### **[Weekly Earnings (Contract Salary)]**

For Members whose annual contract salary is issued on a 12-month basis:

On any date, the weekly equivalent (1/52) of your annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**[Weekly Earnings (Contract Salary - For premium payment purposes)**

On any date, the weekly equivalent (1/52) of your annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**[Weekly Earnings (Contract Salary - For Benefit Payable purposes)**

For Members whose annual contract salary is issued on a 12-month basis:

On any date, the weekly equivalent (1/52) of your annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**[Weekly Earnings (Contract Salary - For Benefit Payable purposes)**

For Members whose annual contract salary is issued on other than a 12-month basis:

On any date, the weekly equivalent [(1/44)] of your annual contract salary in effect prior to the date Disability begins. Contract salary does [not] include [bonuses,] [overtime,] *[stock options,]* [or] [extra compensation].]

**We, Us, and Our**

Principal Life Insurance Company, Des Moines, Iowa.

**Written or Writing**

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

## **POLICY NOTICE**

Arkansas insurance law requires each group policy covering Arkansas residents to include the address and telephone number of: (1) the insurance company issuing the policy, and (2) the Arkansas Insurance Department. The information is as follows:

- (1) Principal Life Insurance Company  
711 High Street  
Des Moines, Iowa 50392-0001

Disability claim-related inquiries:  
Attention: Group Claim – Disability Info Line Services  
Telephone: 1-800-245-1522

For administration-related inquiries:  
Attn: Group Call Center  
Telephone: 1-800-247-6699

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

This Notice is for the Policyholder's information only and does not become a part or condition of this Group Policy.

## **BOOKLET-CERTIFICATE NOTICE**

Arkansas insurance law requires that, if a Group Policy covers any residents of Arkansas, the certificate must include the address and telephone number of: (1) the insurance company issuing the Group Policy, and (2) the Arkansas Insurance Department. The information is as follows:

- (1) Principal Life Insurance Company  
711 High Street  
Des Moines, Iowa 50392-0001

Disability claim-related inquiries:  
Attention: Group Claim – Disability Info Line Services  
Telephone: 1-800-245-1522

For administration-related inquiries:  
Attn: Group Call Center  
Telephone: 1-800-247-6699

- (2) Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-2640

Toll-free Telephone Number: 1-800-852-5494

If you call or write either of the above, please provide all relevant information pertaining to your inquiry, including the group account number and your full name and address.

This Notice is for your information only and does not become a part or condition of this booklet-certificate.

*SERFF Tracking Number:*      *PRLF-125684948*                      *State:*                      *Arkansas*  
*Filing Company:*              *Principal Life Insurance Company*              *State Tracking Number:*      *40120*  
*Company Tracking Number:*  
*TOI:*                      *H11G Group Health - Disability Income*              *Sub-TOI:*                      *H11G.002 Short Term*  
*Product Name:*              *2008 STD Filing*  
*Project Name/Number:*      *AR 2008 STD/*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: PRLF-125684948 State: Arkansas  
Filing Company: Principal Life Insurance Company State Tracking Number: 40120  
Company Tracking Number:  
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.002 Short Term  
Product Name: 2008 STD Filing  
Project Name/Number: AR 2008 STD/

## Supporting Document Schedules

**Satisfied -Name:** Certification/Notice **Review Status:** Approved 09/05/2008  
**Comments:**  
**Attachment:**  
STD Certification of Readability.pdf

**Satisfied -Name:** Application **Review Status:** Approved 09/05/2008  
**Comments:**  
Employer application used with this product is form GP 45697-5, approved by your Department on June 9, 2006.

**Satisfied -Name:** STD Forms List **Review Status:** Approved 09/05/2008  
**Comments:**  
**Attachment:**  
STD Forms List.pdf

**Satisfied -Name:** STD Addendum **Review Status:** Approved 09/05/2008  
**Comments:**  
**Attachment:**  
STD Addendum.pdf

**Satisfied -Name:** STD Statement of Variability **Review Status:** Approved 09/05/2008  
**Comments:**  
**Attachment:**  
STD Statement of Variability.pdf

**STATE OF ARKANSAS  
INSURANCE DEPARTMENT**

**CERTIFICATION OF READABILITY**

I, Mark L. Hill, an Officer of Principal Life Insurance Company hereby certify that the attached form(s) has (have) achieved a Flesch Reading Ease Score of:

Form No.	Form Name	Flesch Score
GC 4000-1, et al	Group Short Term Disability Policy Forms	52.4
GH 850-1, et al	Group Short Term Disability Booklet-Certificate Forms	47.2

and complies with the requirements of Ark. Stat. Ann. Sections 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

PRINCIPAL LIFE INSURANCE COMPANY



Mark L. Hill, Director  
Group Life and Health Compliance

August 29, 2008  
Date

## Short Term Disability Series Policy and Booklet-Certificate Forms for the State of Arkansas

### GC 4000-1 SERIES POLICY FORMS

New Policy Form Number	Title	Replacing Form Number
GC 4000-1	Title Page	GC 4000
GC 4001-2	TABLE OF CONTENTS	GC 4001-1
GC 4002-1	PART IA – SHORT TERM DISABILITY SUMMARY OF BENEFITS	GC 4002
GC 4004-2	PART I – DEFINITIONS	GC 4004-1
GC 4006-3	PART II – POLICY ADMINISTRATION – Section A – Contract	GC 4006-2
GC 4008-2	PART II – POLICY ADMINISTRATION – Section B – Premiums	GC 4008-1
GC 4010-3	PART II - POLICY ADMINISTRATION – Section C – Policy Termination	GC 4010-2
GC 4012-2	PART III – INDIVIDUAL REQUIREMENTS AND RIGHTS - Section A – Eligibility	GC 4012-1
GC 4014-1	PART III – INDIVIDUAL REQUIREMENTS AND RIGHTS – Section B – Effective Dates	GC 4014
GC 4016-1	PART III – INDIVIDUAL REQUIREMENTS AND RIGHTS – Section C - Member Termination, Continuation, and Reinstatement	GC 4016
GC 4018-1	PART IV – BENEFITS – Section A – Benefit Qualification	GC 4018
GC 4020-1	PART IV – BENEFITS – Section B – Benefits Payable	GC 4020
GC 4022-1	PART IV – BENEFITS – Section C – Rehabilitation [Services and] Benefits	GC 4022
GC 4026-1	PART IV – BENEFITS – Section D – Survivor Benefit	GC 4026
GC 4038-1	PART IV – BENEFITS – Section E – Weekly Payment Limit	GC 4038
GC 4042-2	PART IV – BENEFITS – Section F - Benefit Payment Period and Recurring Disability	GC 4042-1
GC 4046-2	PART IV – BENEFITS – Section G – Limitations	GC 4046-1
GC 4048	PART IV – BENEFITS – Section H - Subrogation and Reimbursement	No change
GC 4050-1	PART IV – BENEFITS – Section I – Claims Procedures	GC 4050
GC 4052	PART V – PARTICIPATING UNIT PROVISIONS	No change
GC 803 AR	POLICY NOTICE	No change

## Short Term Disability Series Policy and Booklet-Certificate Forms for the State of Arkansas

### GH 850-1 BOOKLET-CERTIFICATE FORMS

New Booklet Form Number	Title	Replacing Form Number
GH 850-1	Introductory Page	GH 850
GH 851	Table of Contents	No change
GH 852-1	Short Term Disability Summary of Benefits	GH 852
GH 854-2	How to be Insured – Eligibility and Individual Incontestability	GH 854-1
GH 855-1	How to be Insured – Effective Dates	GH 855
GH 856-1	How to be Insured – Termination, Continuation and Reinstatement	GH 856
GH 857-1	Description of Benefits – Benefit Qualification	GH 857
GH 858-1	Description of Benefits – Benefits Payable	GH 858
GH 859-1	Description of Benefits – Rehabilitation [Services and] Benefits	GH 859
GH 861-1	Description of Benefits – Survivor Benefit	GH 861
GH 862-1	Description of Benefits – Weekly Payment Limit	GH 862
GH 863-2	Description of Benefits – Benefit Payment Period and Recurring Disability	GH 863-1
GH 864-2	Description of Benefits – Limitations	GH 864-1
GH 865	Description of Benefits – Subrogation and Reimbursement	No change
GH 866-1	Claim Procedures	GH 866
GH 867-2	Definitions	GH 867-1
GH 198 AR	Booklet-Certificate Notice	No change

**SHORT TERM DISABILITY ADDENDUM FOR GC 4000-1 ET AL  
SUBMISSION DATE AUGUST 29, 2008**

The following is a list of policy forms included in this submission, providing a brief description of the changes made on each form. Please refer to the Statement of Variability included with the filing for an explanation of the variables included on each form. Please refer to the attached forms listing for a list of those forms which are being replaced.

**GC 4000-1 – Title Page**

- Added variable for Injury only plan

**GC 4004-2 – Definitions**

- Revised definition of Actively at Work
- Revised definition of Current Earnings
- Revised definition of Disability
- Revised definition of Disability Due to Injury
- Revised definition of Disability Due to Sickness
- Revised definition of Elimination Period
- Added a new definition of Employee
- Revised definition of Maximum Weekly Benefit
- Revised definition of Member
- Revised definition of Mental Health Condition
- Revised definition of Other Income Sources
- Added new definition of Own Job
- Added new definitions of Own Occupation
- Revised definition of Primary Benefit
- Revised definition of Prior Plan
- Revised definition of Rehabilitation Plan
- Added new definition of Secondary Employment
- Revised definition of Substantial and Material Duties
- Revised definition of Weekly Earnings

**GC 4006-3 – Contract**

- Revised [Policyholder][and][Participating Unit(s)] Eligibility Requirements
- Revised Policy Interpretation wording
- Added Self Accounting [Policyholder][Participating Unit] Responsibilities variable

**GC 4008-2 – Premiums**

- Revised grace period options in Article 1
- Revised premium rate change options in Article 3
- Revised contributions options in Article 5

**GC 4010-3 – Policy Termination**

- Included additional variable termination provisions in Article 3

**SHORT TERM DISABILITY ADDENDUM FOR GC 4000-1 ET AL  
SUBMISSION DATE AUGUST 29, 2008**

**GC 4012-2 - Eligibility**

- Removed definition of Member that appeared on this page

**GC 4014-1 – Effective Dates**

- Revised Articles 2, 3, 4, and 5, to be optional variables
- Added additional proof of good health variable in Article 5
- Revised Articles 6, 6A, and 7 to add variables for proof of good health

**GC 4016-1 – Member Termination, Continuation, and Reinstatement**

- Revised Article 3 to add injury only variable
- Revised Article 4 to add labor strike variable

**GC 4018-1 – Benefit Qualification**

- Revised elimination period option to include injury only variable
- Added variable to waive premiums during a benefit payment period
- Removed definitions that appeared on this page

**GC 4020-1 – Benefits Payable**

- Added additional Benefit Payment option in Article 1
- Added variability to remove Other Income Sources as a reduction source
- Added variables for “Own Occupation” and added “Own Job” variables
- Added variable text to require earnings of at least 20% to be considered “working”
- Removed definitions that appeared on this page
- Revised Minimum Weekly Benefit text in Article 3

**GC 4022-1 – Rehabilitation [Services and] Benefits**

- Revised text to “and others as appropriate” rather than specify the Member’s physician and the policyholder
- Removed definitions that appeared on this page
- Added variables for “Own Occupation” and added “Own Job” variables
- Added variable within Reasonable Accommodation Benefit to be able to elect an amount equal to the Primary Benefit or a multiple thereof

**GC 4026-1 –Survivor Benefit**

- Added variable to include “domestic partner” on an as needed basis.

**SHORT TERM DISABILITY ADDENDUM FOR GC 4000-1 ET AL  
SUBMISSION DATE AUGUST 29, 2008**

**GC 4038-1 – Weekly Payment Limit**

- Added variability to remove Other Income Sources as a reduction source
- Added variables for “Own Occupation” and added “Own Job” variables
- Added variables to percentage amount to provide flexibility to use something other than 100%

**GC 4042-2 – Benefit Payment Period and Recurring Disability**

- Revised how the benefit payment period is shown
- Added variability to remove Other Income Sources as a termination reason
- Revised the preexisting condition provision to include a benefit payment for six weeks while a preexisting investigation is being done.
- Revised Recurring Disability text to make the return to Active Work a variable and to add text regarding a salary increase occurring during a return to active work

**GC 4046-2 – Limitations**

- Added variable text in several limitations
- Removed a preexisting condition variable limitation
- Added a variable limitation for sickness or pregnancy and other additional limitations when an injury only plan is sold
- Added a lifetime maximum variable limitation for mental health, alcohol, drug abuse, etc.
- Added a variable limitation for cosmetic and elective surgeries
- Revised Replacement of Prior Plan text
- Removed definitions that appeared on this page

**GC 4050-1 – Claims Procedures**

- Revised Notice of Claim procedures
- Added Documentation of Loss, Earnings Documentation, and Investigation of Member’s Claim provisions
- Revised Workers’ Compensation estimation text and added variables for other types of disability coverage that may be estimated
- Revised Examinations and Evaluations text

**Statement of Variability**  
**Group Short Term Disability Insurance Policy Forms, GC 4000-1 et al**

[1] These forms are being submitted for use with all types of eligible groups allowed under Arkansas statutes, including single-employer groups and multiple employer groups (METS). As such, throughout the policy, we have included variable text to accommodate these different types of groups.

*[1A] This variable will be used if the policy provides coverage only for disabilities due to an injury.*

[2] The summary is included to show highlights of the provisions of the Group Policy. Only those benefits that have been selected by the Policyholder will be shown on the summary.

GC 4004-2

[3] Definition of “Active Work; Actively at Work”: This definition will always be used. The variable *within the definition* may be included when teachers are covered under the policy.

[4] Definition of “Current Earnings”: This definition is used if the Policyholder elects a partial or residual disability plan option. See footnote [6] below. In this definition and throughout the policy, the variable “[Participating Unit]” will be used (where appropriate) in lieu of “[Policyholder]” when the policy is issued to a MET.

[5] Definition of “Dependent”: This definition will be used if the policyholder elects the Primary and Family Social Security Integration plan option.

[6] Definition of “Disability; Disabled”: One of the following definitions of disability/disabled will always be used, depending on the plan option elected by the Policyholder. The residual disability plan will be standard, and the total disability plan and partial disability plan will be options.

- *The variable of [one of more] of the Substantial and Material Duties” will be used in place of [the majority] of the Substantial and Material Duties” if elected by the policyholder and agreed to by The Principal.*
- *The variables of [Own Job] and [job] will be standard but [Own Occupation] and [occupation] may be used if elected by the Policyholder and agreed to by The Principal.*
- *The definitions also include variability in electing a plan for benefits based on "sickness, injury, or pregnancy" or an "injury" only plan.*

[6A] This definition of “disability/disabled” will be used if the Policyholder elects the residual disability plan option.

[6A1] The [80%] variable is normally used and indicates a 20% income loss is required for a Member to be considered disabled. *The percentage can range from 80% to 30% if agreed upon by The Principal and the*

**Statement of Variability**  
**Group Short Term Disability Insurance Policy Forms, GC 4000-1 et al**

*Policyholder, which means the income loss percentage can vary from 20% to 70%.*

- [6B] This definition of “disability/disabled” will be used if the Policyholder elects the total disability plan option.
- [6C] This definition of “disability/disabled” will be used if the Policyholder elects the partial disability plan option.
- [6C1] The [six] variable is normally used, however this may be changed to another time period, if agreed to by The Principal and the Policyholder.
- [7] *Definition of “Disability Due to Injury”: The [180] variable is normally used, however this may be changed to another time period, if agreed to by The Principal and the Policyholder.*
- [7A] *This variable will be used for an injury only plan. Variable items a. through g. will normally be used but any item can be removed if requested by the Policyholder and approved by The Principal.*
- [8] *Definition of “Disability Due to Sickness”: This definition will be included unless the Policyholder elects a Disability Due to Injury only plan.*
- [9] *Definition of Employee: This term will standardly be used in the definition of “Member” to describe the type of employees that can be covered under the Group Policy. The term can be removed if requested by the Policyholder and agreed to by The Principal.*
- [10] Definition of “Hospitalization; Hospitalized”: This definition will be included when the Policyholder has elected the option to have disability benefits begin on the first day of hospitalization.
- [11] Definition of “Income Loss Percentage”: This definition is used in all plans with a residual or partial disability plan option. *If elected by the Policyholder, the variable of [Own Occupation] will be used instead of the variable for [Own Job]. The [Own Job] variable will normally be used.*
- [12] Definition of “Maximum Weekly Benefit”: This definition is always used to show the maximum benefit payable under the plan. *The "lesser of" variable will be used when an incremental dollar benefit option is elected. The percentage and/or dollar amount will vary based on the plan of benefits elected by the Policyholder.*
- [13] Definition of “Member”: This definition is always used, but may vary depending on the Policyholder specifications. *The term "Member" may be replaced with another term as requested by the Policyholder and agreed to by The Principal. Terms may include, but*

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*are not limited to, "Associate", "Team Member", "Teammate", or "Coworker". "Contracted employee" or "independent contractor" would be used if the Member's compensation is reported on IRS Form 1099.*

- [14] Definition of "Mental Health Condition": This definition is always used. Variables a. through e. will normally be used, but any of these conditions may be removed if agreed to between The Principal and the Policyholder.
- [14A] *If this group policy is sold in conjunction with an individual disability policy issued by The Principal, then item a. with the variables contained within item a. may be included in lieu of items b. through e.*
- [15] Definition of "Modified Basis": This definition is used in all plans with a residual or partial disability plan option.
- [15A] The variable for [to his or her full medical and vocational capacity] is optional and is used when the Member is required to work to his or her full medical and vocational capacity.
- [15B] The variables [either] and [or performing some but not all of the Substantial and Material Duties of the *job (or occupation)* on a full-time basis] are normally used, unless the plan includes a 40 hour per week requirement.
- [16] Definition of "Other Income Sources": This definition is normally used, with variables a. through g., and j. through n. included as standard provisions. Variables h. and i. are individual disability insurance offsets, and can be included if requested by the policyholder. Although normally used, this entire definition may be removed if requested by the Policyholder and agreed to by The Principal. *All lettered items may be removed on an individual basis as requested by the Policyholder and agreed to by Principal.*
- [16A] The "Notes" are also included as standard provisions *except for the note pertaining to offsets for services rendered prior to the date of Disability. This would be used if agreed to by The Principal and the Policyholder. All noted items may be removed on an individual basis as requested by the Policyholder and agreed to by Principal.*
- [17] Definition of "Own Job": *This definition is used when the basis of Disability is the "job" the employee is performing for the Policyholder at the time Disability begins. It will be normally be used unless a Policyholder elects the "Own Occupation" definition below.*
- [18] Definition of "Own Occupation": *This variable is optional and is used when the basis of Disability is the "occupation" the employee is performing for the Policyholder at the time Disability begins. The [occupation the Member is routinely performing] variable is*

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*normally used but can be replaced by the [...as in the national economy] variable if elected by the Policyholder and agreed to by The Principal.*

- [18A] *Definition of "Own Occupation (for attorneys): This definition is a variable which would normally be used to cover the "specialty" the attorney is performing at the time of Disability if agreed to by The Principal and the Policyholder.*
- [18B] *Definition of "Own Occupation (for physicians): This definition is a variable which would normally be used to cover the "specialty" the physician is performing at the time of Disability if agreed to by The Principal and the Policyholder.*
- [19] *Definition of "Physician": This definition will normally include language excluding physicians from the definition who are "employees of the Member", "a business or professional partner or associate of the Member", and "any person who has a financial affiliation or business interest with the Member". This text may be included or excluded in any combination as requested by the Policyholder and agreed to by The Principal.*
- [20] Definition of "Primary Benefit": This definition is normally used.
- [20A] The [ [60%] of a Member's Predisability Earnings.] variable is used when benefits are based upon a benefit percentage. The benefit percentage most commonly used is 50%, 60%, or 66 2/3%, but this may be another percentage if agreed to by The Principal and the Policyholder.
- [20B] The [\$1,500] variable is the maximum weekly benefit. This amount will vary as agreed to by The Principal and the Policyholder.
- [20C] The [\$300] variable is used if the short term disability benefit is a flat amount. This amount will vary as agreed to by The Principal and the Policyholder.
- [20D] The [not to exceed [66 2/3%] of the Member's Predisability Earnings.] variable is used when the short term disability benefit is a flat amount, but can be removed if agreed to by The Principal and the Policyholder. The 66 2/3% is the percentage normally used, but may be changed if agreed to by The Principal and the Policyholder.
- [21] *Definition of "Primary Benefit": This definition will be used in lieu of [20] when the plan includes a benefit increment election option. The increment level of [\$25] between a minimum [\$100] and a maximum of [\$2,500] will vary based on the agreement between The Principal and the Policyholder. The [60%] variable will normally be 50%, 60%, or 66 2/3%, but may vary or removed if agreed upon between The Principal and the Policyholder.*

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- [22] Definition of “Prior Plan”: This definition is used when the current plan is replacing another Short Term Disability plan.
- [23] Definition of “Reasonable Accommodation”: This definition is used when the Reasonable Accommodation Benefit is included as a plan option.
- [24] Definition of “Rehabilitation Plan”: This definition is used if the Policyholder has elected the Rehabilitation Services and Benefits mandatory rehabilitation plan option.
- [25] *Definition of “Secondary Employment”: This definition will be used when the definition of “Current Earnings” is used.*
- [26] Definition of “Social Security Normal Retirement Age (SSNRA)”: This definition is always used unless *benefits are payable to other than Social Security Normal Retirement Age and* the Social Security variables a., b., and c. are not included in the Other Income Sources definition.
- [27] Definition of “Substantial and Material Duties”: This definition is always used. The *[If a Member...]* variable is included if the Policyholder elects the optional 40 hour per week provision to further define “Substantial and Material Duties”. *The variable [job] will be used when “Own Job” coverage is elected. The variable [occupation] will be used when “Own Occupation” coverage is elected.*
- [28] Definition of “Weekly Earnings”: This definition is used in all plans unless one of the definitions in [29] through [32] is used.
- [28A] This provision is normally used, unless the plan covers only the owners of the Policyholder’s business.
- [28B] This provision is used when earnings are based on basic weekly wage. The variables within [28B] will vary depending upon the Policyholder’s requirements.
- [28C] This provision is used in lieu of [28B] when earnings are based on W-2 earnings *or Form 1099*. The variables within [28C] will vary depending upon the Policyholder’s requirements.
- [28D] This variable is normally used in addition to variable [28A], but may be omitted if The Principal and the Policyholder agree that no business owners are covered under the plan. The variables within [28D] will vary depending upon the Policyholder’s requirements.
- [29] Definition of “Weekly Earnings (Contract Salary)”: This definition will be used in lieu of [28] when weekly earnings are based on contract salary which is issued on a 12-month basis. This would normally include school groups where teachers are paid based on a contract. The variable use will vary depending upon the Policyholder’s requirements.

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- [30] Definition of “Weekly Earnings (Contract Salary – For premium payment purposes)”:  
This definition will be used in lieu of [28] when weekly earnings are based on a contract salary which is issued on other than a 12-month basis. This would normally include school groups where teachers are paid based on a contract. The variable use will vary depending upon the Policyholder’s requirements.
- [31] Definition of “Weekly Earnings (Contract Salary – For Benefit Payable purposes)”:  
This definition will be used when weekly earnings are based on a contract salary, which allows the employee to choose to receive their salary on either a 12-month basis, or other than a 12-month basis. This would normally include school groups where teachers are paid based on a contract. The variable use will vary depending upon the Policyholder’s requirements.
- [32] Definition of “Weekly Earnings (Contract Salary – For Benefit Payable purposes)”:  
This definition will be used when weekly earnings are based on a contract salary, which is issued on other than a 12-month basis. This would normally include school groups where teachers are paid based on a contract. The variable use will vary depending upon the Policyholder’s requirements.

Policy Form GC 4006-3

- [33] This variable is always used unless the Member is required to pay the entire premium for the cost of insurance.
- The [must contribute at least [50%] of the required premium for all Members] variable is used when Members are required to pay a portion of the required premium for the insurance.
  - The [at least 50%] variable is generally used, but can be replaced with the [a portion] variable if the plan is a core/buy-up. The [50%] may vary if agreed upon between The Principal and the Policyholder.
  - The [must contribute 100% of the required premium for all Members] variable is used if the Policyholder pays 100% of the premium.
- [34] The [75%] variable is normally used, but may be changed if another participation requirement is agreed upon between The Principal and the Policyholder.
- [35] This variable would only be used if the coverage is sold on a voluntary basis with a specified percentage of participation required and/or a specified number of insured employees.
- [36] This variable is always used unless the policy is issued to a multiple employer trust (MET). The [three] variable is normally used to show the minimum plan size for insured employees, but this number may be changed if The Principal determines a different minimum plan size for new sales.

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- [37] This variable may be used if the coverage is sold on a voluntary basis and line [35] is not used. The 15% will be standard but may range from 10% to 25% if agreed to by The Principal and the Policyholder.
- [37A] This variable will be standard when line [37] is included.  
[37B] This variable will be optional and may be used in lieu of [37A].  
[37C] This variable will be optional and may be used in lieu of [37A].
- [38] The notice period will range from 31 days to 60 days, 90 days or 180 days, at the option of The Principal or as required by state law.
- [39] Article [12] - Value Added Service: This will be a standard provision, but can be removed by a Policyholder upon request. The employee assistance program and wellness program variables will standardly be used.
- [40] *This Article will normally be included when the Policyholder is self-accounting, which means the Policyholder handles the tracking of adding and deleting their employees from the plan and then report those change to The Principal. All variables will normally be used or they can be used in any combination as requested by the Policyholder and agreed to by The Principal. The article can be removed in its entirety if requested and agreed to by The Principal.*

Policy Form GC 4008-2

- [41] This variable is used for plans issued to a single employer group.
- [41A] Upon request, a large Policyholder may request a 60-day grace period if approved by The Principal.*
- [42] This variable is used for plans issued to a multiple employer trust (MET).
- [42A] Upon request, a large Policyholder may request a 60-day grace period if approved by The Principal.*
- [43] This variable is used when a policy is initially issued.
- [44] The *[for each \$10 of Covered Weekly Earnings]* variable is normally used. However, the *[per \$10 of Benefit Payable]* variable may be used. The \$[0.00] variable is also used with the above variables or it may also be used alone if the rate is based on an amount per Member basis.
- [45] The variable may be used when multiple products are purchased, if agreed to by The Principal and the Policyholder.

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- [46] The [two years] variable is normally used, however it may be changed if agreed to by The Principal and the policyholder.
- [47] *The variable [covered Weekly Earnings for then insured Members] will normally be used but can be changed to [number of insured lives] if agreed to by The Principal and the Policyholder.* The [25%] is normally used, but may be changed if agreed to by The Principal and the Policyholder.
- [48] This variable is used if the plan is step-rated and the premium rate changes *due to a Member's age change that places them in a new age bracket.* *The [any premium due date] variable will normally be used but can be changed to [the next Policy Anniversary] if agreed to by The Principal and the Policyholder.*
- [49] This variable will be used for Policyholders participating in the electronic services program but may be removed if agreed upon between The Principal and the Policyholder.
- [49A] This variable will be used with [49] above for Policyholders not participating in the electronic services program, if The Principal determines to charge customers at some point in the future who do not sign up for electronic services.
- [50] The actual premium will vary depending on the plan of benefits chosen by the Policyholder.
- [51] The [within a month of the date that the change in Weekly Earnings took place] variable is used when benefit changes due to a change in Weekly Earnings are effective on the date of change.
- The [during the month of or prior to the Policy Anniversary] variable is used when benefit changes due to a change in Weekly Earnings are effective on the Policy Anniversary.
  - The [during the month of [January] each year] variable is used when benefit changes due to a change in Weekly Earnings are effective yearly on a specified date. This variable is normally used in plans with a W-2 definition of Earnings. January is the month normally used within the variable, but may be another month if agreed to by The Principal and the Policyholder.
- [52] The applicable variable will be used to show:
- if the Member is not required to contribute premium for his insurance, or
  - if the Member is required to contribute a portion of premium for his insurance, or
  - if the Member is required to pay the entire premium for his insurance; or
  - if the Member may be required to pay the entire premium for his insurance, or
  - if the Member may be required to contribute a portion of premium for his insurance.

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- [53] *The [100%] variable and the [who have not rejected coverage in writing] variable are normally used. The [100%] variable may be changed to a lesser percent and the [who have not rejected coverage in writing] variable may be removed if agreed to by The Principal and the Policyholder.*

Policy Form GC 4010-3

- [54] The notice period will range from 31 days to 60 days, 90 days or 180 days, at the option of The Principal or as required by state law.
- [55] *This variable will standardly be used but can be removed if requested by the Policyholder and agreed to by The Principal.*
- [56] *This variable will standardly be used but can be removed if requested by the Policyholder and agreed to by The Principal. The variable [covered Weekly Earnings for then insured Members] will normally be used but can be changed to [number of insured lives] if agreed to by The Principal and the Policyholder. The [25%] variable will normally be used but can be changed if agreed to by The Principal and the Policyholder.*
- [57] This is an optional paragraph that will only be used if agreed to by The Principal and the Policyholder. *The [12] (months) variable will normally be used but can be changed if agreed to by The Principal and the Policyholder.* The notice period will range from 31 days to 60 days, 90 days or 180 days, at the option of The Principal or as needed according to state requirements for termination notices.

Policy Form GC 4012-2

- [58] The applicable variables are used to reflect the Member's eligibility waiting period that is agreed upon between The Principal and the Policyholder.

Policy Form GC 4014-1

- [59] This variable is used when the current plan is replacing another Short Term Disability plan.
- [60] *This variable is normally used, but may be removed if agreed upon between The Principal and the Policyholder or for a voluntary case where all coverage is contributory. The variable regarding proof of good health is normally used but may be removed on a noncontributory case if no proof of good health will be required.*
- [61] *This variable is normally used, but may be removed if agreed upon between The Principal and the Policyholder if a case is all noncontributory.*

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- [62] *This variable is normally used, but may be removed if agreed upon between The Principal and the Policyholder on a noncontributory case if no proof of good health will be required.*
- [63] This variable is normally used, but may be removed if agreed upon between The Principal and the policyholder.
- [64] *This variable is optional and will be included when elected by the Policyholder and agreed to by The Principal.*
- [65] This variable is used in plans that offer a core plan to Members with an option to buy-up to a higher benefit level.

Policy Form GC 4016-1

- [66] *The variable for “sickness, injury, or pregnancy” will normally be used unless a Policyholder has elected an injury only plan.*
- [67] This variable will be equal to the length in time of the Elimination Period and the Benefit Payment Period combined.
- [68] The [*six*] variable for reinstatement of coverage is normally used, but may be changed if agreed upon by The Principal and the Policyholder.
- [69] *The variables [Labor Strike] and [Sabbatical] are not normally used but may be included individually if agreed upon by The Principal and the Policyholder.*

Policy Form GC 4018-1

- [70] This variable is normally used. The variables within indicate the date that benefits begin following the date of disability. These variables normally range from one to 30 days, but can be increased if agreed to by The Principal and the Policyholder. *The Disability due to Sickness variable may be removed if the Policyholder has elected an injury only plan.*
- [71] This variable is used in lieu of [70] when the Policyholder requests that benefits begin upon completion of the later of completion of the elimination period, or when sick time, personal time off, or salary continuance expires. The variables may be used as agreed to by The Principal and the Policyholder. *The Disability due to Sickness variable may be removed if the Policyholder has elected an injury only plan.*

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- [72] This variable is optional, and is included for school plans when the Policyholder requests that benefits should not begin to be payable until the first working day of the next academic school year for Disabilities that begin during the summer vacation. The [if the Member's contract salary is issued on other than a 12-month basis, the] variable is used only if the Policyholder requests this variable text to apply only to employees whose contract salary is issued on other than a 12-month basis.
- [73] This variable is optional and will apply to school plans where the Policyholder requests that no benefits be paid during the summer vacation immediately following the academic school year in which disability begins.
- [74] *This variable is optional and will be used when the Policyholder elects to have premiums waived while a Member is receiving benefits.*

Policy Form GC 4020-1

- [75] *This variable is normally used, and is used for plans with direct offset of Other Income Sources.*
- [76] *The variable for [Other Income Sources] will be removed the Group Policy is sold as a non-integrated plan.*
- [77] *This variable is used for plans with 70% all sources offset of Other Income Sources. The [70%] variable is standard, but may vary if agreed to by The Principal and the Policyholder.*
- [78] This provision is normally *used in plans with* a residual or partial disability. *This provision is used for plans with direct offset of Other Income Sources, income loss method of partial benefit calculations, including* a work incentive benefit.
- [78A] *If elected by the Policyholder, the variable of [Own Occupation] will be used instead of the variable for [Own Job]. The [Own Job] variable will normally be used.*
- [79] This provision is optional and used in lieu of [78] for plans with residual or partial disability. This provision is used for plans with direct offset of Other Income Sources, income loss method of partial benefit calculations, and no work incentive benefit.
- [80] This provision is optional and is used in lieu of [78] when the plan type is a residual or partial disability, the benefits are calculated using the percent of earnings method, and the work incentive benefit is not included. *The [50%] variable is normally used; it represents the percentage of the Member's return to work earnings that will be deducted from the benefit payable. This percentage may vary if agreed upon between The Principal and the Policyholder.*

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- [81] This is an optional provision, and if elected, it requires the Member to work to their full medical and vocational capacity if able to do so.
- [82] *This is an optional provision, and if elected, would pay a full benefit if a Member is working and earning less than 20% of Predisability Earnings. The [20%] variable is standard, but may be increased or decreased if agreed upon by The Principal and the Policyholder.*
- [83] The Minimum Weekly Benefit provision is normally used. The [less than \$25] variable is standard, but may be changed if agreed to by The Principal and the Policyholder.

Policy Form GC 4022-1

- [84] The Rehabilitation [Services and] Benefits provision is a standard provision *but may be completely removed* if agreed upon between The Principal and the Policyholder. The [Services and] variable used is if the plan includes rehabilitation services, but may be omitted if agreed to by The Principal and the Policyholder.
- [85] The [rehabilitation plan] variable is used when the mandatory rehabilitation provision is not included in the plan.
- [86] The [Rehabilitation Plan] variable is used when the mandatory rehabilitation provision is included in the plan.
- [87] The Rehabilitation Services provision is a standard provision, but may be removed if agreed to by The Principal and the policyholder.
- [88] These variables are normally used, but any of them may be removed if agreed to by The Principal and the Policyholder.
- [89] This variable is optional and is used if the plan includes a mandatory rehabilitation provision which requires Members to participate in the Rehabilitation Plan.
- [90] The Predisability Intervention Services provision is a standard option, but may be removed if agreed to by The Principal and the Policyholder.
- [91] The Rehabilitation Incentive Benefit is optional, and is included if elected by the Policyholder. The [5%] variable is normally used, but may vary from 1% to 10% if agreed to by The Principal and the Policyholder.
- [92] The Reasonable Accommodation Benefit is a standard provision *but may be removed if agreed to by The Principal and the Policyholder.*

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[92A] The [\$500] variable is normally used when this provision is included but may be increased or decreased if *agreed to by The Principal and the Policyholder. The variable for [an amount equal to [one] month's Primary Monthly Benefit] will be used if agreed to by The Principal and the Policyholder. The number of months may be increased as agreed to by The Principal and the Policyholder.*

Policy Form GC 4026-1

[93] The Survivor Benefit is a standard provision but may be removed if agreed to by The Principal and the Policyholder.

- The [three] variable is normally used, but may be changed if agreed to by The Principal and the Policyholder.
- The [Primary Benefit] variable is standard, but may be changed to [Benefit Payable] if a survivor benefit is based on the benefit after reductions for Other Income Sources.

Policy Form GC 4038-1

[94] The Weekly Payment Limit is a standard provision, but may be removed if agreed to by The Principal and the Policyholder.

[94A] This variable is used if the Rehabilitation Incentive Benefit provision is included in the plan.

[94B] Variables *c.* through *h.* are included if the plan does not offset for these income sources.

[94C] This variable is used for all plans except those that offset for individual disability insurance plans.

[94D] The 100% variable is standard but may be changed if agreed to by The Principal and the Policyholder.

Policy Form GC 4042-2

[95] This variable indicates the length of the Benefit Payment Period. This period may be longer or shorter than 26 weeks if agreed to by The Principal and the Policyholder.

[96] *This variable is normally used but may be removed if agreed to by The Principal and the Policyholder.*

[97] This variable is optional and is only included in plans with a Total Disability only option *or a Total Disability with Social Security Approval Required disability option.*

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- [98] This variable is optional and is included if elected by the Policyholder, and agreed upon by The Principal.
- [99] This variable is optional and is only included if the mandatory Rehabilitation Plan provision is included in the plan.
- [100] This variable text is included when a pre-existing condition limitation is included in the policy. The [six week] variable would normally be used but could be changed if agreed to by The Principal and the Policyholder.
- [101] *This variable is normally used but may be removed if agreed to by The Principal and the Policyholder.*
- [102] The [30] variable is normally used, but may be changed if agreed to by The Principal and the Policyholder.

Policy Form GC 4046-2

- [103] *This variable is normally used but may be removed if agreed to by The Principal and the Policyholder. The variable for [or a claim for benefits has been denied] is normally used but may be removed if requested by a Policyholder and approved by the Principal.*
- [104] This variable is normally used to include the pre-existing condition limitation, however it may be removed if agreed to by The Principal and the Policyholder.
- [105] This variable is normally used, and would only be omitted if the Policyholder has elected occupational coverage.
- [106] This variable is optional and would be included if the plan covers only Complications of Pregnancy.
- [107] This variable is optional and would be used in lieu of [106] above if the Policyholder has elected an option of full maternity coverage after 12 months of coverage for a Member. Pregnancy would be covered in full once a Member has been Actively at Work for 12 months. Complications of Pregnancy would be covered regardless of the amount of time the Member has been Actively at Work. *The [12 months is standard] but may be a different time period if requested by the Policyholder. The time period may also be expressed in years if requested by the Policyholder.*
- [108] This variable will be used if the variables in [107] or [108] are used, but may be removed if agreed to by The Principal and the Policyholder.
- [109] *This variable is optional and would be included if the plan covers injury only.*

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- [109A] Variable items m. through r. will normally be used on plans that cover injury only but any item may be removed if requested by the Policyholder and approved by The Principal.*
- [110] *This variable is optional and would be included if the plan covers alcohol, drug or chemical abuse, dependency, or addiction, and /or Mental Health Conditions for lifetime maximum of [52 weeks]. The 52 weeks is normally used but may be changed to a different period if agreed to by The Principal and the Policyholder. The range for this variable is from one to 104 weeks.*
- [111] *This variable is normally used but may be removed if agreed to by The Principal and the Policyholder.*
- [112] This variable *is normally used* to include the pre-existing condition provision, however it may be removed if agreed to by The Principal and the Policyholder. Under the preexisting condition exclusion provision, no benefits would be payable for a Preexisting Condition. Under the preexisting condition limitation provision, benefits would be payable for a limited period of time for a Preexisting Condition.
- [113] This variable is optional and would be included if agreed to by The Principal and Policyholder.
- [114] The [three month] variable is used if the plan contains a 3/12 pre-existing option, or a 3/6/12 pre-existing option. This variable will be changed to [six months] if the plan contains a 6/12/24 pre-existing option, or [30 days] if the plans contains a 30/5 pre-existing option. This variable may also be changed to other time periods if agreed to by The Principal and the Policyholder.
- [115] This variable will be used if the Policyholder has elected a preexisting condition exclusion.
- [115A] This variable will be used if a preexisting condition limitation has been elected by the Policyholder in lieu of [115] above. Six weeks will be standard but this may be changed to one week to eight weeks if agreed to by The Principal and the Policyholder.
- [116] The [six consecutive months] variable is used if the plan contains a 3/6/12 pre-existing option. This variable will be changed to [twelve consecutive months] if the plan contains a 6/12/24 pre-existing option. This variable may also be changed to other time periods if agreed to by The Principal and the Policyholder.
- [117] The [twelve consecutive months] variable is used if the plan contains a 3/12 pre-existing option or a 3/6/12 pre-existing option. This variable will be changed to [24 consecutive

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months] if the plan contains a 6/12/24 pre-existing option. This variable may also be changed to other time periods if agreed to by The Principal and the Policyholder.

[118] This variable is normally used, but may be removed if agreed to by The Principal and the Policyholder. The [25%] variable is normally used, but may be changed if agreed to by The Principal and the Policyholder.

[119] This provision is used when the Short Term Disability plan is a replacement for another Short Term Disability plan.

Policy Form GC 4048

[120] The Subrogation and Reimbursement provision is optional and will be included if elected by the Policyholder.

Policy Form GC 4050-1

[121] *This variable will standardly be used but may be removed if requested by the Policyholder and approved by The Principal. Both the [Workers' Compensation] and the [Other Disability Coverage] variables are standard, however, either variable may be removed if requested by the Policyholder and agreed to by The Principal.*

Policy Form GC 4052

[122] This variable is used for plans issued to a single employer group.

[123] This variable is used for plans issued to a multiple employer trust (MET).

[124] The [three] variable is normally used to show the minimum plan size for insured employees, but this number may be changed if The Principal determines a different minimum plan size for new sales.