Filing at a Glance

Company: Zurich American Life Insurance Company

Product Name: LTD and STD Certificate Forms	SERFF Tr Num: MLLM-126841207	State: Arkansas
TOI: H11G Group Health - Disability Income	SERFF Status: Closed-Approved-Closed	State Tr Num: 47286
Sub-TOI: H11G.005 Combined Short Term and Long Term	Co Tr Num: 0146KEM01-12	State Status: Approved-Closed
Filing Type: Form		Reviewer(s): Rosalind Minor
	Authors: Jeff Kulesus, Jean Moriarity	Disposition Date: 12/08/2010
	Date Submitted: 11/10/2010	Disposition Status: Approved-Closed
Implementation Date Requested: On Approval		Implementation Date:

State Filing Description:

General Information

Project Name: Zurich American Life Insurance Company
Project Number: 0146KEM01-12
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:
Filing Status Changed: 12/08/2010

Deemer Date:
Submitted By: Jeff Kulesus

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: The forms have been submitted in Illinois and are there pending review and approval.

Market Type: Group
Group Market Size: Small and Large
Group Market Type: Employer, Association
Explanation for Other Group Market Type:
State Status Changed: 12/08/2010
Created By: Jeff Kulesus
Corresponding Filing Tracking Number: MLLM-126657960

Filing Description:

Milliman, Inc. is filing the forms provided with this submission for your review and approval for and on behalf of Zurich American Life Insurance Company (“ZALICO”), previously Kemper Investors Life Insurance Company. Attached is a letter signed by an officer authorizing Milliman, Inc. to submit this filing on their behalf.

Please be advised that Kemper Investors Life Insurance Company has received approval from the domiciliary state of Illinois to change the corporate name. A name change was filed through the UCAA electronic notification system on September 20, 2010. The new corporate name is Zurich American Life Insurance Company. A copy of the domicile state approval has been provided under the Supporting Documentation Tab. Therefore, the documents in this submission contain the new Company name, “Zurich American Life Insurance Company”.

The forms provided with this submission are as follows:

1) Form 2000 ZACERT-LTD-01-01 et al, Long Term Disability Plan Certificate of Coverage;
2) Form 2000 ZASCH-LTD-01-01 et al, Long Term Disability Plan Benefits Schedule;
3) Form 3000 ZACERT-STD-01-01 et al, Short Term Disability Certificate of Coverage; and
4) Form 3000 ZASCH-STD-01-01 et al, Short Term Disability Benefits Schedule.

ZALICO will also market the group long and short term disability products with a group term life insurance product. The group term life insurance product Certificate and Benefits Schedules have been submitted concurrently in a separate SERFF filing referenced by the Corresponding Filing Tracking Number shown under the Filing Information Tab.

All forms included with these submissions are intended to be marketed to employer groups.

ZALICO intends to issue the group insurance policy, certificates, and benefit schedules on a general use basis to employers in the small and large group markets. Plans will be marketed in the employee benefit and group insurance sector through brokers and employee benefit consultants. The forms will be used to market basic and supplemental plans to employers for their employees and their eligible dependents.

ZALICO also intends to market these forms to employers with a multi-national presence and an international employee base. Multi-national employers have a specific need to provide US style employee benefits to their global employees. These employee groups consist of expatriate employees, employees of non-US citizenship working in the United States under an INS Visa and employees working for a US company in another country, such as third country nationals and key local nationals.

Long Term Disability Plan Certificate of Coverage and Benefits Schedule
This submission contains group disability income certificate forms. The group disability product contains optional Additional Long Term Disability Benefits and Programs. The Certificate also includes optional Retirement/Pension Plan Contribution Benefits. The certificate will be issued with the Group Insurance Policy form number 1000 ZAGP-01-01 et al. as stated above. The group disability income Certificate forms have a series form number of 2000. All forms developed for the Group Insurance Policy will contain this series number. There are ten sections within the Certificate:

2000 ZACERT-LTD-01-01 Cover Page and Welcome Page

2000 ZACERT-LTD-02-01 General Provisions
2000 ZACERT-LTD-03-01 Long Term Disability Benefits
2000 ZACERT-LTD-AB-04-01 Additional Long Term Disability Benefits and Programs
2000 ZACERT-LTD-RB-05-01 Retirement/Pension Plan Contribution Benefits
2000 ZACERT-LTD- 06-01 Claim Information
2000 ZACERT-LTD-AP-07-01 Claim Procedures and Appeal Information
2000 ZACERT-LTD-GLOS-08-01 Glossary
2000 ZASCH-LTD-01-01, Benefits Schedule.

Long Term Disability Plan Benefits Schedule
This submission contains the Benefits Schedule for Long Term Disability Plan Certificate of Coverage form 2000 ZACERT-LTD-01-01. The Benefits Schedule will be issued with the Group Insurance Policy for number 1000 ZAGP-01-01 et al. and with Certificate 2000 ZACERT-LTD-01-01 et al pending your review. The material enclosed in brackets is variable and subject to change as described in the Explanation of Variability. All the sections of the Schedule are contained in a single PDF document. There are four sections within the Benefit Schedule:

Short Term Disability Certificate of Coverage and Benefits Schedule.
This submission also contains the Short Term Disability Plan Certificate of Coverage form 3000 ZACERT-STD-01-01and the Short Term Disability Benefits Schedule form 3000 ZASCH-STD-01-01. The forms will be issued together with the Group Insurance Policy for number 1000 ZAGP-01-01 et al. pending your review and approval. The material enclosed in brackets is variable and subject to change as described in the Explanation of Variability. All the sections of the Schedule are contained in a single PDF document. There are four sections within the Short Term Disability Certificate of Coverage:

3000 ZACERT-STD-01-01 Cover Page and Welcome Page
3000 ZACERT-STD-02-01 General Provisions
3000 ZACERT-STD-03-01 Long Term Disability Benefits
3000 ZACERT-STD-04-01 Programs
3000 ZACERT-STD- 05-01 Claim Information
3000 ZACERT-STD-06-01 Claim Procedures and Appeal Information
3000 ZACERT-STD-GLOS-07-01 Glossary
3000 ZASCH-STD-01-01 Short Term Disability Benefits Schedule

The forms provided with this submission will be issued under Group Insurance Policy form number 1000 ZAGP-01-01, which has been filed concurrently with this submission and which is pending review and approval by the Department under the Corresponding Filing Tracking Number shown under the Filing Information Tab. A copy of form 1000 ZAGP-01-01 is provided under the Supporting Documentation Tab of this submission for your convenience.

The forms included in this filing are new and have not been previously filed with or approved by the Department. They have been submitted in the domiciliary state, Illinois, where they are pending review and approval.

Material shown enclosed in brackets is variable, subject to change as described in the Explanations of Variability. An Explanation of Variability has been provided for each form (Policy, Certificate, and Benefit Schedule). The EOV for each form is provided in a single PDF document.

Thank you for your review and consideration of this submission.

Company and Contact

Filing Contact Information

Jeff Kulesus, Consultant
2 Conway Park, Ste. 180
150 Field Drive
Lake Forest, IL 60045

Jeff.Kulesus@Milliman.com
312-499-5635 [Phone]
847-604-8671 [FAX]

Filing Company Information

(This filing was made by a third party - MUSA01)

Zurich American Life Insurance Company	CoCode: 90557	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type: Life and Annuity
Schaumurg, IL 60196-6801	Group Name:	State ID Number:
(887) 275-6017 ext. [Phone]	FEIN Number: 36-3050975	

Filing Fees

Fee Required?	Yes
Fee Amount:	$200.00
Retaliatory?	No
Fee Explanation:	4 forms x $50.00@ = $200.00
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Zurich American Life Insurance Company	$200.00	11/10/2010	41756621

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	12/08/2010	12/08/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	**Created By**	**Created On**	**Date Submitted**	**Responded By**	**Created On**	**Date Submitted**
Pending Industry Response	Rosalind Minor	11/18/2010	11/18/2010	Jean Moriarity	12/06/2010	12/06/2010

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Short Term Disability Plan Benefits Schedule	Jeff Kulesus	11/10/2010	11/10/2010

Disposition

Disposition Date: 12/08/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*MLLM-126841207*	*State:*	*Arkansas*
Filing Company:	*Zurich American Life Insurance Company*	*State Tracking Number:*	*47286*
Company Tracking Number:	*0146KEM01-12*		
TOI:	*H11G Group Health - Disability Income*	*Sub-TOI:*	*H11G.005 Combined Short Term and Long Term*
Product Name:	*LTD and STD Certificate Forms*		
Project Name/Number:	*Zurich American Life Insurance Company/0146KEM01-12*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Authorization Letter	Approved-Closed	Yes
Supporting Document	Explanations of Variability	Approved-Closed	Yes
Supporting Document	Zurich Name Change Documentation	Approved-Closed	Yes
Supporting Document	Sample of Group Insurance Policy Form 1000 ZAGP-01-01	Approved-Closed	Yes
Supporting Document	Track Change Version	Approved-Closed	Yes
Form *(revised)*	Certificate of Coverage Long Term Disability Plan	Approved-Closed	Yes
Form	Certificate of Coverage Long Term Disability Plan	Replaced	Yes
Form	Long Term Disability Plan Benefits Schedule	Approved-Closed	Yes
Form *(revised)*	Certificate of Coverage Short Term Disability Plan	Approved-Closed	Yes
Form	Certificate of Coverage Short Term Disability Plan	Replaced	Yes
Form *(revised)*	Short Term Disability Plan Benefits Schedule	Approved-Closed	Yes
Form	Short Term Disability Plan Benefits Schedule	Replaced	Yes

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/18/2010
Submitted Date	11/18/2010
Respond By Date	

Dear Jeff Kulesus,

This will acknowledge receipt of the captioned filing.

Objection 1

- Certificate of Coverage Long Term Disability Plan, 2000 ZACERT-LTD-01-01 (Form)

Comment:

The Department is not approving Terrorism or "Terrorism Type" exclusions in A&H policies. Please delete the language on Terrorism

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/06/2010
Submitted Date	12/06/2010

Dear Rosalind Minor,

Comments:
Rosalind Minor
Arkansas Department of Insurance

Re: Zurich American Life Insurance Company
Our Filing No.: MLLM-126841207
AR DOI Tracking No.: 47286

Dear Ms. Minor –
This letter responds to your November 18, 2010 inquiry regarding the Zurich LTD and STD Insurance submission through SERFF. In this inquiry, you requested that we delete any reference to Terrorism or Terrorism Type exclusions.

Response 1

Comments: As requested, every reference of terrorism was removed from the exclusions section on page 29 in LTD Certificate of Coverage. There are no exclusions for terrorism in the STD Certificate of Coverage.

Related Objection 1

Applies To:

- Certificate of Coverage Long Term Disability Plan, 2000 ZACERT-LTD-01-01 (Form)

Comment:

The Department is not approving Terrorism or "Terrorism Type" exclusions in A&H policies. Please delete the language on Terrorism

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Track Change Version
Comment: Track change version for the 11-23-10 version of LTD Certificate.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Certificate of Coverage Long Term Disability Plan	2000 ZACERT-LTD-01-01		Certificate	Initial		51.400	2000 ZACERT-01-01 LTD Certificate 11-23-10_AR.pdf
Previous Version							
Certificate of Coverage Long Term Disability Plan	*2000 ZACERT-LTD-01-01*		*Certificate*	*Initial*		*51.400*	2000 ZACERT-LTD-01-01 Certificate of Coverage Long Term Disability Plan 10-25-2010.do.pdf
Certificate of Coverage Short Term Disability Plan	3000 ZACERT-STD-01-01		Certificate	Initial		50.000	3000 ZACERT-01-01 STD Certificate 11-23-10_AR.pdf
Previous Version							
Certificate of Coverage Short Term Disability	*3000 ZACERT-*		*Certificate*	*Initial*		*50.000*	3000-ZACERT-

Plan	*STD-01-01*	STD-01-01 Certificate of Coverage Short Term Disability Plan 10-25-2010.pdf

No Rate/Rule Schedule items changed.

Also, please note that I also added the following the sentence to the end of the 5th paragraph on the cover page of the LTD and STD Certificate:

“When making a benefit determination under the policy, we have discretionary authority to determine your eligibility for benefits and to interpret the terms and provisions of the policy.”

Thank you for reviewing this document. Please feel free to contact me if you have questions.

Sincerely,
Jean Moriarity , Jeff Kulesus

Amendment Letter

Submitted Date: 11/10/2010

Comments:

Please substitute the attached copy of form 3000 ZASCH-STD-01-01 for the corresponding copy of the previously provided form under the Forms Schedule Tab.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
3000 ZASCH-STD-01-01	Schedule Pages	Short Term Disability Plan Benefits Schedule	Initial				51.000	3000-ZASCH-STD-01-01 Short Term Disability Plan Benefits Schedule 10-25-2010.pdf

Form Schedule

Lead Form Number: 2000 ZACERT-LTD-01-01

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 12/08/2010	2000 ZACERT-LTD-01-01	Certificate	Certificate of Coverage Long Term Disability Plan	Initial		51.400	2000 ZACERT-01-01 LTD Certificate 11-23-10_AR.pdf
Approved-Closed 12/08/2010	2000 ZASCH-LTD-01-01	Schedule Pages	Long Term Disability Plan Benefits Schedule	Initial		51.400	2000 ZASCH-LTD-01-01 Long Term Disability Plan Benefits Schedule 10-25-2010.pdf
Approved-Closed 12/08/2010	3000 ZACERT-STD-01-01	Certificate	Certificate of Coverage Short Term Disability Plan	Initial		50.000	3000 ZACERT-01-01 STD Certificate 11-23-10_AR.pdf
Approved-Closed 12/08/2010	3000 ZASCH-STD-01-01	Schedule Pages	Short Term Disability Plan Benefits Schedule	Initial		51.000	3000-ZASCH-STD-01-01 Short Term Disability Plan Benefits Schedule 10-25-2010.pdf

[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Long Term Disability Plan]

[Zurich American Life Insurance Company] is pleased to welcome you to the plan. This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.]

[This long term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance

[Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. **1**[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments. When making a benefit determination under the policy, we have discretionary authority to determine your eligibility for benefits and to interpret the terms and provisions of the policy.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

Zurich American Life Insurance Company is located at:

2[1400 American Lane
Schaumburg, IL 60196]

Our toll free number is: [877-278-7556]
Our website address is: [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Long Term Disability Benefits
Additional Benefits and Programs
Retirement Contribution Benefits
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

Zurich American Life Insurance Company	
[Toll Free Number:	[877-278-7556]
Social Security Advocacy Program	[877-278-7556]
Claim Information Toll Free Number	[877-278-7556]]

[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

[Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

General Provisions

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

1[Your Long Term Disability Plan]

2[This [disability plan] provides you with a source of [monthly] income if you should become disabled and unable to work because of an ***sickness*** or ***injury*** while covered under this ***Plan***.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your long term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[**Policyholder**]*; and
- You must be in [***active employment***],
- You must be in an [***eligible class***]; [and
- 3You must be working [outside] [inside] the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [***eligible class***]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[**You are in an [eligible class] if you are a: [**

- regular full-time *[employee]* in ***active employment***, as defined by your *[employer]* who is scheduled to work [35] hours per week on a regular basis.]

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [eligible class], the date you are eligible for coverage is the later of:

- The plan effective date[; [or
- 7The day after you complete your ***[service] waiting period]***.

8**[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9[What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. 1 [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] 1[The *[service] waiting period* is shown on the [Benefits Schedule].]

1[Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10[When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;

- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

12[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and
- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [monthly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

12[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] [You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

12[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

13[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **13** [

- you enroll for coverage for the first time.
- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of*

- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- you enroll on the effective date of this plan for an amount of long term disability coverage that is greater than the amount of coverage you had in effect under any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your long term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

13 [The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

13 [If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

14 [Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

14 [Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

[After Coverage Begins]

15[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

[You may decrease your coverage **16**[anytime] during the plan year.]

You may increase your coverage **16**[anytime] during the plan year or] during any annual enrollment period.]

[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

When Will Changes To Your Coverage Take Effect?

Once your coverage begins, any increased or additional coverage will take effect **16**[immediately]

[when your *evidence of insurability* is approved by us] if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.

17[An increase in your long term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **16**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

18[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

Once you have satisfied the *elimination period*, your premium and contributions, if any, will be waived for any period you are eligible to receive monthly benefits.

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **19**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- **19(a)**you return to the [U.S.A]. for more than [30-365 continuous days] [1-60 months];
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before **19(a)**the first premium due date that occurs after you stop *active employment*].
- [90-180] days after the date you [or your dependent] return to the U.S. to establish residency.
- the date on which you are age [60–100];
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

20[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of

the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your long term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

21 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

21[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

22 What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [e*mployer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within [31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]

How Can Statements Made In Your Application For This Coverage Be Used?

We consider any statements you or your [*employer*] makes in a signed application for coverage

23[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date 1[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

During the first [one, two] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [one-two] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, the validity of your [insurance] may not be contested by us unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

24[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.
- Serve as a constructive trustee for the benefits of this plan over any settlement or recovery funds received as a result of Third Party Injuries.

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation or State Disability Insurance?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. However, any Workers' Compensation benefits are considered a *deductible source of incom*e.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We shall have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

Long Term Disability Benefits

How Do We Define a 1[Long Term] Disability?

[Option A- Partial- Standard

2 [During the [*elimination] period*], you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[indexed monthly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury."].]

[After the *elimination period] [After monthly benefits have been payable for [6-unlimited months]*, you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; [and] [or]
- you have a [10%-50%] or more loss in your [*indexed monthly earnings]* due to that *sickness* or *injury*] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After [6-unlimited] months *benefits* have been payable, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and
- you are under the *regular care* of a *physician;*. [and] [or]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option B Standard For Residual)

4 [You are disabled when we determine that:

- you are [limited from performing] [unable to perform] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician,* [and]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After monthly payments have been payable for [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and
- you are under the *regular care* of a *physician;* [and] [or]

- [you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury]* [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option C Total Disability During the Elimination Period)

5 [During the *[elimination] period*,] you are disabled when we determine that:

- you are unable to perform the *material and substantial duties* of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

[After the *elimination period*] [After benefits have been payable for [6-unlimited] months], you are disabled when we determine that:

- you are unable to perform the material and substantial duties of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

3 [After *monthly benefits* have been payable [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience and
- you are under the *regular care* of a *physician*.; and
- you are not working at any job for compensation or profit.

Option D (Special)

6[Loss of License

You will be considered disabled, if solely because of *injury* or *sickness*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [40- 60% or less] of your *[covered monthly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [***gainful occupation***] for which you may reasonably become qualified based on your education, training or experience.]

7[You must be under the *regular care* of a *physician* in order to be considered disabled.]

7[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical

practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.]]

8 **[How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?**

You must be continuously disabled through your ***[elimination] period***. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [5-90] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*.

[Your *[elimination] period* is [30-365 days] [1-60 months] [described in the Benefits Schedule].]

[Your *[elimination] period* is the longer of [0-36] months and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

9 **[Can You Satisfy Your [Elimination] Period If You Are Working?**

Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled. We will send you a *monthly benefit* for any period for which we are liable.

What Are Your [Covered Monthly Earnings]?

10 **[*"Covered Monthly Earnings"*]** means your gross monthly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

11 [It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

11 [*Covered monthly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

12 [It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

13[How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A (Direct Offset)

We will follow this process to calculate your benefit amount:

1) Multiply your ***[covered monthly earnings]*** by [30%-100%] [the monthly benefits percentage shown in the [Benefits Schedule].
2) The ***maximum monthly benefit*** is [$1 - unlimited] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *monthly benefit*. The lesser of these two amounts is your [***gross disability benefit***].
4) Subtract from your *gross disability benefit any* ***[deductible sources of income]***.

The amount figured in Item 4 is your ***monthly benefit***. The *monthly benefit* will be recalculated when your income changes or you receive any new *[deductible sources of income]*.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your benefit for each day of disability.]

Monthly benefit means your benefit amount after any *[deductible sources of income]* have been subtracted from your *gross disability benefit*.

Maximum monthly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* and *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *monthly benefit* is [$50-$10,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *monthly benefit*.] [Your *monthly benefit* will [not] be reduced for any *[deductible sources of income]*.]

[Option C (All Sources)

[To calculate the amount of the *monthly benefit*, take the lesser of:

1) your ***[covered monthly earnings]*** multiplied by [30%-100%] [the monthly benefit percentage shown in the [Benefits Schedule]]; or
2) your [*covered monthly earnings]* multiplied by the ***all sources monthly benefit percentage*** [of 30%-100%] [shown in the [Benefits Schedule], [less *[deductible sources of income]*]; or
3) the ***maximum monthly benefit*** shown in the [Benefits Schedule].]

How is Your Benefit Determined if You Are Disabled and Working?

<u>Option A</u>

For the first [6-unlimited] months of payable benefits:

1. If you are disabled and return to work, we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows: **[14**

   - During the first [6-unlimited] months of payable benefits, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [90%-125%] of *[indexed monthly earnings].*

     1) Add your monthly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

     If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
     If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

   - After benefits have been payable for [6-unlimited] months, while working, the amount of your *monthly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *monthly benefit*.]

Option B

A. [If you are disabled and return to work we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

B. [After [6-unlimited] months] if you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows:

   14[During the first [6-36] months of *benefits*, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the gross disability benefit does not exceed [90% - 125%] of *[indexed monthly earnings].*

   1) Add your monthly *disability earnings* to your *gross disability benefit*.
   2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

   If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
   If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

15 [During the first] [After] [6-36] months of *benefits*, while working, your *monthly benefit* will be based on the percentage of income you are losing due to your disability.

1) Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2) Divide the answer in item 1) by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3) Multiply your *monthly benefit* by the answer in item 2).

This amount will be your new *monthly benefit*.]

We may require you to send proof of your *disability earnings* on a [monthly] basis. We will re-calculate your benefit [each month] and adjust your [monthly] benefit based on your monthly *disability earnings*.

As part of your proof of *disability earnings*, we can require that you send us appropriate financial records, including copies of your IRS federal income tax return, W-2's and 1099's, which we believe are necessary to substantiate your income.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your *monthly benefit* for each day of disability.]

When Will Your Monthly Benefits End If Working While Disabled?

During the first [6- to unlimited months] of disability *benefits*, if your [*monthly disability earnings*] exceed [80% to 100%] of your [*indexed monthly earnings*], we will stop your benefits and your claim will end.

Beyond [6 to unlimited months] of disability *benefits*, if your monthly *disability earnings* exceed [40% to 100%] of your *[indexed monthly earnings]*, we will stop your benefits and your claim will end.

16 [***Disability earnings*** means the earnings which you receive while you are disabled and working[, plus the earnings you could receive if you were working to your greatest extent possible. This would be , based on your restrictions and limitation:

- During the first [6-unlimited months] of disability *benefits*, the greatest extent of work you are able to do in your [*regular occupation*], that is reasonably available.
- Beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably fitted by education, training or experience.]

[Salary continuance paid to supplement your *disability earnings* will not be considered payment for work performed.]

---

7 [We will review your status from time to time. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

17 [What Will We Use For [Covered Monthly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use

your monthly earnings from your [employer] in effect just prior to the date your absence begins.]

18[How Can We Protect You If You're Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from month to month, we may average your *disability earnings* over the most recent [3-12] months to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [3-12] months exceeds [40%-80%] of *[indexed monthly earnings]*. We will not pay you a benefit for any month during which *disability earnings* exceed [40-80%] of [*indexed monthly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[: **19**

- During the first [6-unlimited months] of disability benefits, the average of your *disability earnings* from the last [3-12] months exceeds [80%-100%] of *[indexed monthly earnings]*; or
- Beyond [6-unlimited months] of disability *benefits*, the average of your *disability earnings* from the last [3-12] months exceeds [40%-100%] of *indexed monthly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum monthly benefit* will not be paid when *disability earnings* exceed the above amounts.]

20 [What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[***Deductible sources of income*** are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *monthly benefit* is calculated and may reduce your *monthly benefit.]*

20We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **20a[**

1. The amount that you receive or are entitled to receive under:
    - a workers' compensation law
    - an occupational disease law
    - any other ***plan, act or law*** with similar intent.

2. **20b**The amount that you receive or are entitled to receive as disability income *benefits* under any:
    - state compulsory benefit act or law
    - automobile liability insurance policy
    - other group insurance plan
    - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **20c** [your spouse and children] receive or are

entitled to receive as disability *benefits* because of your disability under:

- the United States Social Security Act
- the Canada Pension Plan
- the Quebec Pension Plan
- the Railroad Retirement Act
- any similar *plan, act or law* of any country, state or province.

[Amounts paid to your former spouse or to your children living with such spouse will not be included.] **20c**

4. The gross amount that you receive as retirement payments or the amount **20c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

   - the United States Social Security Act
   - the Canada Pension Plan
   - the Quebec Pension Plan
   - the Railroad Retirement Act
   - any similar *plan, act or law* of any country, state or province.

   This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

   [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

   [Benefits paid to your former spouse or your children living with such spouse will not be included.] **20c**

5. The amount that you:

   - receive as disability benefits under your [*employer*'s] ***retirement plan***;
   - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
   - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

   Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

   Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

   [Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

20d Amounts received do not include amounts rolled over or transferred to any eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future

amendments that affect the definition.

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **20e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total *monthly benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross monthly earnings.] **20f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **20g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **20h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement payments.**]**

[What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [**21**

- 401(k) plans
- profit sharing plans
- thrift plans
- tax sheltered annuities

- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance
- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

22 [What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Monthly Benefit)?

If your *monthly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum monthly benefit*. [Your *minimum monthly benefit* is listed on the [Benefits Schedule].

[The *minimum monthly benefit* is [the greater of:]

- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]

[The *minimum monthly benefit* is [the lesser of:

- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]]

We may apply your *minimum monthly benefit* toward any outstanding overpayment.

The *minimum monthly benefit* will not be paid in any month when *disability earnings* exceed [60-80%] of your *[indexed monthly earnings]*. This includes when we average your *disability earnings* as described above.]

23 [What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *monthly benefit* due to a cost of living increase from that source.]

24 [What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits [under Item(s) 1, 2, 3, 9, 10, and 11] in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *monthly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

Your *monthly benefit* may **NOT** be reduced by the estimated amount if you:

- apply for the disability benefits [under Item(s) 1, 2 3 ,9, 10 or 11] in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
- sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

- of the amount awarded; or
- that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

25[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a monthly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one.]

26[What Is The Maximum Benefit Period?

You will receive a benefit for each month you remain disabled up to the ***maximum benefit period***.

7 [Your *maximum benefit period* is [12 months to lifetime].]

7[Your *maximum benefit period* is to age [60-95].

[Your *maximum benefit period* is based on your age at disability as follows:

27 [**Maximum Benefit Duration Schedule**

Age At Disability	**Maximum Benefit Period**
[Less than age 62	To Social Security Normal Retirement Age
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months]
Year of Birth	**Social Security Normal Retirement Age**
1937 or before	65 years
1938	65 years 2 months
1939	65 years 4 months
1940	65 years 6 months
1941	65 years 8 months

1942	65 years 10 months
1943-1954	66 years
1955	66 years 2 months
1956	66 years 4 months
1957	66 years 6 months
1958	66 years 8 months
1959	66 years 10 months
1960 and after	67 years]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**28**

- the end of the *maximum benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- during the first [6-unlimited] months of benefits, when you are able to work in your [*regular occupation*] on a part-time basis but you choose not to;
- **29** after [6-unlimited] months of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your monthly *disability earnings* exceed [80%] of your *[indexed monthly earnings]*, the date your earnings exceed [80%];
- the date you fail to submit proof of continuing disability;
- after [12-60] months of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [6-60] months or more during any [12-60] consecutive months of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [*indexed monthly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 30 [

- are not following a plan of ***appropriate care*** for your disability, or complications of your disability;
- are not receiving *appropriate care*;
- refuse to participate in [our *Rehabilitation Program*,a Worksite Modification Program, a transitional work arrangement or other modified work arrangement which may be for your *regular occupation* or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due.]

31 [What Disabilities Have A Limited Pay Period Under Your Plan?

Option A

We will pay disability benefits on a limited basis for a disability caused by, or contributed to by, any one or more of the following conditions: [

- Disabilities, which as determined by us, due in whole or in part to mental illness have a limited pay period during your lifetime.

- Disabilities due to a *sickness* or *injury*, which as determined by us, are primarily based on

self-reported symptoms have a limited pay period during your lifetime.

- Disabilities which as determined by us, due in whole or in part to alcohol abuse, drug abuse or dependency have a limited pay period during your lifetime.]

The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by: [

- mental illness,
- alcohol abuse and drug abuse or dependency; and
- disabilities based primarily on ***self-reported symptoms*]**

is [6-unlimited] months during your lifetime. Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.

32 [Option B

[The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by, any one or more of the following condition(s) is [6-unlimited] months during your lifetime:

- [Alcoholism
- Anxiety disorders
- Depressive disorders
- Drug addiction or abuse
- Eating disorders
- Fibromialgia
- Mental illness
- Psychotic disorders
- Schizophrenia
- Somatoform disorders (psychosomatic illness)
- Chemical and environmental sensitivities
- Subjective Symptom Conditions
- Chronic fatigue syndrome
- Thoracic outlet syndrome]

Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.]

Benefit Extension

We will continue your benefits beyond the [6-unlimited] month period if you meet one or both of these conditions:

1. If you are ***confined*** to a hospital or institution at the end of the [6-unlimited] month period, we will continue your benefits during your ***confinement***.
   If you are still disabled when you are discharged, we will continue your benefits for a recovery period of up to [30-365 days].

   If you become re-confined at any time during the recovery period and remain

confined for at least [14] days in a row, we will continue your benefits during that additional confinement and for one additional recovery period up to [30-180] more days.

2. In addition to item 1, if, after the [6-unlimited] month period for which you have received benefits, you continue to be disabled and subsequently become confined to a hospital or institution for at least [14] days in a row, we will continue benefits during the length of the re-confinement.

We will not pay beyond the limited pay period as indicated above, or the *maximum benefit period*, whichever occurs first. [We will not apply any period of confinement to your lifetime cumulative maximum.]

Exceptions

We will not apply the *[mental illness]* limitation to dementia if it is a result of: **33[**

- stroke;
- trauma;
- viral infection;
- Alzheimer's disease; or
- other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.]

What Disabilities Are Not Covered Under Your Plan?

[Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: **34**[

- a ***pre-existing condition;***
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness otherwise covered by the group insurance policy;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or *sickness* while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;

- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure
- normal pregnancy or childbirth; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]

35 [The following specific [conditions] [diagnoses] are not covered under this group insurance policy:

- Human Immunodeficiency Virus (HIV); and
- Acquired Immune Deficiency Syndrome (AIDS)]

36 [Your plan does not cover a disability while you are outside the [country of [England, United States, territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37 [Active participation in war

No Benefit is payable in the event of a claim arising from your:

- active engagement in an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention or effect of influencing any government or of putting the public or any section of the public in fear; or
- active involvement in war, invasion, act of foreign enemies, hostilities or war-like operation (whether war be declared or not), civil war,mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force or violence.]

37 [Passive participation in war

No benefit is payable if you;

- go to and remain in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against ‘all travel’ there; or
- go to and remain for a period of more than 28 days per stay in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against ‘all but essential travel’; and
- the claim arises either directly or indirectly as a consequence of war, invasion, act of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force or violence.]

37 [Nuclear, biological and chemical events

No benefit is payable in the event of a claim arising, directly or indirectly, from any of the following:

- nuclear fission, fusion or radioactivity;
- the use of nuclear, biological and chemical weapons and/or devices;
- attacks on or sabotage of facilities and storage depots, which lead to the release of

radioactivity or nuclear, biological or chemical warfare agents.]

38 [What Is a Pre-Existing Condition?

You have a ***pre-existing condition*** if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -24 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the [3 days -24 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pe-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

39 [What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [12-24] months, thereafter you are covered 100%.
- The *maximum monthly benefit* is limited to [10%-90%] of your *[covered monthly earnings]*, not to exceed the *maximum monthly benefit* shown in the [Benefit Schedule].
- The *maximum benefit period* is limited to [1 – 24] months.]]

40 [How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

41 What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a *sickness* or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *monthly benefit* will be limited to the amount that would have been paid by the prior carrier. We will reduce your *monthly benefit* by any amount for which your prior carrier is liable.

42 [How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *monthly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *monthly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *monthly benefit* will be the lesser of:

- the *monthly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *monthly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

43 [How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this long term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing *sickness* or *injury* will not increase. Instead, the benefits are limited to the amount you had on the day before the plan change.]

44 What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior claim and your *recurrent disability*; and

- your recurrent disability occurs within [3-12] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [3-12] months from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group long term disability plan, you will not be eligible for benefits under this disability plan.

45 [What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, we will treat your disability as part of your prior claim and you will not have to complete another *[elimination] period* if:

- you were continuously working full time for the period between the end of your prior claim and your *recurrent disability*; and
- your *recurrent disability* occurs within [6] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

If you become entitled to benefits under any other group long term disability plan, you will not be eligible for *benefits* under this disability plan.]

[Additional Long Term Disability Benefits and Programs

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

[Survivor Benefit
What benefits will be provided to your family if you die or are terminally ill?

1 Death Benefit
When we receive proof that you have died, while [totally] disabled, we will pay your *eligible survivor* a lump sum benefit equal to [3-24] months of your [*gross disability benefit*] [*monthly benefit]* if, on the date of your death:

- your disability had continued for [180-365 or more consecutive days] [6-24 months]; and
- you were receiving or were entitled to receive payments under this *Plan*.

However, we will first apply the survivor benefit to any overpayment that may exist on your claim.

If you have no *eligible survivors*, [no payment will be made] [payment will be made to your estate, unless there is none.]

2 [Accelerated Survivor Benefit
You may receive your [3-24] month survivor benefit prior to your death if you have been diagnosed as terminally ill. We will pay you a lump sum amount equal to [3-24] months of your *gross disability benefit* if:

- you have been diagnosed with a terminal illness or condition;
- your life expectancy has been reduced to less than [6-24] months; and
- you are receiving *monthly benefits*.

Your right to exercise this option and receive payment is subject to the following:

- you must make this election in writing to us; and
- your ***physician*** must certify in writing that you have a terminal illness or condition and
- your life expectancy has been reduced to less than [6-24] months.

This benefit is available to you on a voluntary basis and will only be payable once. If you elect to receive this benefit prior to your death, no survivor benefit will be payable upon your death.]

3 [[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible colleges for a child, to helping to deal with the stress of the workplace. This program is

available for everyday issues as well as crisis support.]

4[[Social Security Advocacy Program]

How can we assist you with obtaining Social Security Disability Benefits?

In order to be eligible for assistance from our [Social Security Advocacy Program], you must be receiving *monthly benefits* from us. We can provide expert advice regarding your claim and assist you with your application or appeal.

Receiving Social Security benefits may enable:[

- you to receive Medicare after 24 months of disability payments;
- you to protect your retirement benefits; and - your family to be eligible for Social Security benefits.
- We can assist you in obtaining Social Security disability benefits by: helping you find appropriate legal representation;
  - obtaining medical and vocational evidence; and
  - reimbursing pre-approved case management expenses.]

[This program can be accessed by a 1-800 telephone number available 24 hours a day, 7 days a week or online through a website.]

[Information about this program can be obtained through your [plan administrator]. This service is also available to your [***employer***].]]

5[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

6 [Additional Benefits While You Participate In Our *[Rehabilitation Program]*

We will pay an additional benefit of [1%-10%] of your [*gross disability benefit*] to a maximum benefit of [$1,000] per month. This benefit is not subject to policy provisions which would otherwise increase or reduce the benefit amount such as *[deductible sources of income]*. However, the ***maximum benefit*** and ***maximum benefit period*** will apply. [In addition, we will continue benefits for you for [3-12] months following the date your disability ends if we determine you are no longer disabled while:

- you are participating in our [*Rehabilitation Program*]; and
- you are not able to find employment.

This benefit payment may be paid in a lump sum.]

[When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.]

7 [Dependent Care Expense Benefits While You Participate in a [Rehabilitation Program]

While you are participating in our *[Rehabilitation Program]***,** we will pay a Dependent Care Expense Benefit when you are disabled and you:

- are incurring expenses to provide care for a child under the age of [5-15]; and/or
- start incurring expenses to provide care for a child age [11-15] or older or a family member who needs personal care assistance.

The payment of the Dependent Care Expense Benefit will begin immediately after you start our *[Rehabilitation Program]*. Our payment of the Dependent Care Expense Benefit will:

- be [$ 250-$1000] per month, per dependent; and
- not exceed [$500-$5000] per month for all dependent care expenses combined.

To receive this benefit, you must provide satisfactory proof that you are incurring expenses that entitle you to the Dependent Care Expense Benefit.

Dependent Care Expense Benefits will end on the earlier of the following:

- the date you are no longer incurring expenses for your dependent;
- the date you no longer participate in our *[Rehabilitation Program]*; or
- any other date benefits would stop in accordance with this *Plan*.]]

8 [Education Expenses Benefit For Eligible Students

If you are disabled and receiving long term disability benefits under this *Plan*, you will receive a monthly Education Benefit for each child that is an ***eligible student***. Education Benefits are in addition to your long term disability benefits.

Benefits will be payable in between terms as long as the *eligible student* is enrolled for the next scheduled term.

The Education Benefit will:

- be [$ 50-$200] per month, per *eligible student*; and
- not exceed [$100-$500] per month for all *eligible students* combined.

Education Benefits will stop at the earliest of:

- the date the child is no longer an *eligible student*; or
- any other date monthly benefits would stop in accordance with this plan.]

9[Cost Of Living Adjustment Benefit

We will make a cost of living adjustment (COLA) [on July 1] after you have received [2] full years of payments for your disability.

Your benefit will increase on that date by the lesser of the current annual increase in the Consumer Price Index (CPI-W) or] [1% -5%] each July 1s and each following anniversary not to exceed] **5** [1-unlimited] [anniversary] adjustment periods while you continue to receive payments for your disability.

[We will make a cost of living adjustment (COLA) on [July 1] if you are disabled and not working on that date and have been disabled for all of the [12-24] months before that date.

Your benefit will increase on that date by [1%-10%]. You will not receive more than [1-5] cost of living adjustments while you continue to receive benefits for your disability.]

Each month we will add the cost of living adjustment to your *monthly benefit*. When we add the adjustment to your *monthly benefit*, the increase may cause your *monthly benefit* to exceed the *maximum monthly benefit*.

9[Compound Interest Cost of Living Example:

Your *monthly benefit* = $1500
Cost of Living Adjustment % (COLA%) = 1%

Each [July 1] after 12 or more months of disability payments	**Your monthly payment x (100% + 2%)**	**New Payment**
1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2%) x (100% + 2%)	= $1561
3rd	$1500 x (100% + 2%) x (100% + 2%) x (100% + 2%)	= $1592]

[Compounding interest will continue up to the maximum number of adjustments.]

10[Simple Interest Cost of Living Example

1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2% +2%)	= $1560
3rd	$1500 x (100% + 2% + 2% + 2%)	= $1590]

[Simple interest will continue up to the maximum number of adjustments.]]

[Consumer Price Index (CPI-W) means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the US Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.] We will use the CPI in effect [on] [immediately prior to] [the calendar year prior to] [the date of your increase.]

11 [Worksite Modification Benefit

How can we help your employer identify and provide worksite modification?

A worksite modification might be what is needed to allow you to perform the ***material and substantial duties*** of your ***regular occupation*** with your [*employer*]. One of our designated professionals will assist you and your [*employer*] to identify a modification we agree is likely to help you remain at work or return to work. This agreement will be in writing and must be signed by you, your *[employer]* and us. When this occurs, we will assist your [*employer*] with the cost of the modification, up to the greater of:

- [$1,000], or
- the equivalent of [2] months of your *monthly benefit*. This benefit is available to you on a one time only basis.]]

12 [Plan Conversion Option

What Insurance Is Available If You End Employment (Conversion)

If you end employment with your *[employer],* your coverage under this *Plan* will end. You may be eligible to purchase insurance under our group conversion policy. To be eligible, you must have been insured under your [employer's] group plan for at least [12] consecutive months. We will consider the amount of time you were insured under our *Plan* and the plan it replaced, if any.

You must apply for insurance under the conversion policy and pay the first quarterly premium within 31 days after the date your employment ends. We will determine the coverage you will have under the conversion policy. The conversion policy may not be the same coverage we offered you under your [employer's] group plan.

You are not eligible to apply for coverage under our group conversion policy if:

- you are or become insured under another group long term disability plan within [31] days after your employment ends;
- you are disabled under the terms of the plan;
- you recover from a disability and do not return to work for your *[employer]*;
- you are on a leave of absence; or
- your coverage under the plan ends for any of the following reasons:
  - the plan is cancelled;
  - the plan is changed to exclude the group of employees to which you belong;
  - you are no longer in an eligible group;
  - you end your working career or retire and receive payment from any [employer's] retirement plan; or
  - you fail to pay the required premium under this plan.]

13 [Recovery Income Protection

You may be eligible for an additional monthly benefit following your disability. We will be eligible for this benefit if you have been disabled and you satisfy each of the following:

- you have satisfied the *[elimination period]* for that disability;
- you return to your *regular occupation* full time with the [*employer*] on the earlier of the date your disability ends or the date your benefits cease;
- you have a [20%] or more loss in your *[indexed monthly earnings]* due to the same disability; and
- you have received at least [3] months of disability benefits for that disability under the *Plan*.

Recovery income protection benefit payments will end on the earliest of the following:

- the date [3] months recovery income protection benefits have been paid; or
- the date your current earnings exceed 80% of your *[indexed monthly earnings]*.]

14 [Revenue Protection Benefit For [Employers]

If you are receiving monthly benefits under this *Plan*, we will make a payment to the [*employer*]. This benefit will be paid for [12] months to the [*employer*]. This payment will be [1%-50%] of your *[covered monthly earnings]* up to [$0-$5,000]. We will not subtract *[deductible sources of income]* from this payment.

If you are disabled and working and your monthly *disability earnings* are from [20% through 80%] of your *[indexed monthly earnings]*, the payment will be based on the percentage of income you are losing due to your disability according to the following steps:

1. Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2. Divide the answer in Step 1 by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3. Multiply the extra payment (payable to the [*employer*], noted above) by the percent of lost earnings in Step 2.

This is the amount payable to the [*employer*].]]

[Retirement/Pension Plan Contribution Benefits]

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

These services are also available as part of your Long Term Disability Plan

[Retirement/Pension Plan Contribution Benefit

If you are receiving benefits for your disability under this *Plan* and have been continuously disabled for at least [180 days] [3-12 months], you may be eligible to receive a supplemental payment equal to:

Option 1

[[1-25%] of your *[covered monthly earning*s],* not to exceed the maxiumum amount allowed by law as determined by your [employer].]

Option 2

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the maximum amount allowed by law, as determined by your [employer].]

Option 3

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the amount of the average monthly tax deferred contributions you and your [employer] made to your [employer's pension plan during the last [12-60] calendar months prior to the date your disability started or the amount of time you participated in the pension plan if fewer then [12-60] months.]

Benefit Requirements

A pension plan contribution benefit will be payable if:

- a disability starts while you are covered by this Plan;
- your were an active participant in your [employer's] pension plan for at least [12-60] months prior to the date your disability started.
- your disability continues during and past the elimination period;
- your disability continues for [3-12] months;
- payment of your monthly payment is not excluded by any other terms of this Plan; and
- payment of a monthly pension contribuiton benefit is not excluded by law or your [employer's] pension plan.

The pension plan contribution benefit is first payable after the *[elimination period]* or, if later, the date you would have been eligible to participate if you were not disabled.

The monthly amount of your pension contribution benefit will be calculated in accordance with the formula used by your [*employer*] to compute monthly contributions to be made by you and your [employer]. If you are working while you are disabled, your supplemental payments will be multiplied by your percentage of lost income as determined above to calculate the amount.

[1][This benefit will not be reduced by *deductible sources of income*.]

This benefit will be paid to the trustee or administrator of your pension plan after proof of your participation in the plan is verified.

Termination of Benfits
This benefit will end the earlier of any of the following:

- The date your disability ends for any reason;
- The date you are not longer eligible to be an active participant in your [employer's] pension plan;
- The date your [employer's] pension plan is frozen or terminated;
- The date your [employer] notifies us it is necessary to terminate the benefit to comply with the Internal revenue Code, ERISA, or any other federal, state or the law of any country where you reside.

Employer [Pension] Fund Contribution – To calculate the amount of monthly contribution multiply the insured's monthly benefit by the [Employer Pension] percentage in the [Benefits Schedule]. This is the amount we will pay each month to the [employer] to be contributed into the fund.

---

[2][Pension plan means a plan which provides retirement benefits and which is not wholly funded by employee contributions. The term shall not include a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity plan (TSA), a stock ownership plan or a non-qualified plan of deferred compensation.]

---

[3][National Insurance Contribution Benefit

National Insurance is a system of taxes and related social security benefits which has operated in the United Kingdom since its introduction in 1911, and wider extension by the government of Clement Attlee in 1946.

To calculate the amount of your monthly contribution multiply the insured's monthly benefit by the precentage shown in the [Benefits Schedule]. These funds will then be sent along each month to the [Policyholder] to be contributed into the plan.]]

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Long Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [30-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [90-365 days] after your elimination period. If it is not possible to give proof within [90-365 days], it must be given no later than [1-5] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring ***evidence of insurability***, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within [15] days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending ***physician*** for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your monthly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the ***[elimination period]*** for your Long Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5**[***regular occupation*** or any ***gainful occupation*** or an ***activity of daily living***]; and
7. The name and address of any inpatient or outpatient facility, ***hospital***, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [30-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of ***[deductible sources of income]****, during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [30-365] days of our written request. If you do not return the overpayment to us within [30-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

8[Examples of *[deductible sources of income]* are:

- Workers' compensation;
- Federal Social Security benefits;
- Disability payments made by, or on behalf of, a third party as a result of any person's
- action or inaction.]

1[All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7[Unpaid Premium Due:

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim [60 days] after proof of claim has been given to us and up to [3 years] from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge

upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such sources of income until any *benefit overpayments have been recovered in full.*

Discretionary Acts

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's discretionary authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Activities of Daily Living

- Bathing - the ability to wash yourself either in the tub or shower or by sponge bath with or without equipment or adaptive devices.
- Dressing - the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn.
- Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing.
- Transferring - the ability to move in and out of a chair or bed with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorized devices.
- Continence - the ability to either:
  -voluntarily control bowel and bladder function; or
  -if incontinent, be *able* to maintain a reasonable level of personal hygiene.
- Eating - the ability to get nourishment into the body.

1 **Administrator** means [Zurich American Life Insurance Company.] [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].

[References to [the Company and] [Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and
- who has paid initial premium and fees.

Cognitive Impairment means a loss or deterioration in intellectual capacity that is

- comparable to and includes Alzheimer's disease and similar forms of irreversible dementia; and
- measured by clinical evidence and standardized tests that reliably measure impairment in the individual's short-term or long-term memory, orientation as to person, place or time; and deductive reasoning.

Complication of Pregnancy means a condition, when pregnancy is not terminated, whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy. Complication of pregnancy includes, but is not limited to, non-elective Cesarean section; termination of ectopic pregnancy; spontaneous termination of pregnancy occurring during a period of gestation in which a viable birth is not possible; acute nephritis or nephrosis; cardiac decompensation; missed abortion; and similar medical and surgical conditions of comparable severity. It does not include false labor; occasional spotting; morning sickness; doctor prescribed rest; hyperemesis gravidarum; pre-eclampsia; or any other condition associated with the management of a difficult pregnancy not consisting of a nosologically distinct complication of pregnancy.

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Monthly Earnings] means your gross monthly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability had not occurred. (If the payment does cause a reduction, it will be considered a

retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working, plus the earnings you would receive if you were working to your *maximum capacity*. **2** [This would be based on your restrictions and limitations:

- during the first [6-unlimited months] of disability payments, the greatest extent of work you are able to do in your regular occupation, that is reasonably available.
- beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably filled by education, training or experience].

[Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [***eligible class***] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Eligible Student means your unmarried dependent children who are

- less than 25 years of age; and
- attending an accredited post-secondary school, beyond the 12th grade level on a full time basis.

Eligible Survivor - means your spouse, if living, otherwise your children under age [25] equally.

Elimination Period - means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] [and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] [Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. [This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] – means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Expatriate means an employee who is working outside his or her country of **3** [permanent residence] [citizenship].

[Full-Time] as used with the Education Benefit means a full course load as defined by the accredited post secondary school.

Full-Time as used other than with the Education Benefit, means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within 12 months of your return to work, that exceeds:
[40%-100%] of your *indexed monthly earnings*, if you are working; or
[40-100%] of your *indexed monthly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the *regular occupation* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Grace Period means a period of time following the premium due date during which premium payment may be made.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

[Indexed Monthly Earnings] For the first year you are disabled your [*indexed monthly earnings]* will be equal to your *monthly covered earnings*. After you have been disabled for one year, your [*indexed monthly earning]* means your [*covered monthly earnings]* adjusted on each anniversary of benefit payments, after a 12 month period of disability by the lesser of [1%-10%] or the current annual percentage increase in the Consumer Price Index. Your [*indexed monthly earnings]* may increase or remain the same, but will never decrease.

The U.S. Department of Labor publishes the consumer price Index (CPI-W). We reserve the right to use some other similar measurement if the Department of Labor changes or stops publishing the CPI-W. Indexing is only used as a factor in the determination of the percentage of lost earnings while you are disabled and working in the determination of any *gainful occupation*.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other

causes. The injury must occur and the disability must begin while you are covered under this plan. 4[Exception: any disability that occurs more than [60] days after the injury will be considered a sickness for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.

Key Local National means an [employee] of the [employer] working and residing within his or her country of permanent residence[and outside the [*Employer's*] country of domicile,] and who the [employer] has designated as essential to the management of that country's operation.

Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Master Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group long term disability insurance to cover eligible employees.

Material and Substantial Duties means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Capacity means based on your restrictions and limitations:

- during the first [24] months of disability, the greatest extent of work you are able to do in your regular occupation that is reasonably available, and
- beyond [24] months of disability the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably qualified by education, training or experience.

Maximum Period of Payment means the longest period of time we will make payments to you for any one period of disability.

5**[Mental Illness]** means a psychiatric or psychological condition classified in the Diagnostic and Statistical Manual of Mental Health Disorders (DSM) published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, schizophrenia, depression, bipolar illness, or disorders relating from stress or to substance abuse or dependency. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of the disability. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other methods of treatment as standardly accepted in the practice of medicine.

Monthly Benefit means your benefit amount after any *deductible sources of income* [and *disability earnings*] have been subtracted from your *gross disability benefit***.**

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

[Own Job] means the job the [employee] routinely performs at the time the disability begins. In

evaluating the disability, we will consider the duties of the job as it is normally performed for the [Employer].

[Own-Specialty Occupation means the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your ***own specialty occupation*** [for your initial period of disability].]

6 [If you are a [physician or a lawyer] whose practice is limited to a specialty, own specialty means only the specialty that you practiced on the day before your disability began.]

6 [If you are a [physician or dentist], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [[American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your indexed monthly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible employees and their dependents.]

7 **[Pre-Existing Condition** means a condition for which you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in

effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [*indexed monthly earnings*].
- your [*indexed monthly earnings*] multiplied by the [monthly benefit percentage] [or if less,
- the amount of the *maximum monthly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Long Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed [in the national economy, instead of] [, and] how the work tasks are performed for a specific employer [[or] at a specific location].

8 [For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

8 [If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*monthly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*monthly benefit*].

Self-Reported Symptoms means the manifestations of your condition, which you tell your *physician*, that are not verifiable using tests, procedures and clinical examinations standardly accepted in the practice of medicine. Examples of self-reported symptoms include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

Sickness means an illness, disease or disabling pregnancy. The sickness must begin while you are covered under this plan.

Substantial Assistance means the

- physical assistance of another person without which you would not be able to perform an activity of daily living; or
- constant presence of another person within arm's reach which is necessary to prevent, by physical intervention, injury to you while you are performing an *activity of daily living*.

Substantial Supervision means continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and which is necessary to protect you from threats to your health or safety.

Third Country National - means an [employee] who works outside his country of citizenship and outside the [*Employer's*] country of domicile.

Total Covered Payroll means the total amount of monthly earnings for which employees are incurred under this plan.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means Zurich American Life Insurance Company.

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]]

[Zurich American Life Insurance Company]

Long Term Disability [Plan]

[Benefits Schedule]

[1 This long term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

[**2** This [Benefits Schedule] (hereinafter "Schedule") is a summary of some of the features and benefits of your [employer's] Long Term Disability [Plan]. It is not a contract. [You are not necessarily entitled to insurance because you received this Schedule.] [You are only entitled to insurance if you are eligible in accordance with the terms of the Certificate, you have met your [employer's] eligibility requirements and premium has been paid. For a complete description of the terms, conditions, exclusions and limitations of your [Employer's Plan], refer to your Certificate. In the event of a discrepancy between this Schedule and the Certificate, the Certificate will govern.]]

[Policyholder:	**3**ABC Company]
[Policy Number:	**3**2010-1]
[[Policy] Effective Date:	**3**April 1, 2010]
[Insured:	John Doe]
[Plan Year:	**3**April 1, 2010 through April 1, 2011 and each following April 1 to April 1]
4 [[Open][Annual] Enrollment Period	**3**Each January 15th succeeding the [Policy] Effective Date]
4[[Open][Annual] Enrollment Effective Date:	**3**Each April 1 following the Open Enrollment Period]]

5 [[*Eligible Classes*] All persons in the following class(es)are eligible for [employee] coverage:

Class 1: **5**[All active, full-time US Expatriate, Third Country National and Key Local National employees who normally work at least 40 hours per week outside the United States.]

Class 2: **6**[All active, full-time employees who normally work at least 40 hours per week in the United States]

7[Note: [This plan covers only [employees] residing in the [country, countries] of [United Kingdom].]

7[The plan does not cover any [employees] residing in the [country, countries] of [Iraq].]

7[Persons for whom coverage is prohibited under applicable law will not be considered eligible under this plan.]

8["Expatriate" means an employee who is working outside his country of citizenship. "Third Country national" generally means an employee who works outside his country of citizenship and outside the Employer's country of domicile.]]

9**[Minimum Hours Requirement For Active Employment:**

Full Time [Employees]:
[Employees] must be working at least [10-40] regularly scheduled hours per week.

10**[Part Time [Employees]:**
[Employees] must be working at least [[10-39] regularly scheduled hours per week]

11[the equivalent of half of your job location's full-time work per week.]]

12**[[Service] Waiting Period (by Class):**
[An employee must be in *active employment* throughout the *[service] waiting period* to be eligible for coverage. The *[service] waiting period* will be extended by the number of days the [employee is in *active employment*.] 13[None.]

14**[Full Time Employees]**
[None.] [For [employees] in an [*eligible class*] on or before the [Policyholder's Policy Effective Date]: [None-365 days] [None-36 months] [of continuous *active employment*.] [First of the month following [0-365] [days] [1-36 [months] [of continuous *active employment*.]

[For [employees] entering an *[eligible class]* after [Policyholder's Policy Effective Date]: [None] [1-365 days] [1-36 months] [of continuous *active employment*.] [First of the month following [0-365 days] [1-36 months] [of continuous *active employment*.]]

15**[Part Time Employees (by Class)]**
[None.] [For [employees] in an eligible group on or before [Policyholder's Policy Effective Date]: [None] [1-365 days] [1-36 months] [of continuous *active employment*.] [First of the month following [0-365 days] [1-36 months] of continuous *active employment*.]

[For [employees] entering an eligible group after: [Policyholder's Policy Effective Date] [None] [1-365 days] [1-36 months] of continuous *active employment*. [First of the month following [0-365 days] [1-36 months] of continuous *active employment*.]]

16[**Rehire:** If your employment ends and you are rehired within [6-24] months, your previous work

while in an *[eligible class]* will apply toward the *[service] waiting period*. All other policy provisions apply.]

17[Who Pays For The Coverage:

Option 1

18[Core] Benefit
[Your [Employer] pays the cost of your coverage]

Option 2

18[Core] 20[Optional] 20[Buy-up] Benefit:
[You and Your [Employer] pay the cost of your coverage.] [You are required to contribute to the cost of your insurance.]]

Option 3

18[Core] 19 [Optional] 20[Buy-up] Benefit:
[You are required to pay the entire cost of your [buy-up] coverage.]

20[Premium Waiver:
If you become disabled, no premium payments are required for your coverage while you are receiving benefits under this *Plan*, provided the premium was paid during the [*elimination period*.]]

21[[*Elimination Period*] :
[By Class:]
[Benefits start on the first day of an approved disability.]

[Benefits start after [the first [30 – 365 days] [1-60 months] of an approved disability.]

[The [*elimination period*] is the **22**[later] of:]

23[Benefits start after the later of:]

- The first [0-365] [consecutive days] [1-60 months] of an approved disability; or
- The date your employer sponsored short-term disability benefits end; [and/]or
- The date you have exhausted [accumulated sick time or salary continuation].]]

Benefits begin the day after the [*elimination period*] is completed.]

24[Accumulation Period:	[0-365 days]]

Monthly Benefit (by Class)

25[CLASS

[Salaried] [Hourly] [Full Time] [US Expatriate] [Third Country Nationals] [Part Time]**]**

[Core Benefit]

26[[$50-Unlimited], **27**[until it is reduced due to your age.]]

Monthly Benefit Percentage

28[[30%-100%] of [***covered monthly earnings***] **29**[to a ***maximum benefit***] [of [$50-$50,000] per month]] **30**[, less *deductible sources of income*].**30**[but not more than [30%-100%] of your *[covered monthly earnings].*]]

[[Core] Buy-up Benefit

26[[$50-Unlimited], **27**[until it is reduced due to your age.]]

Monthly Benefit Percentage

28[[30%-100%] of [*covered monthly earnings*] **29**[to a *maximum benefit*] [of [$50-$50,000] per month] **30**[, less *deductible sources of income*].**30**[but not more than [30%-100%] of your monthly covered earnings.]]

31[Your benefit may be reduced by *deductible sources of income* and *disability earnings*. Some disabilities may not be covered or may have limited coverage under this plan.]

32[Monthly Benefit Reduction Due to Age:
On the premium payment date, on, or next following, the date you attain age [65-85], your *monthly benefit* is reduced to [$100-unlimited]. Your premium will be adjusted accordingly. This reduction does not apply to a *payable claim* that occurs prior to the reduction.]]

33[All Sources Monthly Benefit Percentage	[30%-100%] of [*covered monthly earnings*] 30[to a *maximum benefit*] [of [$50-$50,000] per month] 31[, less *deductible sources of income*].**31**[but not more than [30%-100%] of your *[covered monthly earnings]*.]]
34 **[For Late Applicants:**	[30%-60%] of *[covered monthly earnings]* to a *maximum benefit* of [$50-$10,000.00] per month.]
35 [The Maximum Monthly Benefit is: [Core Benefit [Core] Buy-up Benefit	[$50-$50,000] per month]

	[$50-$50,000] per month]]
36[The *Minimum Monthly Benefit* is:	[None] [$50-$5000] per month [Greater of [$50-$5000] or [1% -40%] of your *gross disability benefit*] [Lesser of [$50-$5000] or [1%-40%] of your *gross disability benefit*] [or, if less, [10%-50%] of the *monthly maximum benefit*.] **[You are not eligible for the *minimum monthly benefit* during periods of overpayment until the overpayment has been recovered by us, or offset by your monthly benefit.]]**
37[Survivor Benefit	[3-24] times the [*gross disability benefit*]]
[Accelerated Survivor Benefit	[3-24] times the [*gross disability benefit*]]
42[Maximum Benefit Period	To age [60-95]]

38[[Rehabilitation Program] Benefit

[10%- X%] of your *gross disability benefit* to a maximum of [$500-$5000.00] per month
Refer to the Certificate for program details.

[In addition, we will provide a monthly benefit to you for [1-12] months following the date your disability ends if we determine you are no longer disable while:
-you are participating in the [Rehabilitation Program]; and
-you are not able to find employment.]

39[Child][Dependent][Family] Care Expense Benefit
While you are participating in our [Rehabilitation Program], you may receive payments to cover certain child care expenses limited to the following amounts:

39[Child [Dependent][Family]Care Expense Benefit Amount: [[$250-$1000] per month per [child/dependent]

39[Child [Dependent][Family]Care Expense Maximum Benefit Amount: [$500-$5000] per month for all [children/dependents]**]**

40[Limited Benefits for Mental Illness, Mental Disorders, Substance Abuse, Drug or Alcohol Addiction and Self Reported Disabilities:

[Mental Illness [and Mental Disorders]
[Disabilities resulting form Mental Illness and Mental Disorders will be paid in accordance with any benefit limitation described in the Certificate.]

[Self-Reported Symptoms: Disabilities resulting form Self-Reported Symptoms will be paid in accordance with any benefit limitation described in the Certificate.]

[[Drug] [and] [Alcohol] Addiction Disabilities resulting [[Drug] [and] [Alcohol] addiction will be paid in

accordance with any benefit limitation described in the Certificate.]] [Benefits for Mental Illness, Mental Disorders, Drug [and] Alcohol Addiction and Self-Reported Symptoms are limited to [12-60 months] while insured under the [Policy] unless you are confined as a resident inpatient in a *hospital* at the end of the [12-60 month] period. The *Monthly Benefit* will continue to be paid during such confinement.]]	
41[Pre-Existing Condition Limitation	[None][3/12][5 days-12 months] [6/12/24][Applies, refer to the Certificate for a full description].]

42Maximum Benefit Duration Table

The table below shows the maximum duration for which benefits may be paid. All other limitations of the [Policy] will apply.

42[Age at Disability	**Maximum Benefit Period**
Less than age 62	To Social Security Normal Retirement Age
Age 62	60 months
Age 63	48 months
Age 64	42 months
Age 65	36 months
Age 66	30 months
Age 67	24 months
Age 68	18 months
Age 69 or older	12 months]

43[Limited and Excluded Conditions and Disabilities:

Total Benefit: The total benefit payable to you on a monthly basis (including all benefits provided under this plan) will not exceed 100% of your *[covered monthly earnings]* unless otherwise stated in the Certificate under specific conditions.

Your plan does not cover disabilities related to all *injuries*, *illness* or disease. Refer to your Certificate for a complete list of exclusions and limitations.

[The following disabilities have limited benefits under this plan: Mental illness, mental disorders, self-reported disabilities, drug and alcohol addiction. Refer to the Certificate for a detailed description of the benefits and the limitations.]

[If you are receiving or are eligible to receive benefits for a disability under a prior disability plan that was sponsored by your [employer] or was terminated before the effective date of this Plan, then no benefits will be payable for the disability under this [Policy].]

44[Additional Benefits and Features:	
[Cost of Living Adjustment Benefit	
Adjustment Percentage	[1% -10%] per anniversary]
Maximum Duration	[1- unlimited] adjustment periods]
[Education Expense Benefit	[$50-$$200] per *eligible student*, per month, up to a maximum benefit of [$ 50-$1000] for all *eligible students*. Refer to the Certificate for more information.]
[Employer Pension Fund Contribution Benefit:	[The lesser of] [your actual contribution], [3%-25%] of your monthly [income] [earnings] [or] [$100-$10,000] per month, not to exceed the maximum allowed by law.]
[Employee 401(k) Contribution Benefit	[The lesser of][your actual contribution],[3%-25%] of your monthly [predisability] earnings [or] [$100-$10,000] per month, not to exceed the maximum allowed by law.]
[Employee 403(b) Contribution Benefit	[The lesser of] [your actual contribution],[3%-25%] of your monthly [predisability] earnings [or] [$100-$10,000] per month, not to exceed the maximum allowed by law.]
[Revenue Protection Benefit	Refer to the Certificate]
[National Insurance Contribution:	[1-6%] of your Monthly Benefit]]

IMPORTANT: THIS SCHEDULE SHOULD BE ATTACHED TO YOUR CERTIFIATE. THIS SCHEDULE REPLACES ANY PRIOR SCHEDULES ISSUED TO YOU WITH RESPECT TO THE COVERAGES DESCRIBED IN THE CERTIFICATE.

1[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Short Term Disability Plan]

This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.

1[This Short term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance [Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. 1[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments. When making a benefit determination under the policy, we have discretionary authority to determine your eligibility for benefits and to interpret the terms and provisions of the policy.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

Zurich American Life Insurance Company is located at:

2[1400 American Lane
Schaumburg, IL 60196]

Our toll free number is: 2 [877-278-7556]

Our website address is: 2 [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Short Term Disability Benefits
Programs
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

[Zurich American Life Insurance Company]

2[Toll Free Number:	[877-278-7556]
Social Security Advocacy Program	[877-278-7556]
Claim Information Toll Free Number	[877-278-7556]]

1[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

1[Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

3[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

General Provisions

[Zurich American Life Insurance Company]

(also referred to as we, us, our, the Company)

1[Your Short Term Disability Plan]

2[This 1[short term disability] plan provides you with a source of [weekly] income if you should become disabled and unable to work because of an [*sickness*] or *injury* while covered under this *Plan*.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your short term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[Policyholder]*; and
- You must be in [*active employment*],
- You must be in an [*eligible class*] 3[; and
- You must be working inside the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [*eligible class*]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[You are in an [*eligible class*] if you are a: [

- regular full-time *[employee]* in *active employment*, as defined by your *[employer]* who is

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [*eligible class*], the date you are eligible for coverage is the later of:

- The plan effective date; [or
- 7 The day after you complete your *[service] waiting period.]*

8 **[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9 [What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. 3 [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] 3 [The *[service] waiting period* is shown on the [Benefits Schedule].]

1 [Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10 When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;
- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

12[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

13[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and
- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

14[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [weekly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

15[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] **1**[You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

16[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

16[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

1[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **16**[

- you enroll for coverage for the first time.
- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of insurability* is not satisfactory to us;
- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group short term disability coverage sponsored

- you enroll on the effective date of this plan for an amount of short term disability coverage that is greater than the amount of coverage you had in effect under any group short term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your short term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

1[The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

1[If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

17[Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

17[Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

18 [Increases in Coverage Amounts [At Enrollment] [After Enrollment]

[You can become insured for additional coverage for an amount in excess of [$100-$20,000] [and] [or] [40%-90%] of your [predisability earnings] if you submit [evidence of insurability] to us, and such evidence is approved by us.]

[You can apply to increase your coverage by more than [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us. This applies even if we have previously approved your evidence of insurability.]

[If, on the effective date of this plan, you apply to increase your coverage that was in effect under prior coverage [by more than] [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us.]

[After Coverage Begins]

19[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31-365] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

1[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

1[You may decrease your coverage **20**[anytime] during the plan year.]

You may increase your coverage **20**[anytime] during the plan year or] during any annual enrollment period.]

1[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

21[When Will Changes To Your Coverage Take Effect?

[Effective Date for Benefit Changes Due to a Change in [Covered Weekly Earnings]
[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*covered weekly earnings*] will be effective [immediately] [.] [on] [the first of the month next following] [the date of the change] [the [January 1] next following] [the policy anniversary date] [when your [*evidence of insurability]* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

[Effective Date for Benefit Changes Due to a Change in Insurance Class
[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*eligible class*] will be effective [immediately] [.] [on] [the first of the month next following [the date of the change] [the [January 1] next following] [the policy anniversary date]

[when your *evidence of insurability* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

Effective Date for Benefit Changes by [Policy] Amendment
[Unless [*evidence of insurability*] is required, a] [A] change in your [*covered weekly benefit*] due to a change in the [*policy]* by an amendment elected by the [*policyholder*], will be effective on the

date of the change, if you are in *active employment* [.]**1**[,or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* on the date a benefit payable change would otherwise be effective, any increased or additional coverage will begin on the date you return to *active employment*. A change in your benefit payable because of a change made by the Company will normally be effective on the [policy] anniversary date, or as otherwise determined by state or federal law, or by us. However, if you are not in *active employment* on the date a benefit payable change would otherwise be effective, the benefit payable change will not be in force until you return to *active employment*.

22 [Effective Date for Benefit Changes [by Election]
[Once your coverage begins, any increased or additional coverage will take effect

20[immediately] [the first of the month] [following the date] [when your *evidence of insurability* is

approved by us] if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

23[An increase in your short term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **20**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

24[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **25**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before the first premium due date that occurs after you stop *active employment*].
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

26[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your short term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

27 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

27[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

2W[What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [e*mployer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within [31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]]

How Can Statements Made In Your Application For This Coverage Be Used?

In the absence of fraud, we consider any statements you or your [*employer*] makes in a signed application for coverage 1[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date 1[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

During the first [1-2] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [1-2] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, in the absence of fraud, the validity of your [insurance] may not be contested by us.

29[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.
- Serve as a constructive trustee for the benefits of this plan over any settlement or

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. [However, any Workers' Compensation benefits are considered a *deductible source of income*.]

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

1[Short Term] Disability 1[Income] Benefits

The 1[short term disability] plan provides you with a source of income if you should become disabled because of a *[sickness]* or *injury* related condition while covered under this plan.

1[Short term] [D][d]isability coverage will pay a *weekly benefit* if you are disabled and unable to work because of: a [*sickness*] 2[that is non-*occupational [sickness];* or an *injury* 2[that is a non-*occupational injury*.]

3[[Short term] [D][d]isability coverage will only cover a disability caused by a non-occupational [*sickness*] or injury except in the case of sole proprietors or partners who cannot be covered by workers' compensation.]

4[An *occupational [sickness] or injury* is any [*sickness*] or *injury* that:

- Arises out of (or in the course of) any activity in connection with employment or self-employment whether or not on a full-time basis; or
- Results in any way form an [*sickness*] or injury which does.]

5[However, if proof is provided to us that a claim has been made under any type of workers' compensation law and that no benefit, award, settlement or redemption has been or will be made under such law for that *[sickness]* or *injury*, then that *[sickness]* [or] [*injury*] will not be considered an *occupational [sickness]* or an *occupational injury]*.]

6How Do We Define a 1[Short Term] Disability?

You are considered to be disabled if, solely and directly because of a 2[non-occupational] [*sickness*] [or] [injury], if all of the following applies:

- You must be covered by this Plan at the time you become disabled;
- You must be under the *regular care* of a *physician* for your [sickness] or *injury*; and
- You must meet the definition of disability below:

Option A

7 [You are disabled when we determine that:

- you are [unable to perform] [limited from performing] [one or more of] the *material and substantial duties* of your *[own job]* [*regular occupation]* due [solely] to your [*sickness]* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]

8[After [13-104] weeks *benefits* have been payable,] [Y]you are disabled when we determine that due to the same [*sickness]* or *injury:*

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your [own job] [*regular occupation] [any gainful occupation]* due 1[solely]

to your [*sickness]* or *injury*; and

- you are under the *regular care* of a *physician*;[[and] [or]
- **9**you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]

Option B (Special)

10[Loss of License

You will be considered disabled, if solely because of *injury* or [*sickness]*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [20%-60% or less] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]
- of your *[covered weekly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [regular occupation] [*gainful occupation*] for which you may reasonably become qualified based on your education, training or experience.]

4[You must be under the *regular care* of a *physician* in order to be considered disabled.]

4[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.

11[How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?

You must be continuously disabled through your *[elimination] period*. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [0-30] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*. You must be under the care of a Physician during the elimination period.

[Your *[elimination] period* is [described in the Benefits Schedule].]

[Your *[elimination] period* for a [sickness] is [0-90 days].]

[Your *[elimination] period* for an injury is [0-90 days].]

4[If a disability due to [illness] [or] [injury] continues for [5-60] days or longer, benefits will start retroactively to the [1st -30th] [calendar] day.]

4[If you are a full-time inpatient in a hospital, no [elimination] period will apply to the day of confinement or any day thereafter for the disability. [In addition, if you undergo surgery which does not require a hospital confinement, no [elimination] period will apply to the day of surgery or any day thereafter for a disability.]]

4[Your *[elimination] period* is the longer of [0-90] days and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

12[Can You Satisfy Your [Elimination] Period If You Are Working?

Option A
[No, you may not satisfy this plans [*elimination period*] while working.]

Option B
[Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

The benefit payable is the [weekly] benefit shown in the [Benefits Schedule]. The weekly benefit is based on your [*covered weekly earnings].*

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled as defined in the plan. We will send you a

4[*weekly] benefit* for any period for which we are liable but not beyond the *maximum weekly benefit period* shown in the [Benefits Schedule]. No benefit is payable during the [elimination] period.

What Are Your [Covered Weekly Earnings]?

13[***"Covered Weekly Earnings"*]** means your gross weekly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

14[It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

14[*Covered weekly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

15[It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

16How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A Percentage

We will follow this process to calculate your benefit amount:

1) Multiply your *[covered weekly earnings]* by [30%-100%] [the weekly benefits percentage shown in the [Benefits Schedule].
2) The *maximum weekly benefit* is [$1–$25,000] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *weekly benefit*. The lesser of these two amounts is your [*gross disability benefit*].
4) Subtract from your *gross disability benefit any [deductible sources of income]*.

The amount figured in Item 4 is your *weekly benefit*. The *weekly benefit* will be recalculated when you receive any new *[deductible sources of income]*.

Weekly benefit means your benefit amount after any *[deductible sources of income]* and disability earnings have been subtracted from your *gross disability benefit*.

Maximum weekly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* [and] *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *weekly benefit* is [$50-$25,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *weekly benefit*.] [Your *weekly benefit* will [not] be reduced for any *[deductible sources of income]*.]

17[How is Your Benefit Determined if You Are Disabled and Working?

[Option A

18[For the first [0-104-] weeks of payable benefits:]

1. If you are disabled and return to work, we will not reduce your *weekly benefit* for ***disability earnings*** if:
   - your weekly *disability earnings,* if any, are less than [15%-20%] of your *[weekly covered earnings]* due to the same [sickness] or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your weekly *disability earnings* are [15%-20%] or more of your *[weekly covered earnings]*, due to the same [sickness] or *injury*, we will calculate your

   weekly benefit as follows: **[19**

   - During the first [4-unlimited] weeks of payable benefits, while working, your *weekly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [80-100%] of *[weekly covered earnings].*

     1) Add your weekly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[weekly covered earnings]*.

If the answer from item 1) is less than or equal to [80%-100%] of your *[weekly covered earnings]*, we will not further reduce your *weekly benefit*.

If the answer from item 1 is more than [80%-100%] of your *[weekly covered earnings]*, we will subtract the amount over [80% - 100%] from your *weekly benefit*.

- After benefits have been payable for [6-unlimited] weeks, while working, the amount of your *weekly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *weekly benefit*.]]

20[Option B

During the first [4-26] weeks that you have disability earnings, the weekly benefit will be reduced only to the extent the sum of the amount of that income and the [weekly] benefit payable [after] [without] any reduction for other income benefit,] exceeds 100% of your *covered weekly earnings*.]

[Thereafter][T][t]he [weekly] benefit will be reduced by [50%-100%] of such income from any employer, or from any occupation for compensation or profit. [However, only [50-100%] of any income earned as a participant in an approved Rehabilitation Program will be included as such income.]]

[When Your are Disabled for Less Than One Week

After the *[elimination] period*, if you are disabled for less than 1 week, we will send you [1/5th – 1/7th of your *weekly benefit* for each day of disability.]

[When Will Your Weekly Benefits End If Working While Disabled?

During the first [1 -104 weeks] of disability *benefits*, if your [*weekly disability earnings*] exceed [80% to 100%] of your [*covered weekly earnings*], we will stop your benefits and your claim will end.

Beyond [1 -104] weeks of disability *benefits*, if your weekly *disability earnings* exceed [40% to 100%] of your *[covered weekly earnings]*, we will stop your benefits and your claim will end.]

[Total Benefit: The total benefit payable to you on a weekly basis (including all benefits provided under this plan) will not exceed 100% of your *[covered weekly earnings]* unless otherwise stated in the Certificate under specific conditions.]

21[*Disability earnings* means the earnings which you receive while you are disabled and working.

4[We will review your status periodically. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

22 [What Will We Use For [Covered Weekly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use your weekly earnings from your [employer] in effect just prior to the date your absence begins.]

23 [How Can We Protect You If Your Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from week to week, we may average your *disability earnings* over the most recent [2-12] weeks to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [4-12] weeks exceeds [40%-100%] of *[covered weekly earnings]*. We will not pay you a benefit for any week during which *disability earnings* exceed [40-100%] of [covered *weekly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[: **24**

- During the first [4-52] weeks of disability benefits, the average of your *disability earnings* from the last [3-12] weeks exceeds [80%-100%] of *[covered weekly earnings]*; or
- Beyond [4-52] weeks] of disability *benefits*, the average of your *disability earnings* from the last [2-12] weeks exceeds [40%-100%] of covered *weekly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum weekly benefit* will not be paid when *disability earnings* exceed the above amounts.]]

25 [[What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[*Deductible sources of income* are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *weekly benefit* is calculated and may reduce your *weekly benefit.]*

We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **25a[**

1. The amount that you receive or are entitled to receive under:
    - a workers' compensation law
    - an occupational disease law
    - any other ***plan, act or law*** with similar intent.

2. **25b** The amount that you receive or are entitled to receive as disability income *benefits* under any:
    - state compulsory benefit act or law
    - automobile liability insurance policy
    - other group insurance plan
    - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **25c** [your spouse and children] receive or are entitled to receive as disability *benefits* because of your disability under:
    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan
    - the Railroad Retirement Act
    - any similar *plan, act or law* of any country, state or province.

    [Amounts paid to your former spouse or to your children living with such spouse will not be included.] **25c**

4. The gross amount that you receive as retirement payments or the amount **25c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan
    - the Railroad Retirement Act
    - any similar *plan, act or law* of any country, state or province.

    This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

    [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

    [Benefits paid to your former spouse or your children living with such spouse will not be included.] **25c**

5. The amount that you:
    - receive as disability benefits under your [*employer*'s] ***retirement plan***;
    - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
    - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

    Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

    Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

    [Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

25d Amounts received do not include amounts rolled over or transferred to any

eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future amendments that affect the definition.

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **25e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total weekly *benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross weekly earnings.] **25f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **25g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **25h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement payments.**]]**

26 [What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [

- 401(k) plans
- profit sharing plans

- thrift plans
- tax sheltered annuities
- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance
- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

27 [What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Weekly Benefit)?

If your *weekly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum weekly benefit*. [Your *minimum weekly benefit* is listed on the [Benefits Schedule].

We may apply your *minimum weekly benefit* toward any outstanding overpayment.

The *minimum weekly benefit* will not be paid in any week when *disability earnings* exceed [60-80%] of your covered *weekly earnings]*. This includes when we average your *disability earnings* as described above.]

28 [What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *weekly benefit* due to a cost of living increase from that source.]

29 [What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *weekly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

   Your *weekly benefit* may **NOT** be reduced by the estimated amount if you:

   - apply for the disability benefits in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
   - sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

- of the amount awarded; or
- that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

30[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a weekly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one. [If any part of the lump sum payment dates back to a prior date it may be allocated on a retroactive basis.] [We will prorate the lump sum payment over your remaining benefit period.]

31[What Is The Maximum Weekly Benefit Period?

You will receive a benefit for each week you remain disabled up to the *maximum benefit period.* Your *maximum benefit period* is [described in the Benefits Schedule] [4-104]weeks from the date of your disability begins, after you have satisfied the elimination period.]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**32**

- the end of the *maximum weekly benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- when you are able to work in your [*own job*] [regular occupation] on a part-time basis, or increase your hours, or increase the number or type of duties you perform in your own job but you choose not to;
- **33** after [26-104] weeks of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your weekly *disability earnings* exceed [80%-100%] of your *[covered weekly earnings]*,
- the date you fail to submit proof of continuing disability;
- after [26-104] weeks of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [1-6] month(s) or more during any [26-104] consecutive weeks of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [covered *weekly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 34[

- are not following a plan of *appropriate care* for your disability, or complications of your disability, this includes effective treatment for alcholism or drug abuse, if alcoholism or drug abuse is the cause (or part of the cause of your disability];
- are not receiving *appropriate care*;
- refuse to be examined by an independent physician or a licensed certified health care practitioner as requested by us when provided at our expense;

- refuse to participate in [our *Rehabilitation Program*, or refuse modification to your worksite or a job process designed to suit indentifed medical limitations]; or adaptive equipment or devices that would allow you to perform your own job., a transitional work arrangement or other modified work arrangement which may be for your [own job] [*regular occupation]* [or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due;or
- the date you refuse to interview with our representative about your disability.]

What Disabilities Are Not Covered Under Your Plan?

Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: [**35**

- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or [sickness] while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure
- normal pregnancy; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness;
- a *pre-existing condition]*

36[Your plan does not cover a disability while you are outside the United States or the territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37 [What Is a Pre-Existing Condition?

You have a *pre-existing condition* if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -12 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the [3 days -12 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pre-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

38 [What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [5 days -24 months], thereafter you are covered 100%.
- Benefits are payable for first 2-4 weeks, after the elimination period has been satisfied, thereafter, no benefits are payable[.] [for the following 22-48 weeks. Thereafter you are covered 100% .]

39 [How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

40 [What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a [sickness] or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *weekly benefit* will be limited to the amount that would have been paid by the prior carrier.

We will reduce your *weekly benefit* by any amount for which your prior carrier is liable.]

41 [How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *weekly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *weekly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *weekly benefit* will be the lesser of:

- the *weekly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *weekly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

42 [How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this short term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-

existing [sickness] or *injury* will not increase. Instead, the benefits are limited to the amount you had on the day before the plan change.]

43 What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you return to active work and you have a ***recurrent disability*** as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior claim and your *recurrent disability*; and
- your recurrent disability occurs within [7-30] days from the end of your prior claim and your return to active work.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [7-30] continuous days from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group short term disability plan, you will not be eligible for benefits under this disability plan.

44 [What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, after you are no longer covered under this plan, you will no longer be covered under this plan.

If you become entitled to benefits under any other group short term disability plan, you will not be eligible for *benefits* under this disability plan.]

1[Programs]

1[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.]]

2[Waiver of Premium

After you have been disabled for [30-90] days and benefits have been payable, your [short term] disability coverage will be continued without payment of premiums while you remain disabled up to the *maximum weekly benefit period* for the same [short term] disability. If your benefit period is extended due to a new cause of disability, your coverage will continue, without premium payment, while you remain disabled, subject to the terms of the [policy], but not beyond the end of the *maximum weekly benefit period* described in the [Benefits Schedule].]

3[[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible colleges for a child, to helping to deal with the stress of the workplace. This program is available for everyday issues as well as crisis support.]]

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Short Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [15-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [15-365]days after your elimination period. If it is not possible to give proof within [15-365 days], it must be given no later than [1-2] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring *evidence of insurability*, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within 15 days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending *physician* for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your weekly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the *[elimination period]* for your Short Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5** [*own job*] [*regular occupation]* or any *gainful occupation*; and
7. The name and address of any inpatient or outpatient facility, *hospital*, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [15-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you [weekly] [biweekly]. Benefits are paid at the end of each benefit period for which we are liable while you remain disabled up to the *maximum benefit period*.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of *[deductible sources of income], during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [15-365] days of our written request. If you do not return the overpayment to us within [15-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

1 [All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7 [Unpaid Premium Due:

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim 60 days after proof of claim has been given to us and up to 3 years from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such sources of income until any *benefit overpayments have been recovered in full.*

Delegation of Authority

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Administrator means **1** [Zurich American Life Insurance Company.] **1** [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].
[Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and
- who has paid initial premium and fees.

Benefit Amount; Benefit Payable means the Disability Income payable to you according to the terms of the [policy].

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Weekly Earnings] means your gross weekly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability had not occurred. (If the payment does cause a reduction, it will be considered a retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working

1 [Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [*eligible class*] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Elimination Period means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] **1** [and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] **1** [Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. **1** [This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Full-Time means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within [26-104] weeks of your return to work, that exceeds:

- -[40%-100%] of your covered *weekly earnings*, if you are working; or
- -[40-100%] of your *covered weekly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the [*own job*] [*regular occupation]* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other causes. The injury must occur and the disability must begin while you are covered under this plan. **1**[Exception: any disability that occurs more than [60] days after the injury will be considered a [sickness] for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.

Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Material and Substantial Duties means duties that:

- are normally required for the performance of your [*own job*] [*regular occupation*] [any *gainful occupation*]; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Period of Payment means the longest period of time we will make payments to you

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

Own Job means the job you are routinely performing when your disability begins. We will look at your job as it is normally performed and how the work tasks are performed for your employer.

If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your own job.]

2 [If you are a [physician], own job means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your covered weekly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group short term disability insurance to cover eligible

employees.

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible [employees].]

3 [**Pre-Existing Condition** means a condition for which you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [covered *weekly earnings*].
- [or if less, the amount of the *maximum weekly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Short Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific employer or at a specific location.

4 [For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

4 [If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*weekly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*weekly benefit*].

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

[Sickness; Illness] means an illness or disease. The [sickness] must begin while you are covered under this plan. [Pregnancy and] [Childbirth and complications of pregnancy are considered a [sickness] under this policy.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means Kemper Investors Life Insurance Company; Zurich American Life Insurance Company.

Weekly Benefit means your benefit amount after any *deductible sources of income* [and *disability earnings*] have been subtracted from your *gross disability benefit***.**

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]

[Zurich American Life Insurance Company]

Short Term Disability [Plan]

[Benefits Schedule]

[1 This plan provides financial protection for you by paying a portion of your income if you become disabled due to a [sickness] or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

[**2** This [Benefits Schedule] (hereinafter "Schedule") is a summary of some of the features and benefits of your [employer's] Short Term Disability [Plan]. It is not a contract. [You are not necessarily entitled to insurance because you received this Schedule.] [You are only entitled to insurance if you are eligible in accordance with the terms of the Certificate, you have met your [employer's] eligibility requirements and premium has been paid. For a complete description of the terms, conditions, exclusions and limitations of your [Employer's Plan], refer to your Certificate. In the event of a discrepancy between this Schedule and the Certificate, the Certificate will govern.]]

[[Policyholder]:	**3**[ABC Company]]
[[Policy] Number:	**3**[2010-1]]
[[Policy] Effective Date:	**3**[January 1, 2011]]
[Insured:	[John Doe]]
[Plan Year:	**3**[January 1, 2011 through January 1, 2012 and each following January 1 to January 1]]
4 [[Open][Annual] Enrollment Period	**3**[Each November 15th succeeding the [Policy] Effective Date]]

5 [[*Eligible Classes*] All persons in the following class(es)are eligible for [employee] coverage:

Class 1: **6**[All active, full-time employees who normally work at least 40 hours per week]
Class 2: [All part-time employees who normally work at least 30 hours per week.]

7[Minimum Hours Requirement For Active Employment:

Full Time [Employees]:

[Employees] must be working at least [10-40] regularly scheduled hours per week.]

8[Part Time [Employees]:

[Employees] must be working at least [[10-39] regularly scheduled hours per week] [the equivalent of half of your job location's full-time work per week.]]

9[[Service] Waiting Period (by Class):

[An employee must be in *active employment* throughout the *[service] waiting period* to be eligible for coverage. The *[service] waiting period* will be extended by the number of days the [employee is not in *active employment*.]] **10**[None.]

11[Full Time Employees]

[None.] [For [employees] in an [*eligible class*] on or before the [Policyholder's Policy Effective Date]: [None-365 days] [None-36 months] [of continuous *active employment*.] [First of the month following [0-365] [days] [1-36 [months] [of continuous *active employment*.]

[For [employees] entering an *[eligible class]* after [Policyholder's Policy Effective Date]: [None] [1-365 days] [1-36 months] [of continuous *active employment*.] [First of the month following [0-365 days] [1-36 months] [of continuous *active employment*.]]

12[Part Time Employees (by Class)]

[None.] [For [employees] in an eligible group on or before [Policyholder's Policy Effective Date]: [None] [1-365 days] [1-36 months] [of continuous *active employment*.] [First of the month following [0-365 days] [1-36 months] of continuous *active employment*.]

[For [employees] entering an eligible group after: [Policyholder's Policy Effective Date] [None] [1-365 days] [1-36 months] of continuous *active employment*. [First of the month following [0-365 days] [1-36 months] of continuous *active employment*.]]

13[Who Pays For The Coverage:

Option 1

14[Core] Benefit

[Your [Employer] pays the cost of your coverage]

Option 2

14[Core] [[Buy-up] Benefit:

[You and Your [Employer] pay the cost of your coverage.] [You are required to contribute to the cost of your insurance.]]

Option 3

14[Core] [Buy-up] Benefit:

[You are required to pay the entire cost of your [buy-up] coverage.]]

15[[*Elimination Period*] :

[By Class:]

[For a [Sickness]:	[0-90] days]
[For Injury	[0-90] days]
{For Sickness and Injury	[0-90] days]

16 [Benefits start [on] [after] the later of:

- The [1st – 91st] [calendar] day of an approved disability [for sickness]; [and]
- The [1st -91st] [calendar] days of an approved disability, due to *Injury*;][or]

- The date you have exhausted [[accumulated sick time] [personal time off] [or] [salary continuation]

17 [If a disability due to [illness] [or] [injury] continues for [5-60] days or longer, benefits will start retroactively to the [1st -30th] [calendar] day.]

18 [If you are a full-time inpatient in a hospital, no [elimination] period will apply to the day of confinement or any day thereafter for the disability. [In addition, if you undergo surgery which does not require a hospital confinement, no [elimination] period will apply to the day of surgery or any day thereafter for a disability.]]

Benefits begin the day after the [*elimination period*] is completed.]

19 [Accumulation Period: [0-90 days]]

20 [Weekly] Benefit

[Core Benefit (by Class)]

21 [[30%-100%] of your [*weekly earnings*] [up to [$50-$20,000] [plus] [30%-100%] of your [weekly earnings] in excess of [$50-$25,000] [less *deductible sources of income*]]

[The lesser of [30%-100%] of your weekly covered earnings rounded to the nearest dollar, or the Maximum Disability Benefit[, less *deductible sources of income*]

22 [$50-$25,000] [less *deductible sources of income*]]

[Supplemental Benefit (by Class)]

21 [[30%-100%] of your [*weekly earnings*] [up to [$50-$20,000] [plus] [30%-100%] of your [weekly earnings] in excess of [$50-$25,000] [less *deductible sources of income*]]

[The lesser of [30%-100%] of your weekly covered earnings rounded to the nearest dollar, or the Maximum Disability Benefit[, [less *deductible sources of income*]]

22 [$50-$25,000] [less *deductible sources of income*]]

23 [Maximum Weekly Benefit:

[Core/Supplemental

21 [$100-$25,000] [The lesser of [$50-$20,000] or [40%-60%] of [*covered weekly earnings*]]

24 [Minimum Weekly Benefit **[**$0-$1000]]

25[Maximum Weekly Benefit Period

For Injury [or sickness] [4-104] weeks]

For [Sickness] [4-104] weeks]]

26[[Rehabilitation Program] [Included, refer to the Certificate for program details.]

27[Your benefit may be reduced by *deductible sources of income* and *disability earnings*. Some disabilities may not be covered.]

28[Limited and Excluded Conditions and Disabilities:

[Your weekly benefit amount may not be more than [40%-100%] of your [*covered weekly earnings*]. [At any time that "*Deductible Sources of Income*" are payable to you while receiving your weekly benefit, your weekly benefit amount may be reduced by the total amount exceeding [40%-100%] of your [*covered weekly earnings]*. For additional information regarding "Deductible Sources of Income", refer to your Certificate.]

[Your plan does not cover disabilities related to all *injuries*, sickness or disease. Refer to your Certificate for a complete list of exclusions and limitations.]

[If you are receiving or are eligible to receive benefits for a disability under a prior disability plan that was sponsored by your [employer] or you were terminated before the effective date of this Plan, then no benefits will be payable for the disability under this [Policy].]

IMPORTANT: THIS SCHEDULE SHOULD BE ATTACHED TO YOUR CERTIFICATE. THIS SCHEDULE REPLACES ANY PRIOR SCHEDULES ISSUED TO YOU WITH RESPECT TO THE COVERAGES DESCRIBED IN THE CERTIFICATE.

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved-Closed	12/08/2010

Comments:
Flesch Certification
Attachment:
Readability Certification LTD-STD.pdf

		Item Status:	Status Date:
Satisfied - Item:	Application	Approved-Closed	12/08/2010

Comments:
Attached is a copy of form ZA-EA-01
Attachment:
ZA-EA-01 Employer Group Insurance Application-3 09-29-2010.pdf

		Item Status:	Status Date:
Satisfied - Item:	Authorization Letter	Approved-Closed	12/08/2010

Comments:
Authorization Letter
Attachment:
Authorization Letter.pdf

		Item Status:	Status Date:
Satisfied - Item:	Explanations of Variability	Approved-Closed	12/08/2010

Comments:
Explanations of Variability
Attachments:
EOV LTD Certificate 10-18-2010.pdf
EOV LTD Schedule of Benefits 10-18-2010.pdf
EOV STD Certificate 10-18-2010.pdf

EOV STD Schedule of Benefits 10-18-2010.pdf

		Item Status:	**Status Date:**
Satisfied - Item:	Zurich Name Change Documentation	Approved-Closed	12/08/2010

Comments:

Zurich Name Change Documentation

Attachment:

Zurich American Life Insurance Company Name Change Documentation.pdf

		Item Status:	**Status Date:**
Satisfied - Item:	Sample of Group Insurance Policy Form 1000 ZAGP-01-01	Approved-Closed	12/08/2010

Comments:

Sample of Group Insurance Policy Form 1000 ZAGP-01-01

Attachment:

1000 ZAGP-01-01 Group Insurance Policy 10-15-2010.pdf

		Item Status:	**Status Date:**
Satisfied - Item:	Track Change Version	Approved-Closed	12/08/2010

Comments:

Track change version for the 11-23-10 version of LTD Certificate.

Attachment:

2000 ZACERT-01-01 LTD Certificate 11-23-10_track changes.pdf

Zurich American Life Insurance Company

READABILITY CERTIFICATION

September 27, 2010

I hereby certify on behalf of Zurich American Life Insurance Company that the accuracy of the Flesch reading ease *test score for the following policy* forms. The forms are at least 10 (ten) point type, 2 (two) point leaded.

TITLE	FORM NUMBER	FLESCH SCORE
Long Term Disability Certificate of Coverage	2000 ZACERT-LTD-01-01	51.4
Long Term Disability Benefits Schedule	2000 ZASCH-LTD-01-01	51.4
Short Term Disability Plan Certificate of Coverage	3000 ZACERT-STD-01-01	50.0
Short Term Disability Plan Benefits Schedule	3000 ZASCH-STD-01-01	51.0

Sherif Zakhary
Vice President

ReadCW

[SolutionZ]

Products are underwritten by
[Zurich American Life Insurance Company]
A member company of Zurich Financial Services.

Administrative Office:
[1400 American Lane
Schaumburg, IL 60196
www.zurich.com]
Customer Service Phone:
[(877) 278-7556]

Employer Group Insurance Application

Section 1: Employer Information

_____Corporation _____Partnership _____Proprietorship _____Other

Employer's legal business name _____

Street address _____

City _____State_____Zip Code_____

Mailing address (*if different than above)*_____

City _____State_____ Zip Code_____

Benefits contact person _____Title_____

Phone number (_____) _____Fax number (____) _____

Email Address _____

Name and Address of Any Subsidiary or Affiliate to Be Included _____

Mail Administrative kit to _____ Employer _____ Broker

Section 2: Requested Effective Date

Month _____ Day _____ Year_____

Section 3: Premium Deposit

Check all that apply: ____Employer will pay all plan costs
____Employees will pay part of the plan costs. ____% contributed by each employee

$_____Premium Deposit (1st month due in advance)

A check made payable to Zurich American Life Insurance Company must accompany this Application.

Section 4: Plan Options

- ❑ Basic Term Life Coverage
  - ❑ Basic Accidental Death & Dismemberment Coverage

- ❑ Dependent Life Coverage

- ❑ Supplemental Term Life Coverage
  - ❑ Accidental Death and Dismemberment Coverage
  - ❑ Dependent Term Life Coverage

- ❑ Short Term Disability Coverage

- ❑ Long Term Disability Coverage

Section 5: Signature of Employer

The undersigned employer submits this application for group insurance coverage underwritten by [Zurich American Life Insurance Company] (the "Insurer"). The employer understands that the benefits provided by the Insurer are subject to the terms of the group insurance policy(ies) issued by the Insurer. The employer understands that no contract is in effect, and no coverage is in force, until a Group Insurance Policy has been issued to the employer by the Insurer and the employer has paid the required premium. The employer agrees to remit to the Insurer regularly in advance the required monthly premium contributions for insurance benefits provided under the group policy(ies) issued to the employer, and the employer understands that failure to pay billed premiums will result in automatic termination of insurance coverage at the end of the applicable grace period(s). In that case the employer will owe and agrees to pay the premium due for the grace period. The employer agrees to offer the insurance provided under the group polic(ies) to all the employer's present and future new employees in eligible classes as defined in the Group Insurance Policy. Unless otherwise agreed to in writing with the Insurer, the employer is responsible for all employment and tax requirements pertaining to providing benefits to employees. On behalf and as a duly authorized representative of the employer, I certify that all information contained in this Application is true and complete to the best of my knowledge and belief.

Dated at (City) _____(State) _____On (Month) _____(Day)_____(Year)_____

Employer's Legal Business Name

_____

Signature of Duly Authorized Officer of the Employer _____

Title _____

A signed copy of this form received by electronic transmission will be deemed to be an original.

Is the benefit plan, for which insurance is being requested, subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended? _____ Yes _____ No If yes, identify the Plan Number: _____

Section 6: Broker Information

Name of Broker (If no broker is involved enter *Direct*): _____

Commission: _____

Contact Name: _____ Phone Number (_____) _____

E-mail Address _____ Fax Number (_____) _____

Street Address: _____ City:_____

State: _____ Zip Code: _____

Section 7: Fraud Statements

Fraud Notice All states except as listed below:

[Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance guilty of a crime and may be subject to fines and confinement in prison.

DC: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the department of regulatory agencies.

Florida, Minnesota: Any person who knowingly and with intent to injure, defraud, or deceive any insurer, files a statement containing any false, incomplete or misleading information is guilty of a felony of the third degree.

Maine, Tennessee, Washington: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

New Mexico: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil and criminal penalties.

New Jersey: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."

Ohio and Texas: Any person, who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement, commits insurance fraud, which is a crime and subjects the person to civil and criminal penalties.

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

Zurich American Life Insurance Company
1400 American Lane
Schaumburg, IL 60196

October 4, 2010

Mr. Jeffrey V. Kulesus, FLMI
Consultant
Milliman, Inc.
Two Conway Park, Suite 180
150 Field Drive
Lake Forest, Illinois 60045

RE: State Insurance Filings
Zurich American Life Insurance Company
Previously Kemper Investors Life Insurance Company
NAIC #90557

Dear Mr. Kulesus:

This letter will serve as authorization from Zurich American Life Insurance Company for employees of Milliman, Inc. to file policy forms and other related material on the company's behalf. It also authorizes Milliman to respond to inquiries on our behalf with all state insurance departments and jurisdictions where Zurich American Life Insurance Company is authorized to do business.

Sincerely,

Sherif Zakhary
Vice President
Zurich American Life Insurance Company

EXPLANATION OF VARIABILITY

ZURICH AMERICAN LIFE INSURANCE COMPANY

Group Long Term Disability Certificate of Coverage

Certificate Form Sections Include:

ZACERT-LTD-O1-01	Certificate of Coverage – Cover Pages
ZACERT-LTD-O2-01	General Provisions
ZACERT-LTD-O3-01	Long Term Disability Benefits
ZACERT-LTD-AB-O4-01	Additional Benefits
ZACERT-LTD-RB-O5-01	Retirement/Pension Benefit
ZACERT-LTD-O6-01	LTD Claim Information
ZACERT-LTD-AP-O7-01	Claim and Appeals
ZACERT-LTD-GLOS-08-01	Glossary

General Comments

The Long Term Disability Certificate of Coverage will be included when the policyholder purchases such coverage. The Certificate will contain only those benefits purchased by the Employer.

Parameters related to eligible classes and individuals will be determined by the Employer. Variability is provided within this Explanation of Variability and in the Certificate. The Certificate will contain the specific plan and benefit information for each class of employees covered under the Employer's plan.

There are two types of variable material set forth in brackets within this form. These types are:

Illustrative material; and
Specific variable material

Illustrative material consists of any entries such as names, dates, addresses, classes eligible, waiting periods, elimination periods, benefit amounts, benefit periods, ages, numbers, amounts, percentages or time periods which will be revised to reflect the specific details of a policyholder's plan.

The fields reflecting the policyholder's specific information such as names, policy numbers and effective dates are illustrative and variable. Upon issue, they will be completed to reflect the specific names of the policyholder and Employer, the group policy number and the contract effective date applicable to each issued policy.

Ranges (e.g. of percentages, amounts, time periods) are shown for some illustrative material and are indicated by brackets. Actual entries will always fall within the ranges.

Any changes made through the use of variability shall comply with the laws of the state in which the contract is issued.

The common terms listed below may not be relevant to all sections/subsections in the documents listed above. The terms do not have a corresponding EOV number or explanation other than what appears below. However, the terms do appear in variable brackets throughout the relevant sections/subsections. These general comments apply to the entire document. If no other variables are specified, only these general comments apply.

Connective words and phrases which serve the grammatical purpose of meaningful continuity and do not affect the description of the payment of benefits or other terms or conditions of

coverage may vary as sense may demand. Such connective wording will not be ambiguous or deceptive.

Defined terms will be initially italicized. Definitions in the Glossary may be inserted into the appropriate benefit section to assist the insured in understanding their benefits. The definition will also appear in the Glossary.

The placement of material may vary to avoid gaps and to allow the contractual documents to be system-produced. Information in the Schedule of Benefits may be moved to the Certificate of Coverage.

- The plan may be called 'Long Term Disability Plan' or 'Long Term Disability Insurance Plan'. The term 'Managed' may replace the words 'Long Term'.

- Each variable and bracketed item listed in this section are subject to inclusion, omission or substitution as described in the specific variable explanations below. The benefits shown will correspond to the particular coverage provided by the policyholder's plan of insurance, and will vary depending on the plan design. Only those items selected by the policyholder will appear on the issued form.

- Addresses, phone numbers and program names are variable so they can be changed to reflect changes when they occur.

- The company name is bracketed to permit a name change in the event the company files and receives regulatory approval of such a change.

- Reference to 'Certificate' may be changed to 'Certificate of Coverage', 'Certificate of Insurance', 'Booklet-Certificate'.

- Reference to the 'Benefits Schedule' may be changed to 'Summary of Benefits', 'Benefits Summary' or 'Schedule of Benefits'.

- The company name is bracketed to permit a name change in the event the company files and receives regulatory approval of such a change.

- Reference to 'eligible class(es)' may be changed to 'eligible group(s)', 'covered group(s)' , 'covered classes' or any similar term.

- Any reference to a period of time may be changed to a longer or shorter period. Any benefit value may be increased at the employer's request. Any such change will only be made if the change is a liberalization from the policyholder's perspective.

- Bracketed numbers may vary within the ranges shown.

- References to 'dependents' will be omitted if the plan does not include such coverage.

- References to 'calendar year', '12 months' and '365 days' are interchangeable. They may be changed to 'plan year', 'policy year', 'contract year', policy term', contract term', '365 consecutive day period' or '12 consecutive month period'. The word consecutive may be changed to 'continuous'.

- References to 'eligible classes' may be changed to 'eligible groups', 'covered groups', 'covered classes' or any similar term.

- References to 'employee' may be changed to 'subscriber', enrollee', 'member', 'the insured', 'covered person', 'you', 'your', 'participant' or other appropriate term describing a member of the group insured.

- References to 'policyholder' and/or 'employer' may be changed to 'association', 'plan sponsor', 'contract holder', 'member group', 'participant', 'Employer', or 'participating organization'. They may be used interchangeably when appropriate. We may also change the term to reflect the client's name or the name of an association.

- The word 'Core' as in 'core benefits' may be changed to 'basic benefits'. 'Optional benefits' may be changed to 'buy-up benefits', 'core buy-up benefits', 'supplemental benefits' or 'voluntary benefits'.

- Except in the heading, or where our address is located, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- References to 'Deductible sources of income' may be changed to 'Other Income Benefits'.

- 'Covered monthly earnings' may be changed to 'monthly covered income', 'predisability income or 'scheduled income' or other similar term. It some instances it may be changed to 'annual earnings' when income is verified on an annual basis.

- 'Disability earnings' may be changed to 'monthly disability earnings' or other similar industry term.

- 'Indexed monthly earnings may be changed to 'adjusted predisability earnings', 'adjusted predisability income', 'indexed predisability income' or similar industry term.

- 'Indexed monthly earnings may be changed to 'covered monthly earnings for purposes of determining monthly benefits. 'Covered monthly earnings' or a similar term will be used when earnings are not adjusted for a cost of living increase.

- References to the 'Elimination period' may be changed to 'benefit waiting period'.

- 'Gainful Occupation' may be changed to ' gainful employment, 'any occupation, 'reasonable occupation' or other similar industry term.

- References to 'Regular Occupation' may be changed to 'own occupation' or 'own specialty occupation'.

- 'Monthly' may be changed to 'annual' or 'annually' when verification of annual income or reporting is required. "A month' or 'one month' may be increased from 1-12 months.

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

- The 'Group Insurance Policy' may be changed to 'policy', 'group policy', 'group contract', 'group insurance contract'.

- The term 'mental illness' may be changed to 'mental disorder'.

Specific Variable material is noted by subscripted numbers by variable text. Specific variable

material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

Certificate of Coverage – Section 1
FORM NUMBER: 2000 ZACERT-LTD-01-01

Cover Page

1. This paragraph may be included or omitted.

2. The specific corporate information included may be changed to reflect current addresses and phone numbers.

Table of Contents

The Table of Contents may be incuded or omitted. If included, only the sections pertaining to the insureds coverage will be included.

Special Notices

This page may be included or omitted. If included it will contain important telephone numbers and web addresses. The policyholder's name and address may be included and/or the address and phone number of the employee benefits contact.

Certificate of Coverage Section 2– General Provisions
FORM NUMBER: 2000 ZACERT-LTD-02-01

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

1. This item may be omitted.

2. This paragraph may be included or omitted. It may be revised to add additional information to inform the insured of important facts as requested by the employer.

Eligibility

3. This item may be included or omitted. If included, either the word 'inside or 'outside' will appear. "Outside" will be used for plans covering expatriate employees, or other non-residents working for the US employer.

4. This paragraph may be included or omitted. If included the 3rd sentence may be omitted or modified as indicated by the two bracketed phrases. If the criteria for eligible classes is included on the Benefits Schedule, this section may not appear in the certificate.

5. The classes of eligible employees may be described in the Certificate, in the Benefits Schedule or in both documents. This paragraph will reflect where the information can be found. Either bracketed statement may be included or omitted. Multiple classes of employees may be described here as applicable to the employer's plan.

6. When included in the Certificate, classes of eligible employees will be described in this section. More than one eligible group may be used allowing the policyholder/employer to differentiate coverage between groups.

   The Policyholder and Kemper will determine the eligible classes in accordance with the employer's requirements and descriptions will be included here. The appropriate employee

classification(s) will be included in accordance with the policyholder's plan.

'Eligible Classes' may be changed to 'Eligible Groups' or 'Eligible Employees', 'Covered Employees' or 'Covered Group'. Each employee class will be described and multiple classes may appear. When benefits vary between classes, this entire section may be omitted. If omitted, the classes will be described with the monthly income benefit amount in the Benefits Section or in the Benefits Schedule. Classes shown are purely illustrative and any description of an eligible class may be inserted.

7. This statement will be omitted if the employer does not have a waiting period. The word 'service' may be included or omitted. The word 'service' may be changed to 'employment'.

8. This paragraph may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or omitted to reflect the employee's eligibility for coverage of new hires.

9. This item will be included when a waiting period applies. Only the bracketed option(s) reflecting the policyholder's plan will be included. If there are different waiting periods for different classes of employees, each class will be described with it's corresponding waiting period. This paragraph will be omitted if the employer does not have a waiting period.

Effective Date of Coverage

10. This section describes when coverage begins. Any bracketed paragraph, statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate criteria for the employee's effective coverage as determined by the employer.

    The certificate may be changed to include one of the following options:

    Option 1
    [Evidence of insurability is required for any amount of insurance.]
    [You pay 100% of the cost of your coverage [under a plan.] [Once you are eligible for coverage you have [31-365] days from the date you become eligible to apply for coverage.]

    [Once you are eligible for coverage and your evidence of insurability form has been approved,] your coverage will begin at 12:01 a.m. on the first of the month following the later of:
    - The date you are eligible for coverage, if you apply for insurance on or before that date; or
    - The date you apply for insurance if you apply within 31 days after your eligibility date.]

    Option 2
    [Your Employer pays 100% of the cost of your coverage [under a plan]. Your coverage will begin at 12:01 a.m. on the first of the month following the [later of:
    - the date you were eligible for coverage[; or
    - the date we approve your evidence of insurability form, if evidence of insurability is required].]

    [Evidence of insurability is required if you:
    - are a late applicant. Your amount of coverage will be the amount as shown for "Late Applicants in the "Benefits Schedule". In no event, will this amount exceed the maximum benefit available under the plan;
    - you voluntarily cancelled your coverage and are reapplying; or
    - you declined your coverage and are now reapplying.]

11. This item may be revised to omit reference to lay off or leave of absence.

Enrollment

12. The entire section may be omitted if there is no enrollment or 'evidence of insurability' requirements in the employer's plan. When included, this section will include only the statements appropriate for the employer's enrollment process. Any bracketed paragraph, statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria for plan enrollment as determined by the employer.

    Further, if enrollment is required and this section is included, reference to 'evidence of insurability' and 'late applicants' will be included or omitted as relevant to the employer's plan.

    Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

    Reference to 'Basic Coverage' may be changed to or also include "Basic Buy-Up or 'Optional Buy-Up Coverage.

    When Do You Enroll
    Any bulleted item within the brackets may be included or omitted.

    If You Do Not Enroll for Coverage When You First Become Eligible:
    Any bulleted statement may be included or omitted to reflect the effect late enrollment may have on an employee's eligibility for coverage or a delayed effective date.

    Late Applicant Enrollment Requirements
    The important note may be omitted. If included it may be revised to contain only the statements relevant to the policyholder's plan.

    The following provision may replace the "Late Applicant Enrollment Requirements" Section as follows:

    When Can You Apply For Coverage If You Apply More Than [31 -365] days After Your Eligibility Date or if You Voluntarily Cancelled Your Coverage and Are Reapplying?
    You can apply for coverage [at anytime during the plan year,] [or during an annual enrollment period].

    Evidence of insurability is required for any amount of insurance. Your amount of coverage will be the amount as shown for "Late Applicants" in the "Benefits Schedule". In no event will this amount exceed the maximum benefit available under the plan.

    Your Employer, with our approval, determines when the annual enrollment period begins and ends.

    Coverage will begin at 12:01 a.m. on the first of the month following the date we approve your evidence of insurability form.

13. Any bulleted items requiring evidence of insurability, and the two paragraphs following the list are subject to omission or inclusion as relevant to the employer's plan.

14. The paragraphs describing 'Annual Enrollment' and Open Enrollment will be included when relevant to the employer's plan. Any bracketed statement may be included or omitted to reflect the employer's policies for effective date and process. The dates or other information may also appear on the Benefits Schedule.

After Coverage Begins

15. This section describes when an insured may change coverage. Any bracketed paragraph, statement or word within this section may be omitted if not relevant to the employer's plan. Any bracketed statement within this section may be included to reflect the appropriate the criteria for changing an employee's plan to increase or decrease coverage as determined by the employer.

    The Life Change Status election may be included or omitted. The list may be reduced or enhanced.

    The last paragraph describes the process to apply for an increase in benefits. This section will include only those statements specific to the policyholder's policy.

16. The words 'immediately' or 'anytime' may be changed to the appropriate time frame relevant to the employer's plan. For example it may state 'the first premium due date after we receive your enrollment form, or request an increase in coverage: 'the first of the month following the date the changes occur, 'the next premium due date'; 'immediately upon our approval of your evidence of insurability' or within 30 days of your request'.

17. This item may be omitted if a pre-existing limitation or exclusions is not part of the employer's plan.

18. How Do you Pay For Your Coverage: This section describes how and who pays premium on behalf of the employee and if contributions are required. Any bracketed statement may be included or omitted to describe the employer's process. This section will also describe the premium waiver.

When Coverage Ends

19. This section describes when coverage ends. Any bracketed or bulleted statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate the criteria to end coverage for an employee.

19a) This language is primarily for expatriates returning to the US permanently. Generally, expatriates will re-enroll in the employers domestic US plan upon return. This would not apply if there is a payable claim.

    In addition, reference to the USA may be changed to: 'your country of citizenship'; 'you're county of residence'; 'your country of nationality'; 'the country of your country employer'; 'your home country'; or other similar description. This statement may be used for US companies and corporations who have temporarily brought employees to the USA by visa to live and work, who upon returning to their home country, would revert to employee benefits of that country. Further, this exclusion would also apply to Third Country Nationals who leave a country (other than the US) where they were working for a US employer and return to their home country or another country.

When Will Your Coverage Continue If You are Temporarily Not Working

20. This section describes extended coverage or continued coverage. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate the criteria to continue coverage for an employee.

Reinstatement of Coverage

21. This item describes reinstatement of coverage under certain conditions. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate the criteria to reinstate coverage for an employee. Reference to the pre-existing condition limitations will be omitted when not part of the employer's plan.

FMLA

22. This item describes continuation of coverage during FMLA, if any. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria to reflect an employer's policy regarding a Family/Medical or Military Leave of Absence. Any bulleted item may be included or omitted.

23. Reference to evidence of insurability may be omitted. The last three paragraphs are optional and will be included when relevant to the policyholders policy on FMLA.

How Can Statements Made In Your Application For This Coverage Be Used?

23. Reference to evidence of insurability may be omitted.

Subrogation

24. This section may be omitted.

Certificate of Coverage, Section 3- Long Term Disability Benefits
FORM NUMBER: 2000 ZACERT-LTD-03-01

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

Any bracketed paragraph, statement or bulleted item throughout this section may be omitted if not relevant to the employer's plan.

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

Any bracketed paragraph, statement or bulleted item throughout this section may be omitted if not relevant to the employer's plan.

How Do We Define a Long Term Disability

1. The words 'Long Term' may be omitted and the heading will read "How Do We Define a Disability?"

   Options A -D are shown on the form. Options A and B may be revised as described below.

   Options A-D may be entirely omitted and replaced with one of the alternative versions shown below. Only the definition applicable to the employer's plan will appear.

2. **Option A** will be Kemper's standard definition with some variation. - For example, either 'limited from performing' or 'unable to perform' will appear. The third bullet in the first paragraph regarding loss of earnings, may be an additional or alternate condition of disability. The term 'indexed' may be omitted. Any of the earnings statements may be included. They will not be included together.

Regular occupation may be changed to own specialty occupation or the name of the company/firm and the profession may be inserted after 'regular' or 'own specialty occupation'. For example, bullet one may read: "You are unable to perform your regular occupation (as partner in the XYZ Law Firm) due to your sickness or injury."

3. The definition for a disability after 6-36 months may be based on the insured's ability to work in any "gainful occupation" with consideration towards education, training and a reasonable earnings level. Although this is a standard inclusion, this item may be entirely omitted when 'own occupation' or "own specialty occupation' is used solely to determine disability.

4. **Option B -** Option B is the standard version for the residual disability definition. Option B may be omitted or included. If included it may be revised as follows:

   Any bracketed statement may be included or omitted. The earnings loss will range within the percentages shown. Any of the earnings statements may be used. They will not be used together.

5. **Option C –** Option C is used when a Total Disability definition is included in the Policyholder's plan. This is option is non-standard and will be included for specific cases..

6. **Option D** This option will be used for certain specialty professional groups. Loss of License may be used as a condition of disability. It may be omitted if it is not the sole factor when determining disability. This is a non-standard option.

7. This item may be omitted.

Options A – D may be omitted and replaced with any of the following definitions of disability.

Version 1

"You are disabled when we determine that solely because of your sickness or injury:

- You are unable to perform the material and substantial duties of your [own job] due to your sickness or injury;
- You are under the regular care of a physician; and
- You are unable to earn [50% -90%] in your [indexed monthly earnings] due to the same sickness or injury."

After benefits have been payable for [12-unlimited] months, you are considered disabled, if solely due to sickness or injury:

- You are unable to perform the material duties of any occupation for which you are or may become qualified based on education training and experience; and
- You are unable to earn [40%-90%] or more of your [indexed monthly earnings].

Version 2

"You are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury;
- You are under the regular care of a physician; and
- [You have a [10%-50%] or more loss in your indexed monthly earnings due to the same sickness or injury] [You are unable to earn [50% -90%] in your [indexed monthly earnings] due to the same sickness or injury].]

Version 3

"During the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury;
- You are under the regular care of a physician; and
- You are not working at any job for compensation or profit.

After the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury;
- You are under the regular care of a physician."

Version 4

"You are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury;
- You are under the regular care of a physician."

Version 5

"During the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury;
- You are under the regular care of a physician; and
- You are not working at any job for compensation or profit.

After the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury or you have a 20% or more loss in your monthly earnings; and
- You are under the regular care of a physician."

Version 6

"You are disabled when we determine that:

- You are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury or [you have a 20% or more loss in your monthly earnings] [you are unable to earn [50% -90%] in your [indexed monthly earnings] due to the same sickness or injury;] and
- You are under the regular care of a physician.]"

Version 7

Examples of own-specialty include attorneys, physicians and other professionals with specialized skills.

[For employees in an ***own specialty occupation***, you are disabled when we determine that:

- you are [limited from performing] [unable to perform] the material and substantial duties of your own-specialty occupation due [solely] to your [sickness] or injury; and
- you are under the regular care of a physician [and] [or]

- [you have a [10%-50%] or more loss in your [indexed] monthly earnings due to the same [sickness] or injury] [you are unable to earn [50% -90%] in your [indexed monthly earnings] due to the same sickness or injury].]

[After] [Between] [6-unlimited months] [and [12 to unlimited months]] of payments, you are disabled when we determine that due to the same sickness or injury,

- you are [limited from performing] [unable to perform] the material and substantial duties of your [regular occupation] due [solely] to your [sickness] or injury; and
- you are under the regular care of a physician [and] [or]
- [you have a [10%-50%] or more loss in your [indexed] monthly earnings due to the same [sickness] or injury] [you are unable to earn [50% -90%] in your [indexed monthly earnings] due to the same sickness or injury].]
-

[After [6-unlimited] months of payments, you are disabled when we determine that due to the same sickness or injury,

- you are unable to perform the duties of any [gainful occupation] for which you are reasonably fitted by education, training or experience; and
- you are under the regular care of a physician [and [or]
- you do not do any work for compensation or profit.]]

<u>Version 8</u>

This definition of disability may be used during the elimination period while the insured continues to work or returns to work. In this situation, a 20% loss in indexed monthly earnings is not required. This feature may be included or omitted.

[During your *[elimination] period*, you will be considered disabled if:

- you are limited from performing the *material and substantial duties* of your [*regular occupation*] due to your *sickness* or *injury*; and
- you are under the *regular care* of a physician.

You are not required to have a [10%-50%] or more loss in your [*covered monthly earnings*] due to the same *injury* or *sickness* to be considered disabled during the [*elimination*] *period*.]

8. **How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?**

The elimination period shown is illustrative and will be revised as applicable to a policyholder's plan. For example:

- A shorter or no elimination period may apply to certain hospital confinements, outpatient surgeries and/or accidents.
- The time period may be revised, as permitted by state law.
- The elimination period may be integrated with an underlying short term disability plan.
- Reference to loss of time benefits, salary continuation and/or accumulated sick leave may be omitted or revised as applicable to a policyholder's plan. (See item #10 below)

The elimination period may be stated in the Certificate and/or in the Benefits Schedule.

An 'Accumulation Period' may be included. This feature is optional.
This feature allows the insured who return to work, or continues working during their elimination period, to satisfy their elimination period.

The time for the accumulation period may be shown in the Certificate and/or the Benefits Schedule. When this section is included, the bracketed statement in the first paragraph of item #7 above will be omitted. When an accumulation period is included, the following paragraph will be added in the Certificate:

In addition, if you return to work while satisfying your elimination period, and are no longer disabled, you must satisfy your elimination period within the ***accumulation period***. You do not need to be continuously disabled through your elimination period if you are satisfying your elimination period under this provision. If you do not satisfy the elimination period within the accumulation period, a new period of disability will begin.

Your accumulation period is [30-365 days] [described in the Benefits Schedule].

Can You Satisfy Your Benefit Elimination Period If You Are Working?

9. This section may be included or omitted. It will be included as a standard feature with residual coverage. This feature allows the insureds to satisfy the elimination period even when they have no earnings loss or are working. Benefits will not begin until there is an earnings loss.

What Are Your [Covered Monthly Earnings]?

10. There are many standard definitions of 'covered monthly earnings' available to the policyholder. This item will be revised as applicable to the employer's plan to show special compensation varieties mutually agreed upon by the Policyholder and Kemper. Some examples are included in the Certificate and below; others may be used. Covered monthly earnings may be determined by a specific date at the election of the employer or the insureds last pay period, or the insureds annual earnings. When averaging earnings, any date may be used to determine the earnings year as agreed upon by the employer and Kemper..

11. The definition may include or exclude commissions, bonus and other income earned by the insured.

12. Extra earnings may be calculated by a rolling average method over a period of years.

Some alternative definitions of covered monthly earnings include:

Version 1
"For purposes of calculating benefits payable to you*, covered* ***monthly earnings*** mean your actual earnings as defined above, as of the date your [Employer] most recently reported your earnings to us prior to your date of disability. Check with your [Employer] to determine the amount of earnings it reports to us for you and how frequently your [Employer] reports earnings."

Version 2
"***Covered Monthly earnings*** means your average gross monthly income as reported on your IRS federal income tax returns for the [1-5] year period just prior to your date of disability. It includes salary, profits, fees, commissions, bonuses, and other compensation for professional services. It does not include investment returns, rent, royalties or other like income not directly produced by your occupation. Earnings are determined after deduction of normal business expenses and losses, but before deduction of any income taxes."

Version 3
This item may be revised to show special compensation varieties mutually agreed upon by Kemper and the policyholder. Examples for employees who own part of the employer's business, the following may be used:

"For Employees who own any part of the Employer's business: "*Covered Monthly earnings"* means, subject to the maximum monthly benefit, the lesser of monthly earnings used in the calculation and remittance of the premium for your coverage and the following, as reported to the IRS:

- Your share of the net income or loss (i.e. income earned and received from that employer, less your share of the employer's business expenses which are deductible for Federal Income Tax purposes); plus
- The salary received by you; plus
- Contributions to qualified pension or profit sharing plan made on your behalf by the employer.
- References to deductible sources of income may be omitted.

We will use the following in determining the above:

For Sole Proprietors: Net profit or loss from the Employer's business as designated on Schedule C of Federal Form 1040, U.S. Individual Income Tax Return. A loss on Schedule C will be considered as zero earnings.

For Partnerships: Ordinary income or loss from trade or active participation in business activities from the Employer's business as reported on Federal Form 1065, U.S. Partnership Return of Income. An ordinary loss will be considered as zero earnings.

For S Corporations: Ordinary income or loss from trade or business activities from the Employer's business as reported on Federal Form 11205, U.S. Income Tax Return for an S Corporation. An ordinary loss on an S Corporation is to be deducted from salary and pension plan contributions from the same Employer.

For C Corporations: Your share (based on 20% or more stock ownership) of the amount designated as taxable income before net operation loss deduction and special deductions of the Employer's business as reported on Federal Form 1120, U.S. Corporation Income Tax Return. A gain on a C Corporation will not be considered earnings, but a loss is to be deducted from salary and pension plan contributions from the same Employer.

Monthly earnings do not include any amounts paid to you that are derived or generated from loans made to the Employer from whatever source, or from withdrawals of invested capital. If there is a change in the name of the above-mentioned IRS tax forms, then the newly designated forms will apply instead.

Version 6
If you are paid on an annual contract basis, your monthly earnings are [1/12th] of your annual contract salary.
If you are paid on an hourly basis, the calculation of your monthly wages is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month; but not more than [173] hours per month.

If you do not have regular work hours, the calculation of your monthly earnings is based on the average number of hours you worked per month during the last [12] calendar months (or during your period of employment if fewer than [12]months); but not more than 173 hours per month.

Included in monthly earnings are:

[Commissions, awards and bonuses, overtime pay, shift differential pay] averaged over the last [12] months of actual employment or such shorter period if actual employment was for fewer than [12] months.

Contributions you make through a salary reduction agreement with your employer to any of the following:

- An Internal Revenue Code (IRC) Section 125 plan for your fringe benefits.
- An IRC 401(k), 403(b) or 457 deferred compensation arrangement.
- An executive nonqualified deferred compensation agreement.
- Your guaranteed payments if you are a partner;
- Your net profit from business;
- Your compensation as an officer, salary, or wages if you are an S-Corporation shareholder.]

[Salary and wages do not include:

- Commissions, Awards and bonuses
- Overtime pay
- Shift differential pay
- Fringe benefits
- Contributions made by your [employer] to any deferred compensation arrangement or pension plan.
- Extra compensation such as payment for revenue sharing, housing allowances, stipends, relocation incentives or buyouts of unused vacations, professional fees, or non qualified income.
- Dividends, capital gains, and returns of capital.]

[A retroactive change in your rate of earnings will not result in a retroactive change in coverage.]

Version 7

This item will be included when the employer uses a separate calculation for new hires. [New hires, your covered income is equal to your annual base pay and your targeted extra earnings determined as of your hire date.] [***Monthly Income*** means your annualized covered income divided by twelve (12)].

How Is Your Benefit Determined if You Are Disabled and Not Working.

13. Various options to calculate the 'monthly benefit' are available. Only the calculation for the covered classes of employees will be included. When multiple classes are covered, the calculation may be described separately for each class. The 'monthly benefit' may be a percentage of monthly earnings (Options A and C) or a flat dollar amount, (Option B). Option A will be our standard. It will be omitted when alternative calculations are used to determine the monthly benefit.

The monthly benefit calculation and definitions shown are illustrative and will be revised as applicable to the employer's plan. For example:

- The monthly benefit may depend on the option for which an employee enrolls; each option may be described.
- The monthly payment may be the lesser of one payment calculation that is not reduced by any deductible sources of income, and another payment calculation that is so reduced.
- The definitions may be deleted and appear in the Glossary.

- The 'monthly benefit' may be a flat dollar amount (Option B) It may be stated in the certificate or on the [Benefits Schedule].
- An 'All Sources' Monthly Benefit calculation may be used. (Option C)
- Any bracketed paragraph, statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria to describe 'monthly earnings' or 'annualized covered income'.
- Reference to deductible sources of income may be omitted.

How Is Your Benefit Determined If You Are Disabled and Working.

Various options to calculate the 'monthly benefit' are available when an employee is disabled and working. The standard monthly benefit may result in the replacement of up to 100% of the insured's pre-disability earnings for the first 12-24 month period while the claimant is disabled and working at a reduced capacity. Other options are available. Only the calculation(s) for the covered classes of employees will be included.

14. The monthly disability earnings calculations shown in the Certificate as Option A will be Kemper's standard. However other variations are available. For example:

    - The return to work incentive time period may be longer or shorter.
    - The percentage of indexed monthly earnings may be higher or lower.

15. This calculation will be used to proportionally decrease the benefit payment as the claimant's disability earnings increase. As a standard, it will be used after an initial 12 month period, however it could be used for the entire period. This calculation may be used, or alternate calculations may be used. If another calculation is used, this item will be omitted. 'Each month' may be changed to 'quarterly', 'semi-annually', or 'annually'.

Other versions that may be used are listed below:

Version 1
"After [6-36] months, the following formula will be used to figure the monthly benefit:
(A divided by B) x C
Where:
A = the insured's *Indexed Monthly Earnings* minus the insured's *disability earnings* received while he or she is disabled.

B = the insured's "*Indexed Monthly Earnings*".

C = the benefit as figured above. This will not include adjustments under the Cost of Living Adjustment provision if included in this policy."

Version 2
[Thereafter,] the monthly payment will be reduced by [40-90%] of such ***income*** from any employer, or from any occupation for compensation or profit. [However, only [40-90%] of any income earned as a participant in an approved rehabilitation program will be included as such income.]

The adjusted monthly benefit will be calculated by using the following formula:

(A divided by B), times C, where:

A = your *indexed monthly earnings*, minus the income you receive while disabled (*disability earnings*);
B = your *indexed monthly earnings*;
C = the long term disability monthly benefit payable (monthly payment).

Income means income you earn, while disabled and working, from your employer or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [Become employed after the date your disability started; or
- Increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

16. ***Disability Earnings Definition***: This item may be omitted and will appear in the glossary. It may be revised as applicable to an employer's plan. For example:

- References to the employee working to his or her greatest extent possible may be omitted. If these references are included, this item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the 2nd bullet will be omitted.
- Reference to salary continuance may be omitted or changed in accordance with the employer's plan.

What Will We Use For Monthly Earnings If You Become Disabled During A Covered Layoff Or Leave Of Absence?

17. This item will be omitted or revised as applicable to the employer's plan. Either layoff or leave of absence may be omitted.

How Can We Protect You If Your Disability Earnings Fluctuate?

18. When disability earnings fluctuate widely, we will average them over a multi month period to determine if the 80% earnings cap has been reached. The standard will be 3 months of earnings, but a longer period may be used.
19. The second and third bullets describe when a claim is continued or terminated. The first bullet may be used for the entire period, or a staggered calculation may be used for different time periods.

What Are Deductible Sources of Income and How Do They Affect My Monthly Payment?

20. This entire section will be omitted if 'deductible sources of income' do not offset the gross disability benefit. If included, the individual items within this provision may be included, omitted or revised as applicable to the policyholder's plan. For example we may:

- add references to Canadian equivalent act or law;
- omit references to spouse or dependents;
- omit reference to an act, plan or law of the US when not applicable to an employer's plan;
- omit all or part of any of one or more of the deductible sources of income.
- reference acts or laws from other countries where expatriates, third country nationals and key local nationals will be living and working, that may include other long term disability income benefits.

We will not add any deductible sources of income not shown.

20a. This item may be revised for a monthly benefit that is the lesser of one payment calculation that is not reduced by any deductible sources of income, and another payment calculation that is so reduced.
20b. This item will be omitted or revised as applicable to the employer's plan.

20c. This item may be revised to omit reference to spouse or children when there is no family offset.

20d This item may be revised to add reference to the Canada customs and Revenue Agency.

20e. This item number may be revised to omit reference to salary continuation or accumulated sick leave.

20f. If item numbers 9 and 10 are included as separate deductible sources of income, they may be revised as applicable to the employer's plan. For example:

- Both items may be included as complete offsets; or
- One item may be included as a complete offset and the other item may be included as a partial offset. But, both items will never be included as partial offsets.
- Item numbers 8 and 9 may be combined to be a partial offset.

20g. This item may be revised to omit reference to partnership, proprietorship or any similar draw.

20h. This item may be omitted or revised to omit the reference to retirement payments or amount from partnership, proprietorship or any similar draws. Either the first paragraph or second paragraph will be included. They will never be included together.

What Are Not Deductible Sources of Income

21. This section will be included if item 20 above is included. This section includes sources of income that will not be deducted from the monthly benefit. It may be revised to add other sources of income to be excluded.

Any individual bulleted items may be included or omitted in accordance with the employer's plan design and will be coordinated with the item 20 above.

Minimum Monthly Benefit

22. This benefit may be omitted for employers with non-contributory plans. It will be included as a standard benefit. Regardless of other sources of income, employees eligible for benefits will always receive a minimum monthly benefit unless that amount is an overpayment that must first be repaid, or when averaging fluctuating earnings, the maximum percentage of indexed monthly earnings is exceeded. Either a flat amount may be paid, or the benefit calculations may be included.

What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

23. This section may be omitted or revised as applicable to the employer's plan. For example:

The monthly payment may be the lesser of one payment calculation that is not reduced by any deductible sources of income, and another payment calculation that is so reduced.

What If We Determine You May Qualify For Deductible Income Benefits?

24. This section will be included if an offset for deductible income benefits is included, otherwise it will be omitted. If included, it may be revised to reflect the bullets and items applicable to the employer's plan.

It may be revised to omit references to1,2,3, 9,10, or 11, in the deductible sources of income list. If included it may be revised for a monthly benefit that may be the lesser of one payment

calculation that is not reduced by any deductible sources of income, and another payment calculation that is so reduced.

What Happens If You Receive A Lump Sum Payment?

25. This item may be included or omitted. It may be included when deductible sources of income offset the monthly benefit.

Maximum Benefit Period

26. The maximum benefit period may be determined by age, a specific range of time or based on the age schedules shown below and in the Certificate and this Explanation of Variability. Our standard schedule will be the schedule shown in the Certificate.

Kemper offers a variety of duration schedules that comply with Federal Age Discrimination in Employment Act (ADEA) guidelines. Similar assurance can not be given if a customer elects to use a benefit reduction schedule which is not part of our standard offering. The schedules may be omitted or the appropriate language and parameters will be reflected (e.g. age) or months of duration may be increased. Benefits may end at the end of the month of the insured's birthday.

This item may be revised to show special variations of Maximum Benefit Periods (also called Maximum Periods of Payments) as applicable to the employer's plan. If a catastrophic disability benefit is included in the plan, the following extension of the maximum benefit period may also be included:

[Your maximum benefit period will be extended for up to [6 months-lifetime] as long as:

- you are unable to perform, without ***substantial assistance***, at least [one-two] ***activities of daily living***;
- or you have a severe ***cognitive impairment***, which requires ***substantial supervision*** to protect you from threats to health and safety; and
- you are under the regular care of a physician.]

27. One schedule option is shown in the Certificate and two schedule variations are shown below. All options are illustrative and the employer may revise or insert schedules applicable to their plan.

A. Maximum Benefit Period Schedule

Your Age on Date Disability Begins	Your Maximum Period of Benefits
[Under age 61	To your normal retirement age, *but not less than 60 months
Age 61	To your normal retirement age, *but not less than 48 months
Age 62	To your normal retirement age, *but not less than 42 months
Age 63	To your normal retirement age, *but not less than 36 months
Age 64	To your normal retirement age, *but not less than 30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months]

A. Maximum Period of Payments

Your Age on Date Disability Begins	Your Maximum Period of Benefits
[Under age 61	To your normal retirement age, *but not less than 60 months
Age 61	To your normal retirement age, *but not less than 60 months
Age 62	60 months
Age 63	60 months
Age 64	60 months
Age 65	To age 70, but not less than 12 months
Age 66	To age 70, but not less than 12 months
Age 67	To age 70, but not less than 12 months
Age 68	To age 70, but not less than 12 months
Age 69 and over	12 months]

*Your normal retirement age is your retirement age under the Social Security Act where retirement age depends on your year of birth.

When Will Benefits Stop?

28. Any individual bulleted item in this section may be included or omitted. Reference to the US and Canada may be revised to refer to another country or refer to 'your country of residence or citizenship'.

29. This item may be omitted or revised according to the length of time of regular occupation. If regular occupation determines disability for the entire length of the coverage, the reference to gainful occupation will be omitted.

Disability Benefits will not be paid for any period of disability which you.

30. Any individual bulleted item may be included or omitted. Any program may be included or omitted at bullet four.

What Disabilities have a limited pay period under your plan.

31. This item may be omitted entirely, or revised as applicable to the employer's plan.

    Two Options are available for employers. Option A describes the categories of causes of disability. The option may include one or more categories as a limited benefit. For example:
    - references to disabilities primarily based on self-reported symptoms may be omitted.
    - references to disabilities due in whole or in part to mental illness may be omitted.
    - References to disabilities due in whole or in part to alcohol and/or drug abuse or dependency may be omitted.
    - different pay periods for self-reported symptoms, metal illness and alcohol and drug abuse or dependency may be shown.
    - the definition of mental illness may be revised to specify exceptions to the definition, for example, to say: but mental illness does not include alcohol related disorders.

32. Option B lists specific conditions for limited benefits. One or more conditions may be included. The lifetime maximum applies to conditions listed.

    Standard plans limit benefits to 24 months for disabilities due to mental illness and disabilities based on self-reported symptoms. Benefit limits may fall within the ranges shown.

The limited benefit is a lifetime maximum and runs concurrently with benefit periods for other disabilities. This means the limitation will apply even if there are other causes of disability during the same period. Once benefits for disabilities subject to the limitation have been paid for an aggregate of [24] months under a policy, no further benefits can be paid under that policy for such disabilities. This limit applies even if the disabilities are not continuous or related. Any bracketed statement may be included to reflect the appropriate limitations or list of limited conditions.

Benefit Extension: Confinement Benefits will continue beyond 24 months if the person is confined to a hospital or institution.

33. **Exceptions:** The mental illness limitation does not apply to dementia due to any of the listed conditions. We may add other conditions as an exception.

Exclusions What Disabilities Are Not Covered Under Your Plan

34. This section contains several lists of exclusions that may be included in an employer's plan. Any listed exclusion may be included or omitted to reflect the appropriate exclusions for the employer's plan.

35. The exclusion for HIV and AIDS will only be included for expatriate plans covering key local nationals and third country nationals.

36. This exclusion will be used for expatriates, third country nationals and key local nationals and employees working in the US under a visa. If the employee leaves the country of employment and returns to his home country, the employee will lose coverage under this plan. Any country may be inserted in place of the US or Canada.

37. This list of exclusions may be included when the policyholder requests that Kemper liberalize the war exclusion in item #34 above. The "Active Participation in War or Terrorism" and the "Passive Participation In War" clauses are more liberal than a "War" exclusion, For such a request, the War exclusion would be omitted and replaced with these exclusions. These exclusions may be used with all US plans and plans covering expatriates, key local nationals and third country nationals,

    The Nuclear, biological and chemical Events Exclusion is a new exclusion that may be used with US plans and plans covering expatriates, key local nationals and third country nationals.

    Each of the exclusions may be included or omitted as determined by the policyholder and Kemper.

Pre-existing Conditions Definition

38. This is a standard feature of the plan. It may vary by state and type of coverage. This item may be omitted if not part of the employer's plan. The pre-existing condition limitation illustrated in the Certificate with a 3 month look back and a 12 month exclusion is a standard inclusion under most plans. The variations within the brackets and listed below may also be elected by the policyholder.

    This item may be omitted or revised to permit a tiered application" of the pre-existing condition limited benefit, if requested by the client. A "tiered application" means an application of the pre-existing condition limited benefit that varies within the client's plan.
    For example, pre-existing condition limited benefit may vary by:

    - A Benefit threshold where the first specified dollar amount of benefits may be subject to a shorter pre-existing condition limit and benefits in excess of that specified amount are subject to a longer limit; or

- Length of service where employees with less than a specified period of service may have a different pre-existing condition limited benefit than employees with more than that specified period of service; or
- Job classification where a pre-existing condition limited benefit may apply to some classes and not others.

This item may also be revised:

- To include a "treatment-free" period (a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider) within the definition of pre-existing condition. The treatment-free period may range from 5 days to 12 months.
- To limit benefits for a pre-existing condition for a period of between 12 and 24 months, but this option will be available only in conjunction with a treatment-fee definition of pre-existing condition.
- To omit the 'prudent person' standard.

The following is an alternative exclusion for a pre-existing condition and may replace the pre-existing condition exclusion at bullet 1. This item may be omitted or revised to permit a "tiered application" of the pre-existing condition limited benefit, if requested by the client. A "tiered application" means an application of the pre-existing condition limited benefit that varies within the client's plan. See the comment at 36 below for a further explanation.

(Alternate pre-existing condition clause)
[Your plan does not cover a disability which:

- Begins within [5 days -12 months] of the date your coverage under the plan becomes effective;
- and is due to a preexisting condition.

[However, your plan will cover that disability once you have performed the material duties of your own occupation on a full time basis, for at least [5-12 months] days after your effective date of coverage.]

What Limits Apply If you are Disabled Due to a Pre-Existing conditon?

39. This item is optional. If included, it will be revised to reflect only the option selected by the employer.

How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

40. This item is a standard feature. It will be omitted if the employer's plan does not include a pre-existing condition limitation. It may be revised to describe a "tiered application" (see item #38 above), or to change the 5 day to 12 month exclusion period of up to 24 months unless there is a period of time when no charges were incurred or treatment was rendered for the pre-existing condition and the employee has no symptoms for which an ordinarily prudent person would have consulted a health care provider. The period of time may range from 5 days to 12 months.

What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

41. This is a standard feature. It protects the employee from coverage loss in the event there is a transfer of coverage between employers.

How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

42. This is a standard feature. If there is a transfer of coverage between carriers, time toward satisfying the pre-existing condition exclusion period with the prior carrier will be considered. A new pre-existing condition exclusion period would apply to any increased coverage under the plan. This item will be omitted when a pre-existing limitation does not apply to the employer's plan.

How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

43. This is a non-standard feature. It will be used as an alternate to 42 above, if the employer's plan does not include a pre-existing condition limitation.

Recurrent Disability- What Happens if You Return to Work Full Time With Your Employer and Your Disability Occurs Again?

44. It supports the insured's return to work. It waives the elimination period for recurrent disabilities when the insured returns to work with the same employer within 6 months.

Extended Recurrent Disability- What Happens if You Return to Work Full Time For an Employer Other Than the Employer and Your Disability Occurs Again?

45. This is an optional feature that provides added protection in the event an insured's disability recurs after returning to work full time with a new employer.

Certificate of Coverage, Section 4 Additional Long Term Disability Benefits and Programs
FORM NUMBER: 2000 ZACERT-LTD-AB-04-01
Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

Survivor Benefit
1. This is a standard feature. A lump sum benefit may be paid at time of claimant's death. It may be omitted.

Accelerated Survivor Benefit
2. This is a standard feature. The accelerated benefit will be paid upon request to insureds that are terminally ill and meet the conditions outlined. If the accelerated benefit is requested, it is paid in lieu of the standard survivor benefit. It may be omitted.

Employee Assistance Program
3. Optional feature. This provides information and support services to Policyholders, employees and their families. It can provide support during a period of disability, and can provide services and information before a disability begins. It may be omitted. The program name may be changed. Program information may be placed in an informational kit that an insured would receive once a claim is filed.

Social Security Program
4. This program assists an insured through the Social Security Disability application and appeal process. It may be omitted. The program name may be changed. It may be omitted. Program information may be placed in an informational kit that an insured would receive once a claim is filed.

Rehabilitation Program Benefit

5. Standard feature. This provides eligible insureds a Rehabilitation Program to help disabled employees return to work. It may be omitted.

Additional Benefits While You Participate In A Rehabilitation Program

6. Optional feature. This provides an additional benefit to eligible insureds that participate in a Rehabilitation Program. The benefit is not reduced by any other sources of income. Benefits (and the additional payment) will continue for 3 months after the disability ends if the insured participates in the program but does not find other employment. It may be omitted.

Dependent Care Expense Benefit

7. Standard feature of the plan. This provides an additional monthly payment to help offset dependent care expenses for insureds who are participating in the program. The dependent core benefit covers children and other family members who need personal care assistance. It may be omitted.

Education Benefit

8. Optional feature. This provides on additional payment to help offset post-secondary education costs for eligible children while the insured is receiving benefits. Insureds do not have to be participating in a Rehabilitation & Return to Work Assistance program to be eligible

Cost Of Living Increase (COLA) Adjustment

9. COLA is an optional feature. Either COLA description may be included or both may be omitted. Various benefit adjustment levels are available. This first option describes a compounded benefit.

- The time periods are illustrative and may be longer or shorter.
- The percentage and number of adjustments are illustrative and may be higher or lower.
- An alternate method of calculation may be shown.

10. This second COLA option describes an increase without compounding. This section may be revised as applicable to the employer's plan as described in the bullets above.

    The CPI definition will be included. The standard CPI used for the COLA adjustment will be the CPI in effect on the date of the COLA adjustment. The other options are available for Policyholder requests.

Worksite Modification Benefit

11. Standard feature. This pays the employer up to $1000 for worksite modifications that we agree may help an insured return to work for the employer. It may also be used when an individual is disabled and working but could benefit from modifications that would enable the individual to continue working or increase hours. It may be omitted.

Plan Conversion Option

12. Optional feature. Employees who terminate employment with their employer can apply for basic LTD coverage under a group conversion policy (without evidence of insurability). The converted coverage will differ from the benefits available under the employer's plan.

Recovery Income Protection

13. Optional feature. Following disability, an additional benefit may be paid while the insured rebuilds earnings.

Revenue Protection Benefit For Employers

14. Optional feature. The policyholder receives a payment while the insured is receiving monthly benefits. Other percentages and maximums are available.

Retirement/Pension Contribution Benefit
FORM NUMBER: 2000 ZACERT-LTD-RB-05-01

Specific Variable material is described below:

1. This item may be omitted.
2. This item may be omitted or replaced with a definition of a 401 (k) or 403 (b) plan.

National Insurance Contribution

3. This benefit is available for expatriates working in England or another country with a similar mandatory retirement contribution requirement. The description of each country's plan will be described here. Similarly, for non-US citizens, employed by corporations to work within the United States under an appropriate INS issued visa, any mandatory retirement contribution plans from their country of residence may be added here.

Certificate of Coverage, Section 6 - Claim Information
FORM NUMBER: 2000 ZACERT-LTD-06-01

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

1. This item may be omitted.
2. The appropriate contact name will be inserted here.
3. This paragraph may be modified to add information about filing a claim electronically, by internet, or by telephone. When available the term "written" will be omitted.
4. This item may be modified or revised to provide instructions for submitting claims by telephone, electronically or by internet. For example:

    i. "Our customer service department will assist you to file your claim. Call the toll free number on the back of your ID card or contact a representative by email at www.XXX.com."

5. This item may be revised to replace "regular occupation" with "own occupation". Reference to "gainful occupation" and/or "activity of daily living" may be omitted.

6. This item may be revised to include other appropriate financial documents from other countries from non-US employers providing US style employee benefits.. For example: the Canadian equivalents of these tax documents.

7. This paragraph may be omitted.

8. The list of examples of deductible sources of income may be omitted and the insured may be referred back to the certificate for the complete list.

Certificate of Coverage, Section 7 -Claim Procedures and Appeal Information
FORM NUMBER: 2000 ZACERT-LTD-AP-07-01
There is no specific variable changes for this document.

Certificate of Coverage, Section 8 –Glossary
FORM NUMBER: 2000 ZACERT-LTD-GLOS-08-01

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

1. **Administrator:** This statement may be omitted.

2. **Disability Earnings:** This item may be revised as applicable to an employer's plan. For example:

   - References to the employee working to his or her greatest extent possible may be omitted. If these references are included, this item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the 2nd bullet will be omitted.
   - Reference to salary continuance may be omitted or changed in accordance with the employer's plan.

3. **Expatriate:** This item may be revised to refer to an employee's country of residence or citizenship.

4. **Injury:** This item may be omitted.

5. **Mental Illness:** Mental illness may be changed to mental disorder, or both terms may be included.

6. **Own Specialty Occupation:** any of the bracketed statements are subject to omission or inclusion when describing specific specialty occupations.

7. **Pre-existing Condition:** The definition of pre-existing condition may be changed to those definitions described in the benefits section of the Certificate ZACERT-LTD-03-01, and the corresponding Explanation of Variability.

8. **Regular Occupation:** The two bracketed paragraphs describe an own-specialty class. The paragraphs will be included when own-specialty is part of the Regular Occupation definition.

ZURICH AMERICAN LIFE INSURANCE COMPANY
LONG TERM DISABILITY INSURANCE

EXPLANATION OF VARIABILITY

Long Term Disability Benefits Schedule
FORM NUMBER: 2000 ZASCH-LTD-01-01

General Comments

The Long Term Disability Schedule will contain the specific plan benefit information for each class of employees covered under the policyholders plan. There are two types of variable material set forth in brackets within this form. These types are:

Illustrative material; and
Specific variable material.

Illustrative material consists of any entries such as names, dates, addresses, classes eligible, waiting periods, elimination periods, benefit amounts, benefit periods, ages, numbers, amounts, percentages or time periods which will be revised to reflect the specific details of a Policyholder's plan.

The fields reflecting the Policyholder's specific information such as names, policy numbers and effective dates are illustrative and variable. Upon issue, they will be completed to reflect the specific names of the Policyholder, the group policy number and the contract effective date applicable to each issued policy.

Ranges (e.g. of percentages, amounts, time periods) are shown for some illustrative material and are indicated by brackets. Actual entries will always fall within the ranges.

Any changes made through the use of variability shall comply with the laws of the state in which the contract is issued.

The common terms listed below may not be relevant to all sections/subsections in the documents listed above. The terms do not have a corresponding EOV number or explanation other than what appears below. However, the terms do appear in variable brackets throughout the relevant sections/subsections. These general comments apply to the entire document. If no other variables are specified, only these general comments apply.

Connective words and phrases which serve the grammatical purpose of meaningful continuity and do not affect the description of the payment of benefits or other terms or conditions of coverage may vary as sense may demand. Such connective wording will not be ambiguous or deceptive.

The placement of material may vary to avoid gaps and to allow the contractual documents to be system-produced. Information in the Schedule of Benefits may be moved to the Certificate of Coverage.

- The plan may be called 'Long Term Disability Plan' or 'Long Term Disability Insurance'. The term 'Managed' may replace the words 'Long Term'.

- Reference to the 'Benefits Schedule' may be changed to 'Summary of Benefits', 'Benefits Summary' or 'Schedule of Benefits'.

- Each variable and bracketed item listed on the Benefits Schedule is subject to inclusion or omission. The benefits shown will correspond to the particular coverage provided by the Policyholder's plan of insurance, and will vary depending on the plan design. Only those items selected by the Policyholder will appear on the issued form.

- Reference to 'Certificate' may be changed to 'Certificate of Coverage', 'Certificate of Insurance', 'Booklet-Certificate'.

- Any reference to a period of time may be changed to a longer or shorter period. Any such change will only be made if the change is liberalization from the Policyholder's perspective.

- Bracketed numbers may vary within the ranges shown.

- References to 'dependents' will be omitted if the plan does not include such coverage.

- References to 'calendar year', '12 months' and '365 days' are interchangeable with each other or may be changed to 'plan year' and 'policy year', 'contract year', policy term', contract term', '365 consecutive day period' or '12 consecutive month period'. The word consecutive may be changed to 'continuous'.

- The 'eligibility period' may be changed to 'benefit waiting period'.

- References to 'employee' may be changed to 'subscriber', enrollee', 'member', 'the insured', 'covered person', 'you', 'your', 'participant' or other appropriate term describing a member of the group insured.

- References to 'policyholder' and/or 'employer', may be changed to 'association', 'plan sponsor', 'contract holder', 'member group', 'participant', participating employer, or participating organization. They may be used interchangeably when appropriate. We may also change the term to reflect the client's name or the name of an association.

- Except in the Heading, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- "Deductible Sources of Income" may be changed to 'Other Income Benefits'

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- 'Gainful employment' may be changed to 'any occupation', 'reasonable occupation' or any similar term.

- The word 'Core' as in 'core benefits' may be changed to 'basic benefits'. 'Optional benefits' may be changed to 'buy-up benefits', 'core buy-up benefits', 'supplemental benefits' or 'voluntary benefits'.

- Except in the heading, or where our address is located, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- 'Covered monthly earnings' may be changed to 'monthly covered income', 'predisability income or 'scheduled income' or other similar term. It some instances it may be changed to 'annual earnings' when income is verified on an annual basis.

- 'Disability earnings' may be changed to 'monthly disability earnings' or other similar industry term.

- 'Indexed monthly earnings may be changed to 'adjusted predisability earnings', 'adjusted predisability income', 'indexed predisability income' or similar industry term.

- 'Indexed monthly earnings may be changed to 'covered monthly earnings for purposes of determining monthly benefits. 'Covered monthly earnings' or a similar term will be used when earnings are not adjusted for a cost of living increase.

- 'Elimination period' may be changed to 'benefit waiting period'.

- 'Gainful Occupation' may be changed to ' gainful employment, 'any occupation, 'reasonable occupation' or other similar industry term.

- 'Monthly' may be changed to 'annual' or 'annually' when verification of annual income or reporting is required. "A month' or 'one month' may be increased from 1-12 months.

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

- The 'Group Insurance Policy' may be changed to 'policy', 'group policy', 'group contract', 'group insurance contract'.

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. However, illustrative material that appears within specific variable material may be varied as described above.

FORM NUMBER: 1000 LTD/SCH -1-01

1. This paragraph may be included or omitted.

2. This paragraph may be included or omitted. The bracketed statements within the paragraph are subject to inclusion or omission.

3. The specific Policyholder information will be inserted.

4. This item may be included or omitted. If included, either the word 'Open' or 'Annual' will appear. The dates for the Policyholder's enrollment and effective dates will be inserted.

<u>Eligible Classes</u>

5. Classes of eligible employees will be described in this section. More than one eligible group may be used allowing the Policyholder to differentiate coverage between groups.

The Policyholder and Kemper will determine the eligible classes in accordance with the Policyholder's requirements and descriptions will be included here. The appropriate employee classification(s) will be included in accordance with the Policyholder's plan.

'Eligible Classes' may be changed to 'Eligible Groups' or 'Eligible Employees'. Each employee class will be described and multiple classes may appear. When benefits vary between classes, this entire section may be omitted. If omitted, the classes will be described with the "covered monthly earnings" benefit amount on page 4. Classes shown are purely illustrative and any description of an eligible class may be inserted.

Class 1 describes class eligibility requirements for US Expatriate, Third Country Nationals and Key Local Nationals who are employees of the Policyholder and working outside the United States. Each of the bracketed words or terms will be included or omitted to reflect the Policyholder's eligible class(es).

6. Class 2 describes class eligibility requirements for a US plan.

7. These notes will be included for expatriate plans. Each of the separate notes may be included or omitted in accordance with the employer's plan. Any country name may be inserted to reflect eligible and ineligible countries of residence. Any country or territory may be inserted.

8. The definitions of 'Expatriate' and 'Third Country National' may be included when coverage for expatriates and third country nationals is provided. A definition for Key Local Nationals may also be included.

Minimum Hours Requirement

9. The minimum hours requirement for full-time and part-time may be included or omitted. If described above with the eligible class, or in the Certificate, it may be omitted from this section of the Schedule.

10. Reference to part-time employees will be omitted when not covered by the Policyholder's plan.

11. This item will be included when relevant to the Policyholder's plan.

[Service] Waiting Period

12. The Waiting Period section may be omitted if the Policyholder does not include a waiting period as a feature of their plan. If included, the first paragraph may be included or omitted.

13. The option 'None' may be included to clarify for employees, that no waiting period is applied.

Full-time Employees

14. This section will describe the waiting period for each class of employees. When this section is included, and there is no waiting period, the word 'None' will be included.

    When a waiting period applies, only the bracketed option(s) reflecting the Policyholder's plan will be included. If there are different waiting periods for different classes of employees, each class will be described with its corresponding waiting period.

When different waiting periods apply with respect to the employee's prior plan or employment start date, the appropriate options in paragraphs 1 and 2 will appear by class. The actual date of the Policyholders plan effective date will appear.

Part-time Employees

15. Reference to part-time employees will be omitted when not part of the Policyholder's plan.

    If part-time employees are eligible, the word 'None' may appear when there is no waiting period, or all references to a waiting period may be omitted. When a waiting period applies for part time employees, any of the bracketed phrases may be included to reflect the Policyholder's waiting period, by class.

    When different waiting periods apply with respect to the employee's prior plan or employment start date, the appropriate options in paragraphs 1 and 2 will appear by class. The actual date of the Policyholders plan effective date will appear.

Credit for Prior Service after Rehire

16. Credit for prior service after rehire is an optional feature and will be omitted when not selected by the Policyholder.

Who Pays For Coverage

17. This entire section may be included or omitted. When included, only the statements relevant to the Policyholder's plan will appear. If omitted the information will appear in the Certificate.

18. The word 'Core' may be changed to 'Basic'.

19. The words 'Optional' or 'Buy-up', ' Basic Buy-up, or 'Core Buy-up' may be included or omitted to describe the benefit.

20. The Premium Waiver provision may be omitted. This provision also appears in the Certificate.

Elimination Period

21. The appropriate option reflecting the Policyholder's plan will be included.
22. The word 'later' may be changed to 'greater'.
23. Policyholders may also elect to delay the start of benefits until after any salary continuation or accumulated sick leave benefits are received.
24. The accumulation period will be included when a feature of the Policyholder's plan.

Monthly Benefit

25. Options within the brackets are purely illustrative. When benefits vary by class, each class and each benefit will be identified separately. This item may be omitted if the monthly benefit is equal for all classes.
26. This option will be included when the benefit is a specific dollar amount.
27. This item will be included when benefits are reduced due to age.
28. This item will be included when the benefit is a percentage of the employee's monthly covered income.

29. Reference to a maximum benefit may be included or omitted. If omitted in this item, the monthly maximum amount may be reflected at item 31 below on a separate line.
30. Benefits may be limited by either bracketed option or both may be included together. Both items will be omitted if not part of the Policyholder's plan.
31. This item may be included or omitted.
32. This item may be included or omitted as a feature of the Policyholder's plan.

All Sources Monthly Benefit Percentage:

33. This item will be included when the monthly benefit is calculated using an all source methodology.

Late Applicants Benefit:

34. This item will be included when the Policyholder elects a separate monthly benefit and benefit maximum for late applicants.

Maximum Monthly Benefit.

35. This item may be included or omitted as a feature of the Policyholder's plan. When included the appropriate maximum benefit amount will be included.

Minimum Monthly Benefit

36. This item may be included or omitted as a feature of the Policyholder's plan. When included the appropriate benefit amount will be included.

Survivor Benefit

37. This item may be included or omitted as a feature of the Policyholder's plan. When included the appropriate benefit amount will be included. The Accelerated Survivor Benefit will be included on the schedule when offered as part of the Survivor Benefit.

Rehabilitation Program Benefit

38. This is a standard feature. It may be omitted when not selected by the Policyholder.

[Child][Dependent][Family] Care Expense Benefit

39. This benefit may be limited to child care or be expanded for family or dependent care. It will be omitted when not selected by the Policyholder.

Limited Benefits for Specific Injury, Illness or Mental Disorders.

40. This section will be included when the Policyholder elects a limited benefit for Mental Illness, Mental Disorders, Self-reported Symptoms and Drug and Alcohol Addiction. Either optional paragraph may be included or both paragraphs may be included. The limitation may apply to one or more of the listed conditions. It may be omitted when benefits are not limited, or the insured may be referred back to the certificate for benefit information.

Pre-Existing Condition Limitation

41. This item may be included or omitted at the option of the Policyholder. The pre-existing condition limitation with a 3 month look back and a 12 month exclusion on pre-existing conditions is a standard inclusion under most plans. The variations within the brackets may also be elected by the Policyholder. This item will be omitted if a pre-existing condition exclusion or limitation does not apply. It also appears in the Certificate.

Maximum Period of Payment/Maximum Benefit Duration Schedules

42. The schedules may be omitted or the appropriate language and parameters will be reflected (e.g. age, months of duration may be increased. Benefits may end at the end of

the month of the insured's birthday. Alternative schedules are included in the Disability Benefit Section of the Certificate and Explanation of Variability.

Kemper offers a variety of payment duration schedules that comply with the federal Age Discrimination in Employment Act (ADEA). Similar assurance cannot be given if a customer elects to use a benefit reduction schedule that is not part of our standard offering.

The maximum period may be determined by age. The age may range from [60-95]. If age is used, the tables will be omitted. If the tables are used, this item will be omitted.

Limited Conditions and Disabilities

43. This paragraph is subject to inclusion or omission. If included, it may simply refer the insured back to the Certificate.

Additional Benefits and Features

44. Each optional benefit listed in this section is subject to inclusion or omission. If included the benefit will be described within the parameters listed in the Schedule. For complex benefits, the insured will be referred back to the certificate for a complete benefit description.

EXPLANATION OF VARIABILITY

ZURICH AMERICAN LIFE INSURANCE COMPANY

Group Short Term Disability Certificate of Coverage

Certificate Form Sections Include:

3000 ZACERT-STD-O1-01	Certificate of Coverage – Cover Pages
3000 ZACERT-STD-O2-01	General Provisions
3000 ZACERT-STD-O3-01	Short Term Disability Benefits
3000 ZACERT-STD-O4-01	Programs
3000 ZACERT-STD-O5-01	Claim Information
3000 ZACERT-STD-O6-01	Claim and Appeals
3000 ZACERT-STD--07-01	Glossary

General Comments

The Short Term Disability Certificate of Coverage will be included when the policyholder purchases such coverage. The Certificate will contain only those benefits purchased by the Employer. All short term disability forms fall under the series number 3000.
Parameters related to eligible classes and individuals will be determined by the Employer. Variability is provided within this Explanation of Variability and in the Certificate. The Certificate will contain the specific plan and benefit information for each class of employees covered under the Employer's plan.

There are two types of variable material set forth in brackets within this form. These types are:

Illustrative material; and
Specific variable material

Illustrative material consists of any entries such as names, dates, addresses, classes eligible, waiting periods, elimination periods, benefit amounts, benefit periods, ages, numbers, amounts, percentages or time periods that will be revised to reflect the specific details of a policyholder's plan.

The fields reflecting the policyholder's specific information such as names, policy numbers and effective dates are illustrative and variable. Upon issue, they will be completed to reflect the specific names of the policyholder and Employer, the group policy number and the contract effective date applicable to each issued policy.

Ranges (e.g. of percentages, amounts, time periods) are shown for some illustrative material and are indicated by brackets. Actual entries will always fall within the ranges.

Any changes made through the use of variability shall comply with the laws of the state in which the contract is issued.

The common terms listed below may not be relevant to all sections/subsections in the documents listed above. The terms do not have a corresponding EOV number or explanation other than what appears below. However, the terms do appear in variable brackets throughout the relevant sections/subsections. These general comments apply to the entire document. If no other variables are specified, only these general comments apply.

Connective words and phrases which serve the grammatical purpose of meaningful continuity and do not affect the description of the payment of benefits or other terms or conditions of

coverage may vary as sense may demand. Such connective wording will not be ambiguous or deceptive.

Defined terms will be initially italicized. Definitions in the Glossary may be inserted into the appropriate benefit section to assist the insured in understanding their benefits. The definition will also appear in the Glossary.

The placement of material may vary to avoid gaps and to allow the contractual documents to be system-produced. Information in the Schedule of Benefits may be moved to the Certificate of Coverage.

- The plan may be called the "Short Term Disability Plan" or "Temporary Disability Plan" The term "Managed" may be included in the name. "Plan" may be replaced with "Coverage" or "Insurance"

- Each variable and bracketed item listed in this section are subject to inclusion, omission or substitution as described in the specific variable explanations below. The benefits shown will correspond to the particular coverage provided by the policyholder's plan of insurance, and will vary depending on the plan design. Only those items selected by the policyholder and Kemper will appear on the issued form.

- Addresses, phone numbers and program names are variable so they can be changed to reflect changes when they occur.

- The company name is bracketed to permit a name change in the event the company files and receives regulatory approval of such a change.

- Reference to 'Certificate' may be changed to 'Certificate of Coverage', 'Certificate of Insurance', 'Booklet-Certificate'.

- Reference to the 'Benefits Schedule' may be changed to 'Summary of Benefits', 'Benefits Summary' or 'Schedule of Benefits'.

- Reference to 'eligible class(es)' may be changed to 'eligible group(s)', 'covered group(s)', 'covered classes' or any similar term.

- Any reference to a period of time may be changed to a longer or shorter period. Any benefit value may be increased at the employer's request. Any such change will only be made if the change is liberalization from the policyholder's perspective.

- Bracketed numbers may vary within the ranges shown.

- References to 'calendar year', '12 months' and '365 days' are interchangeable. They may be changed to 'plan year', 'policy year', 'contract year', policy term', contract term', '365 consecutive day period' or '12 consecutive month period'. The word consecutive may be changed to 'continuous'.

- "Weekly" may be changed to "biweekly".

- "Sickness" may be changed to "illness". The definition of both terms includes a disabling pregnancy.
- References to 'eligible classes' may be changed to 'eligible groups', 'covered groups', 'covered classes' or any similar term.

- References to 'employee' may be changed to 'subscriber', enrollee', 'member', 'the insured', 'covered person', 'you', 'your', 'participant' or other appropriate term describing a member of the group insured.

- References to 'policyholder' and/or 'employer' may be changed to 'association', 'plan sponsor', 'contract holder', 'member group', 'participant', 'Employer', or 'participating organization'. They may be used interchangeably when appropriate. We may also change the term to reflect the client's name or the name of an association.

- The word 'Core' as in 'core benefits' may be changed to 'basic benefits'. 'Optional benefits' may be changed to 'buy-up benefits', 'core buy-up benefits', 'supplemental benefits' or 'voluntary benefits'.

- Except in the heading, or where our address is located, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- References to 'Deductible sources of income' may be changed to 'Other Income Benefits'.

- 'Covered weekly earnings' may be changed to 'weekly covered income', 'predisability income, 'scheduled income' or other similar term. It some instances it may be changed to 'annual earnings' when income is verified on an annual basis.

- 'Disability earnings' may be changed to 'weekly disability earnings' or other similar industry term.

- References to the 'Elimination period' may be changed to 'benefit waiting period'.

- 'Gainful Occupation' may be changed to ' gainful employment, 'any occupation, 'reasonable occupation' or other similar industry term.

- References to "Own Job" may be change to "Regular Occupation", "own specialty occupation" or "gainful occupation".

- 'Weekly' may be changed to 'annual' or 'annually' when verification of annual income or reporting is required. "A month' or 'one month' may be increased from 1-12 months.

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

- The 'Group Insurance Policy' may be changed to 'policy', 'group policy', 'group contract', 'group insurance contract'.

- The term 'mental illness' may be changed to 'mental disorder'.

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. But, illustrative material that appears within specific variable material may be varied as described above.

Certificate of Coverage – Section 1
FORM NUMBER: 2000 ZACERT-STD-01-01

1. This item may be included or omitted.

2. The specific corporate information included may be changed to reflect current addresses and phone numbers.

Table of Contents
The Table of Contents may be included or omitted. If included, only the sections pertaining to the insured's coverage will be included. The Table of Contents may be enhanced to add the subtitles under each section heading.

Special Notices
This page may be included or omitted. If included it will contain important telephone numbers and web addresses. The policyholder's name and address may be included and/or the address and phone number of the employee benefits contact.

3. The fraud notice may be omitted.

STD Certificate of Coverage Section 2– General Provisions
FORM NUMBER: 2000 ZACERT-STD-02-01

1. This item may be omitted.

2. This paragraph may be included or omitted. It may be revised to add additional information to inform the insured of important facts as requested by the employer.

Eligibility

3. This item may be included or omitted.

4. This paragraph may be included or omitted. If included the 3rd sentence may be omitted or modified as indicated by the two bracketed phrases. If the criteria for eligible classes is included on the Benefits Schedule, this section may not appear in the certificate.

5. The classes of eligible employees may be described in the Certificate, in the Benefits Schedule or in both documents. This paragraph will reflect where the information can be found. Either bracketed statement may be included or omitted. Multiple classes of employees may be described here as applicable to the employer's plan.

6. When included in the Certificate, classes of eligible employees will be described in this section. More than one eligible group may be used allowing the policyholder/employer to differentiate coverage between groups.

   The Policyholder and Kemper will determine the eligible classes in accordance with the employer's requirements and descriptions will be included here. The appropriate employee classification(s) will be included in accordance with the policyholder's plan.

   'Eligible Classes' may be changed to 'Eligible Groups' or 'Eligible Employees', 'Covered Employees' or 'Covered Group'. Each employee class will be described and multiple classes may appear. When benefits vary between classes, this entire section may be omitted. If omitted, the classes will be described with the weekly income benefit amount in the Benefits Section or in the Benefits Schedule. Classes shown are purely illustrative and any description of an eligible class may be inserted.

7. This statement will be omitted if the employer does not have a waiting period. The word 'service' may be included or omitted. The word 'service' may be changed to 'employment'.

8. This paragraph may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or omitted to reflect the employee's eligibility for coverage of new hires.

9. This item will be included when a waiting period applies. Only the bracketed option(s) reflecting the policyholder's plan will be included. If there are different waiting periods for different classes of employees, each class will be described with its corresponding waiting period. This paragraph will be omitted if the employer does not have a waiting period.

Effective Date of Coverage

10. This section describes when coverage begins. Any bracketed paragraph, statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate criteria for the employee's effective coverage as determined by the employer.

    The certificate may be changed to include one of the following options:

    Option 1
    [Evidence of insurability is required for any amount of insurance.]
    [You pay 100% of the cost of your coverage [under a plan.] [Once you are eligible for coverage you have [31-365] days from the date you become eligible to apply for coverage.]

    [Once you are eligible for coverage and your evidence of insurability form has been approved,] your coverage will begin at 12:01 a.m. on the first of the month following the later of:
    - The date you are eligible for coverage, if you apply for insurance on or before that date; or
    - The date you apply for insurance if you apply within 31 days after your eligibility date.]

    Option 2
    [Your Employer pays 100% of the cost of your coverage [under a plan]. Your coverage will begin at 12:01 a.m. on the first of the month following the [later of:
    - the date you were eligible for coverage[; or
    - the date we approve your evidence of insurability form, if evidence of insurability is required].]

    [Evidence of insurability is required if you:
    - are a late applicant. Your amount of coverage will be the amount as shown for "Late Applicants in the "Benefits Schedule". In no event, will this amount exceed the maximum benefit available under the plan;
    - you voluntarily cancelled your coverage and are reapplying; or
    - you declined your coverage and are now reapplying.]

11. This item may be revised to omit reference to lay off or leave of absence.

    Enrollment

12. The entire section may be omitted if there is no enrollment or 'evidence of insurability' requirements in the employer's plan. When included, this section will include only the statements appropriate for the employer's enrollment process. Any bracketed paragraph,

statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria for plan enrollment as determined by the employer.

Further, if enrollment is required and this section is included, reference to 'evidence of insurability' and 'late applicants' will be included or omitted as relevant to the employer's plan.

Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

Reference to 'Basic Coverage' may also include "Basic Buy-Up or 'Optional Buy-Up Coverage.

When Do You Enroll

13. Any bulleted item within the brackets may be included or omitted.

14 If You Do Not Enroll for Coverage When You First Become Eligible:
Any bulleted statement may be included or omitted to reflect the effect late enrollment may have on an employee's eligibility for coverage or a delayed effective date.

15. **Late Applicant Enrollment Requirements**
The important note may be omitted. If included it may be revised to contain only the statements relevant to the policyholder's plan.

The following provision may replace the "Late Applicant Enrollment Requirements" Section as follows:

When Can You Apply For Coverage If You Apply More Than [31 -365] days After Your Eligibility Date or if You Voluntarily Cancelled Your Coverage and Are Reapplying?
You can apply for coverage [at anytime during the plan year,] [or during an annual enrollment period].

Evidence of insurability is required for any amount of insurance. Your amount of coverage will be the amount as shown for "Late Applicants" in the "Benefits Schedule". In no event will this amount exceed the maximum benefit available under the plan.

Your Employer, with our approval, determines when the annual enrollment period begins and ends.

Coverage will begin at 12:01 a.m. on the first of the month following the date we approve your evidence of insurability form.

16. **When Is Evidence of Your Insurability Required**

Generally, EOI will not be required except for contributory plans or amounts over the employer paid benefit. If included, any bracketed statement or bulleted items requiring evidence of insurability, are subject to omission or inclusion as relevant to the employer's plan.

17. The paragraphs describing 'Annual Enrollment' and Open Enrollment will be included when relevant to the employer's plan. Any bracketed statement may be included or omitted to reflect the employer's policies for effective date and process. The dates or other information may also appear on the Benefits Schedule.

18 [Increases in Coverage Amounts [At Enrollment] [After Enrollment]

This item describes when coverage may be increased at or after enrollment. It will be included when such coverage is available to the group, otherwise it will be omitted.

After Coverage Begins

19. This section describes when an insured may change coverage. Any bracketed paragraph, statement or word within this section may be omitted if not relevant to the employer's plan. Any bracketed statement within this section may be included to reflect the appropriate the criteria for changing an employee's plan to increase or decrease coverage as determined by the employer.

    The Life Change Status election may be included or omitted. The list may be reduced or enhanced.

    The last paragraph describes the process to apply for an increase in benefits. This section will include only those statements specific to the policyholder's policy.

20. The words 'immediately' or 'anytime' may be changed to the appropriate time frame relevant to the employer's plan. For example it may state 'the first premium due date after we receive your enrollment form, or request an increase in coverage: 'the first of the month following the date the changes occur, 'the next premium due date'; 'immediately upon our approval of your evidence of insurability' or within 30 days of your request'.

21. When Will Changes to Your Coverage Take Effect
    The paragraphs and time lines relevant to the policyholder's terms to implement benefit increases or decreases will be included; all other statements or paragraphs will be omitted. The effective date of a change may be different for each circumstance, or the same for all. If the same for all, paragraph #22 below will be included and the paragraphs shown under item 20 will be omitted.

22. This paragraph will be included when the effective date for changes under all circumstance are the same, (i.e. immediately, the first of the following month). It may also be include with the paragraphs in item #21 above and only describe the effective date of an elective change.

23. This item may be omitted if a pre-existing limitation or exclusion is not part of the employer's plan.

24. How Do you Pay For Your Coverage: This section describes how and who pays premium on behalf of the employee and if contributions are required. Any bracketed statement may be included or omitted to describe the employer's process. This section will also describe the premium waiver.

When Coverage Ends

25. This section describes when coverage ends. Any bracketed or bulleted statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate the criteria to end coverage for an employee.

    23(a) Reference to the USA may be changed to: 'your country of citizenship'; 'you're county of residence'; 'your country of nationality'; 'the country of your country employer'; 'your home country'; or other similar description. This statement may be used for US companies and corporations who have temporarily brought employees to the USA by visa to live and work, who upon returning to their home country, would revert to employee benefits of that country.

When Will Your Coverage Continue If You are Temporarily Not Working

26. This section describes extended coverage or continued coverage. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate the criteria to continue coverage for an employee.

Reinstatement of Coverage

27. This item describes reinstatement of coverage under certain conditions. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included or revised to reflect the appropriate the criteria to reinstate coverage for an employee. Reference to the pre-existing condition limitations will be omitted when not part of the employer's plan.

FMLA

28. This item describes continuation of coverage during FMLA, if any. Any bracketed statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria to reflect an employer's policy regarding a Family/Medical or Military Leave of Absence. Any bulleted item may be included or omitted.

    Reference to evidence of insurability may be omitted. The last three paragraphs are optional and will be included when relevant to the policyholder's policy on FMLA.

Subrogation

29. This section may be omitted.

Certificate of Coverage, Section 3- Short Term Disability Benefits
FORM NUMBER: 2000 ZACERT-STD-03-01

How Do We Define a Short Term Disability?

1. The words 'Short Term' may be omitted and the heading will read "How Do We Define a Disability?", or the word "Temporary" may replace "Short Term" and read: How do we Define a Temporary Disability.

2. The short-term disability plan will may be issued as a "non-occupational" plan or a "24 hour" plan. If issued as a 24 hour plan references to "non-occupational" will be omitted for sickness and injury.

3. This item will be included for policies covering sole proprietors and partnerships when workers' compensation insurance is not available.

4. This item may be omitted.

5. This item will be included with "non-occupational" plans. It may be omitted when not part of the policyholder's plan.

6. This section describes how a disability is defined under the plan. Various options are available. "Own Job" will be the Kemper standard, however other options are available for election by the policyholder.

Options A and B are shown on the form. Options A and B may be revised as described below. Options A and B may be entirely omitted and replaced with one of the alternative versions shown below. Only the definition applicable to the employer's plan will appear.

Standard short term disability plans will range from 13-26 weeks. However, some employers may elect a longer or shorter period. Kemper will offer STD plans up to 104 weeks. Plans with a longer duration have the option to alter the definition of disability after a period of time by "changing "own job" to "regular job" or "gainful occupation" and requiring the employee to be totally disabled.

7. **Option A** will be Kemper's standard definition with some variation. - For example,

    - either 'limited from performing' or 'unable to perform' will appear;
    - "one or more of" will be included as a standard, but it may be omitted when a total disability is required.
    - "own job" will be the standard, however "regular job" may be included;
    - Only one of the bracketed phrases regarding earnings may be included; they will not be included together.

"Own job", or "regular occupation" may be changed to "own specialty occupation" or the name of the company/firm and the profession may be inserted after 'regular' or 'own specialty occupation'. For example, bullet one may read:

"You are unable to perform your regular occupation (as partner in the XYZ Law Firm) due to your sickness or injury."

8. The definition for a disability after 13-104 weeks may be changed as indicated by the bracketed words. It may be based on the insured's ability to work in any "gainful occupation" with consideration towards education, training and a reasonable earnings level.

9. The third bullet regarding earnings, may be an additional or alternate condition of disability. Any earnings test may be included. Any of the earning statements may be included. Only one phrase will be used. They will not be included together.

10. **Option B** This option will be used for certain specialty professional groups. Loss of License may be used as a condition of disability. It may be omitted if it is not the sole factor when determining disability. This is a non- standard option.

Options A and B may be omitted and replaced with any of the following definitions of disability.

Either earnings test may be used for any of the versions below.

- You are unable to earn [40%-90%] or more of your [*covered weekly earnings*].]
- [you are earning [20%-60% or less] of your *[covered weekly earnings]*

Version 1

"You are disabled when we determine that solely because of your sickness or injury:

- You are unable to perform the material and substantial duties of your [Regulator occupation] [own job] due to your sickness or injury;
- You are under the regular care of a physician; and

- [you are earning [20%-60% or less] of your *[covered weekly earnings]* [you are unable to earn [40%-90%] in your *[covered weekly earnings]* due to the same sickness or injury].]"

[After benefits have been payable for [13-104] weeks you are considered disabled, if solely due to sickness or injury:

- You are unable to perform the material duties of any occupation for which you are or may become qualified based on education training and experience; and
- You are unable to earn [40%-90%] or more of your *[covered weekly earnings].*]

Version 2

"You are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [own job] [regular occupation] due to your sickness or injury;
- You are under the regular care of a physician."

Version 3

"You are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [own job] [regular occupation] due to your [sickness] or injury;
- You are under the regular care of a physician; and
- [You have a [10%-50%] or more loss in your *covered weekly earnings* due to the same [sickness] or injury.] [You are unable to earn [40%-90%] or more of your *[covered weekly earnings]*.]
-

Version 4

"During the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [own job] [regular occupation] due to your [sickness] or injury;
- You are under the regular care of a physician; and
- You are not working at any job for compensation or profit.

After the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [own job] [regular occupation] due to your sickness or injury;
- You are under the regular care of a physician."

Version 5

"During the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [regular occupation] [own job] due to your sickness or injury;
- You are under the regular care of a physician; and
- You are not working at any job for compensation or profit.

After the elimination period, you are disabled when we determine that:

- You are unable to perform the material and substantial duties of your [regular occupation] [own job] due to your sickness or injury or you have a 20% or more loss in your weekly earnings; and
- You are under the regular care of a physician."

Version 6
Examples of own-specialty include attorneys, physicians and other professionals with specialized skills.

[For employees in an ***own specialty occupation***, you are disabled when we determine that:

- you are [limited from performing] [unable to perform] the material and substantial duties of your own-specialty occupation due [solely] to your [sickness] or injury; and
- you are under the regular care of a physician [and] [or]
- [you have a [10%-50%] or more loss in your [covered weekly earnings] due to the same [sickness] or injury] [you are unable to earn [40%-90%] or more of your *[covered weekly earnings]]*.]

-

[After] [13-104] weeks of payments, you are disabled when we determine that due to the same sickness or injury,

- you are [limited from performing] [unable to perform] the material and substantial duties of your [regular occupation] due [solely] to your [sickness] or injury; and
- you are under the regular care of a physician [and] [or]
- [you have a [10%-50%] or more loss in your covered weekly earnings due to the same [sickness] or injury] [you are unable to earn [40%-90%] or more of your *[covered weekly earnings]]*.]

-

[After [14-104] weeks of payments, you are disabled when we determine that due to the same sickness or injury,

- you are unable to perform the duties of any [gainful occupation] for which you are reasonably fitted by education, training or experience; and
- you are under the regular care of a physician [and [or]
- you do not do any work for compensation or profit.]]

Version 7
This definition of disability may be used during the elimination period while the insured continues to work or returns to work. In this situation, a 20% loss in covered weekly earnings is not required. This feature may be included or omitted.

[During your *[elimination] period*, you will be considered disabled if:

- you are limited from performing the *material and substantial duties* of your [*regular occupation*] due to your *sickness* or *injury*; and
- you are under the *regular care* of a physician.

You are not required to have a [10%-50%] or more loss in your [*covered weekly earnings*] due to the same *injury* or *sickness* to be considered disabled during the [*elimination*] *period*.]

11. **How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?**

The elimination period shown is illustrative and will be revised as applicable to a policyholder's plan. For example:

- The elimination period may be show in the certificate, the benefits schedule, or both.
- The elimination period may be different time periods for an injury or a sickness.
- A shorter or no elimination period may apply to certain hospital confinements, outpatient surgeries and/or accidents.
- The time period may be revised, as permitted by state law.
- The elimination period may be integrated with an underlying long term disability plan.
- Reference to loss of time benefits, salary continuation and/or accumulated sick leave may be omitted or revised as applicable to a policyholder's plan.

The elimination period may be stated in the Certificate and/or in the Benefits Schedule.

An 'Accumulation Period' may be included. This feature is optional.
This feature allows the insured who return to work, or continues working during their elimination period, to satisfy their elimination period.
The time for the accumulation period may be shown in the Certificate and/or the Benefits Schedule. When this section is included, the bracketed statement in the first paragraph of item #7 above will be omitted. When an accumulation period is included, the following paragraph will be added in the Certificate:

In addition, if you return to work while satisfying your elimination period, and are no longer disabled, you must satisfy your elimination period within the ***accumulation period***. You do not need to be continuously disabled through your elimination period if you are satisfying your elimination period under this provision. If you do not satisfy the elimination period within the accumulation period, a new period of disability will begin.

Your accumulation period is [30-365 days] [described in the Benefits Schedule].

Can You Satisfy Your Benefit Elimination Period If You Are Working?

12. This section may be included or omitted. Option A will be the standard inclusion.

Option B will be included as a standard feature with residual coverage. This feature allows the insureds to satisfy the elimination period even when they have no earnings loss or are working. Benefits will not begin until there is an earnings loss.

13. **What Are Your [Covered Weekly Earnings]?**

There are many standard definitions of 'covered weekly earnings' available to the policyholder. This item will be revised as applicable to the employer's plan to show special compensation varieties mutually agreed upon by the Policyholder and Kemper. Some examples are included in the Certificate and below; others may be used. Covered weekly earnings may be determined by a specific date at the election of the employer or the insured's last pay period, or the insured's annual earnings. When averaging earnings, any date may be used to determine the earnings year as agreed upon by the employer and Kemper.

14. The definition may include or exclude commissions, bonus and other income earned by the insured. Any bracketed statement or term may be included or omitted.

15. Extra earnings may be calculated by a rolling average method over a period of years.

Some alternative definitions of covered weekly earnings include:

<u>Version 1</u>

"For purposes of calculating benefits payable to you*, covered weekly earnings* mean your actual earnings as defined above, as of the date your [Employer] most recently reported your earnings to us prior to your date of disability. Check with your [Employer] to determine the amount of earnings it reports to us for you and how frequently your [Employer] reports earnings."

Version 2

"***Covered Weekly earnings***" means your average gross weekly income as reported on your IRS federal income tax returns for the [1-5] year period just prior to your date of disability. It includes salary, profits, fees, commissions, bonuses, and other compensation for professional services. It does not include investment returns, rent, royalties or other like income not directly produced by your occupation. Earnings are determined after deduction of normal business expenses and losses, but before deduction of any income taxes.

Version 3

This item may be revised to show special compensation varieties mutually agreed upon by Kemper and the policyholder. Examples for employees who own part of the employer's business, the following may be used:

"For Employees who own any part of the Employer's business: "*Covered Weekly earnings"* means, subject to the *maximum weekly benefit*, the lesser of weekly earnings used in the calculation and remittance of the premium for your coverage and the following, as reported to the IRS:

- Your share of the net income or loss (i.e. income earned and received from that employer, less your share of the employer's business expenses which are deductible for Federal Income Tax purposes); plus
- The salary received by you; plus
- Contributions to qualified pension or profit sharing plan made on your behalf by the employer.
- References to *deductible sources of income* may be omitted.

We will use the following in determining the above:

For Sole Proprietors: Net profit or loss from the Employer's business as designated on Schedule C of Federal Form 1040, U.S. Individual Income Tax Return. A loss on Schedule C will be considered as zero earnings.

For Partnerships: Ordinary income or loss from trade or active participation in business activities from the Employer's business as reported on Federal Form 1065, U.S. Partnership Return of Income. An ordinary loss will be considered as zero earnings.

For S Corporations: Ordinary income or loss from trade or business activities from the Employer's business as reported on Federal Form 11205, U.S. Income Tax Return for an S Corporation. An ordinary loss on an S Corporation is to be deducted from salary and pension plan contributions from the same Employer.

For C Corporations: Your share (based on 20% or more stock ownership) of the amount designated as taxable income before net operation loss deduction and special deductions of the Employer's business as reported on Federal Form 1120, U.S. Corporation Income Tax Return. A gain on a C Corporation will not be considered earnings, but a loss is to be deducted from salary and pension plan contributions from the same Employer.

Weekly earnings do not include any amounts paid to you that are derived or

generated from loans made to the Employer from whatever source, or from withdrawals of invested capital. If there is a change in the name of the above-mentioned IRS tax forms, then the newly designated forms will apply instead.

Version 6

If you are paid on an annual contract basis, your weekly earnings are 1/52nd of your annual contract salary.
If you are paid on an hourly basis, the calculation of your weekly wages is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per week; but not more than [30-40] hours per week.

If you do not have regular work hours, the calculation of your weekly earnings is based on the average number of hours you worked per month during the last [12] calendar months (or during your period of employment if fewer than [12] months); but not more than 40 hours per week or 173 hours per month.

Included in weekly earnings are:

[Commissions, awards and bonuses, overtime pay, shift differential pay] averaged over the last [12] months of actual employment or such shorter period if actual employment was for fewer than [12] months.

Contributions you make through a salary reduction agreement with your employer to any of the following:

- An Internal Revenue Code (IRC) Section 125 plan for your fringe benefits.
- An IRC 401(k), 403(b) or 457 deferred compensation arrangement.
- An executive nonqualified deferred compensation agreement.
- Your guaranteed payments if you are a partner;
- Your net profit from business;
- Your compensation as an officer, salary, or wages if you are an S-Corporation shareholder.]

[Salary and wages do not include:

- Commissions, Awards and bonuses
- Overtime pay
- Shift differential pay
- Fringe benefits
- Contributions made by your [employer] to any deferred compensation arrangement or pension plan.
- Extra compensation such as payment for revenue sharing, housing allowances, stipends, relocation incentives or buyouts of unused vacations, professional fees, or non qualified income.
- Dividends, capital gains, and returns of capital.]

[A retroactive change in your rate of earnings will not result in a retroactive change in coverage.]

Version 7

This item will be included when the employer uses a separate calculation for new hires.
[New hires, your covered income is equal to your annual base pay and your targeted extra earnings determined as of your hire date.] [***Weekly Income*** means your annualized covered income divided by fifty-two (52)].

How Is Your Benefit Determined if You Are Disabled and Not Working.

16. Various options to calculate the 'weekly benefit' are available. Only the calculation for the covered classes of employees will be included. When multiple classes are covered, the calculation may be described separately for each class. The 'weekly' benefit' may be a percentage of weekly earnings (Options A) or a flat dollar amount, (Option B). Option A will be our standard. It will be omitted when an alternative calculation is used to determine the covered weekly benefit.

    The weekly benefit calculation and definitions shown are illustrative and will be revised as applicable to the employer's plan. For example:

    - The weekly benefit may depend on the option for which an employee enrolls; each option may be described.
    - The weekly payment may be the lesser of one payment calculation that is not reduced by any *deductible sources of income*, and another payment calculation that is so reduced.
    - The definitions may be deleted and appear in the Glossary.
    - The 'weekly benefit' may be a flat dollar amount (Option B). It may be stated in the certificate or on the [Benefits Schedule].
    - Any bracketed paragraph, statement or word may be omitted if not relevant to the employer's plan. Any bracketed statement may be included to reflect the appropriate criteria to describe 'weekly earnings' or 'annualized covered income'.
    - Reference to deductible sources of income may be omitted.

17. How Is Your Benefit Determined If You Are Disabled and Working.

Various options to calculate the 'weekly benefit' are available when an employee is disabled and working. The standard weekly benefit may result in the replacement of up to 100% of the insured's pre-disability earnings for the first 4-104 week period while the claimant is disabled and working at a reduced capacity. Other options are available. Only the calculation(s) for the covered classes of employees will be included.

18. The weekly disability earnings calculations shown in the Certificate as Option A will be Kemper's standard. However, other variations are available. For example:

    - The return to work incentive time period may be longer or shorter.
    - The percentage of covered weekly earnings may be higher or lower.

19. This calculation will be used to proportionally decrease the benefit payment as the claimant's disability earnings increase. As a standard, it will be used after an initial 12-week period; however, it could be used for the entire period. This calculation may be used, or alternate calculations may be used. If another calculation is used, this item will be omitted. 'Each month' may be changed to 'quarterly', 'semi-annually', or 'annually'.

20. Option B: This option may be used as an alternative to Option A.

21. ***Disability Earnings Definition***: This item may be omitted and will appear in the glossary. It may be revised as applicable to an employer's plan. For example:

    - Reference to salary continuance may be omitted or changed in accordance with the employer's plan.

What Will We Use For Weekly Earnings If You Become Disabled During A Covered Layoff Or Leave Of Absence?

22. This item will be omitted or revised as applicable to the employer's plan. Either layoff or leave of absence may be omitted.

How Can We Protect You If Your Disability Earnings Fluctuate?

23. When disability earnings fluctuate widely, we will average them over a multi month period to determine if the 80% earnings cap has been reached. The standard will be 3 months of earnings, but a longer period may be used.

24. The second and third bullets describe when a claim is terminated. The first bullet may be used for the entire period, or a staggered calculation may be used for different time periods.

What Are Deductible Sources of Income and How Do They Affect My Weekly Payment?

25. This entire section will be omitted if 'deductible sources of income' do not offset the gross disability benefit. If included, the individual items within this provision may be included, omitted or revised as applicable to the policyholder's plan. For example we may:
    - add references to Canadian equivalent act or law;
    - omit references to spouse or dependents;
    - omit reference to an act, plan or law of the US when not applicable to an employer's plan;
    - omit all or part of any of one or more of the deductible sources of income.
    - reference acts or laws from other countries where expatriates, third country nationals and key local nationals will be living and working, that may include other Short term disability income benefits.

    We will not add any deductible sources of income not shown.

    25a. This item may be revised for a weekly benefit that is the lesser of one payment calculation that is not reduced by any deductible sources of income, and another payment calculation that is so reduced.
    25b. This item will be omitted or revised as applicable to the employer's plan.
    25c. This item may be revised to omit reference to spouse or children when there is no family offset.
    25d This item may be revised to add reference to the Canada customs and Revenue Agency.
    25e. This item number may be revised to omit reference to salary continuation or accumulated sick leave.
    25f. If item numbers 9 and 10 are included as separate deductible sources of income, they may be revised as applicable to the employer's plan. For example:
        - Both items may be included as complete offsets; or
        - One item may be included as a complete offset and the other item may be included as a partial offset. However, both items will never be included as partial offsets.
        - Item numbers 8 and 9 may be combined to be a partial offset.

    25g. This item may be revised to omit reference to partnership, proprietorship or any similar draw.
    25h. This item may be omitted or revised to omit the reference to retirement payments or amount from partnership, proprietorship or any similar draws. Either the first paragraph or second paragraph will be included. They will never be included together.

What Are Not Deductible Sources of Income

26. This section will be included if item 25 above is included. This section includes sources of income that will not be deducted from the weekly benefit. It may be revised to add other sources of income to be excluded.

    Any individual bulleted items may be included or omitted in accordance with the employer's plan design and will be coordinated with the item 25 above.

Minimum Weekly Benefit

27. This benefit is optional and may be included or omitted.

What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

28. This section may be omitted

What If We Determine You May Qualify For Deductible Income Benefits?

29. This section will be included if an offset for deductible income benefits is included, otherwise it will be omitted. If included, it may be revised to reflect the bullets and items applicable to the employer's plan or as determined by Kemper.

What Happens If You Receive A Lump Sum Payment?

30. This item may be included or omitted. It may be included when deductible sources of income offset the weekly benefit.

31. Maximum Benefit Period

The maximum benefit period is determined by a specific range of time. The maximum benefit may be shown in the Certificate, the Benefits Schedule, or both.

When Will Benefits Stop?

32. Any individual bulleted item in this section may be included or omitted. Reference to the US and Canada may be revised to refer to another country or refer to 'your country of residence or citizenship'.

33. This item may be omitted or revised according to the length of time of regular occupation. If regular occupation determines disability for the entire length of the coverage, the reference to gainful occupation will be omitted.

Disability Benefits will not be paid for any period of disability which you…

34. Any individual bulleted item may be included or omitted. Any program may be included or omitted at bullet four.

Exclusions What Disabilities Are Not Covered Under Your Plan

35. This section contains several lists of exclusions that may be included in an employer's plan. Any listed exclusion may be included or omitted to reflect the appropriate exclusions for the employer's plan. Each of the exclusions may be included or omitted as determined by the policyholder and Kemper.

36. This item may be omitted.

37. Pre-existing Conditions Definition

This is a non-standard feature of the plan. If included, it may vary by state and type of coverage. This item may be omitted if not part of the employer's plan. When included, the pre-existing condition limitation with a 3 month look back and a 12 month exclusion will be standard under most plans. The variations within the brackets and listed below may also be elected by the policyholder.

This item may be omitted or revised to permit a tiered application" of the pre-existing condition limited benefit, if requested by the client. A "tiered application" means an application of the pre-existing condition limited benefit that varies within the client's plan. For example, pre-existing condition limited benefit may vary by:

- A Benefit threshold where the first specified dollar amount of benefits may be subject to a shorter pre-existing condition limit and benefits in excess of that specified amount are subject to a longer limit; or
- Length of service where employees with less than a specified period of service may have a different pre-existing condition limited benefit than employees with more than that specified period of service; or
- Job classification where a pre-existing condition limited benefit may apply to some classes and not others.

This item may also be revised:

- To omit the 'prudent person' standard.

The following is an alternative exclusion for a pre-existing condition and may replace the pre-existing condition exclusion at bullet 1. This item may be omitted or revised to permit a "tiered application" of the pre-existing condition limited benefit, if requested by the client. A "tiered application" means an application of the pre-existing condition limited benefit that varies within the client's plan. See the comment at 36 below for a further explanation.

(Alternate pre-existing condition clause)
[Your plan does not cover a disability which:

- Begins within [5 days -12 months] of the date your coverage under the plan becomes effective;
- and is due to a preexisting condition.

However, your plan will cover that disability once you have performed the material duties of your own occupation on a full time basis, for at least [5 days- 12 months] after your effective date of coverage.]

What Limits Apply If you are Disabled Due to a Pre-Existing condition?

38. This item will omitted if the plan does not include a pre-existing condition limitation. If included, it will be revised to reflect only the option selected by the employer.

How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

39. This item is a standard feature. It will be omitted if the employer's plan does not include a pre-existing condition limitation. It may be revised to describe a "tiered application" (see item #38 above), or to change the 5 day to 12 month exclusion period of up to 24 months unless there is a period of time when no charges were incurred or treatment was rendered for the pre-existing condition and the employee has no symptoms for which an ordinarily prudent person would have consulted a health care provider. The period of time may range from 5 days to 24 months.

What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage

40. This is a standard feature. It protects the employee from coverage loss in the event there is a transfer of coverage between employers.

How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

41. This is a standard feature. If there is a transfer of coverage between carriers, time toward satisfying the pre-existing condition exclusion period with the prior carrier will be considered. A new pre-existing condition exclusion period would apply to any increased coverage under the plan. This item will be omitted when a pre-existing limitation does not apply to the employer's plan.

How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

42. This is a non-standard feature. It will be used as an alternate to 41 above, if the employer's plan does not include a pre-existing condition limitation.

Recurrent Disability- What Happens if You Return to Work Full Time With Your Employer and Your Disability Occurs Again?

43. It supports the insured's return to work. It waives the elimination period for recurrent disabilities when the insured returns to work with the same employer within 6 months.

Extended Recurrent Disability- What Happens if You Return to Work Full Time For an Employer Other Than the Employer and Your Disability Occurs Again?

44. This is an optional feature that provides added protection in the event an insured's disability recurs after returning to work full time with a new employer.

Certificate of Coverage, Section 4 Programs
FORM NUMBER: 2000 ZACERT-STD-04-01

Rehabilitation Program Benefit

1. Standard feature. This provides eligible insureds a Rehabilitation Program to help disabled employees return to work. It may be omitted.

2. **Premium Waiver.** This is an optional feature and it may be included or omitted by the policyholder.

3. **Employee Assistance Program**
   Optional feature. This provides information and support services to Policyholders, employees and their families. It can provide support during a period of disability, and can provide services and information before a disability begins. It may be omitted. The program name may be changed. Program information may be placed in an informational kit that an insured would receive once a claim is filed.

Certificate of Coverage, Section 6 - Claim Information
FORM NUMBER: 2000 ZACERT-STD-05-01

1. This item may be omitted.

2. The appropriate contact name will be inserted here.
3. This paragraph may be modified to add information about filing a claim electronically, by internet, or by telephone. When available the term "written" will be omitted.
4. This item may be modified or revised to provide instructions for submitting claims by telephone, electronically or by internet. For example:

    i. "Our customer service department will assist you to file your claim. Call the toll free number on the back of your ID card or contact a representative by email at www.XXX.com."
5. This item may be revised to replace "regular occupation" with "own occupation". Reference to "gainful occupation" and/or "activity of daily living" may be omitted.

6. This item may be revised to include other appropriate financial documents from other countries from non-US employers providing US style employee benefits. For example: the Canadian equivalents of these tax documents.

7. This paragraph may be omitted.

Certificate of Coverage, Section 7 -Claim Procedures and Appeal Information
FORM NUMBER: 2000 ZACERT-STD-06-01

There is no specific variable changes for this document.

Certificate of Coverage, Section 8 –Glossary
FORM NUMBER: 2000 ZACERT-STD-07-01

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. However, illustrative material that appears within specific variable material may be varied as described above.

1. This statement may be omitted.

2. **Own Specialty Occupation:** any of the bracketed statements are subject to omission or inclusion when describing specific specialty occupations.

3. **Pre-existing Condition:** The definition of pre-existing condition may be changed to those definitions described in the benefits section of the Certificate ZACERT-STD-03-01, and the corresponding Explanation of Variability.

4. **Regular Occupation:** The two-bracketed paragraphs describe an own-specialty class. The paragraphs will be included when own-specialty is part of the Regular Occupation definition. “Regular occupation” may be changed to “own job”.

ZURICH AMERICAN LIFE INSURANCE COMPANY
SHORT TERM DISABILITY INSURANCE

EXPLANATION OF VARIABILITY

Short Term Disability Benefits Schedule
FORM NUMBER: 2000 ZASCH-LTD-01-01

General Comments

The Short Term Disability Schedule will contain the specific plan benefit information for each class of employees covered under the policyholder's plan. There are two types of variable material set forth in brackets within this form. These types are:

Illustrative material; and
Specific variable material.

Illustrative material consists of any entries such as names, dates, addresses, classes eligible, waiting periods, elimination periods, benefit amounts, benefit periods, ages, numbers, amounts, percentages or time periods which will be revised to reflect the specific details of a Policyholder's plan.

The fields reflecting the Policyholder's specific information such as names, policy numbers and effective dates are illustrative and variable. Upon issue, they will be completed to reflect the specific names of the Policyholder, the group policy number and the contract effective date applicable to each issued policy.

Ranges (e.g. of percentages, amounts, time periods) are shown for some illustrative material and are indicated by brackets. Actual entries will always fall within the ranges.

Any changes made through the use of variability shall comply with the laws of the state in which the contract is issued.

The common terms listed below may not be relevant to all sections/subsections in the documents listed above. The terms do not have a corresponding EOV number or explanation other than what appears below. However, the terms do appear in variable brackets throughout the relevant sections/subsections. These general comments apply to the entire document. If no other variables are specified, only these general comments apply.

Connective words and phrases which serve the grammatical purpose of meaningful continuity and do not affect the description of the payment of benefits or other terms or conditions of coverage may vary as sense may demand. Such connective wording will not be ambiguous or deceptive.

The placement of material may vary to avoid gaps and to allow the contractual documents to be system-produced. Information in the Schedule of Benefits may be moved to the Certificate of Coverage.

- The plan may be called 'Short Term Disability Plan', "Temporary Disability Plan' or 'Short Term Disability Insurance'. The term 'Managed' may replace the words 'Short Term'.

- Reference to the 'Benefits Schedule' may be changed to 'Summary of Benefits', 'Benefits Summary' or 'Schedule of Benefits'.

- Each variable and bracketed item listed on the Benefits Schedule is subject to inclusion or omission. The benefits shown will correspond to the particular coverage provided by the Policyholder's plan of insurance, and will vary depending on the plan design. Only those items selected by the Policyholder will appear on the issued form.

- Reference to 'Certificate' may be changed to 'Certificate of Coverage', 'Certificate of Insurance', 'Booklet-Certificate'.

- Any reference to a period of time may be changed to a longer or shorter period. Any such change will only be made if the change is liberalization from the Policyholder's perspective.

- Bracketed numbers may vary within the ranges shown.

- References to 'dependents' will be omitted if the plan does not include such coverage.

- References to 'calendar year', '12 months' and '365 days' are interchangeable with each other or may be changed to 'plan year' and 'policy year', 'contract year', policy term', contract term', '365 consecutive day period' or '12 consecutive month period'. The word consecutive may be changed to 'continuous'.

- The 'eligibility period' may be changed to 'benefit waiting period'.

- References to 'employee' may be changed to 'subscriber', enrollee', 'member', 'the insured', 'covered person', 'you', 'your', 'participant' or other appropriate term describing a member of the group insured.

- References to 'policyholder' and/or 'employer', may be changed to 'association', 'plan sponsor', 'contract holder', 'member group', 'participant', participating employer, or participating organization. They may be used interchangeably when appropriate. We may also change the term to reflect the client's name or the name of an association.

- Except in the Heading, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- The name of the company is bracketed so it may be changed if regulatory approval is obtained.

- "Deductible Sources of Income" may be changed to 'Other Income Benefits'

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- 'Gainful employment' may be changed to 'any occupation', 'reasonable occupation' or any similar term.

- The word 'Core' as in 'core benefits' may be changed to 'basic benefits'. 'Optional benefits' may be changed to 'buy-up benefits', 'core buy-up benefits', 'supplemental benefits' or 'voluntary benefits'.

- Except in the heading, or where our address is located, our name 'Zurich American Life Insurance Company' may be replaced by 'Plan Administrator', 'Insurer', 'the Company', 'Us', 'We', 'Our' interchangeably.

- 'Covered weekly earnings' may be changed to 'weekly covered income', 'predisability income or 'scheduled income' or other similar term. It some instances it may be changed to 'annual earnings' when income is verified on an annual basis.

- 'Disability earnings' may be changed to 'weekly disability earnings' or other similar industry term.

- 'Weekly earnings'' may be changed to 'predisability earnings', 'adjusted predisability income', 'predisability earnings' or similar industry term.

- 'Elimination period' may be changed to 'benefit waiting period'.

- 'Gainful Occupation' may be changed to ' gainful employment, 'any occupation, 'reasonable occupation' or other similar industry term.

- 'Monthly' may be changed to 'annual' or 'annually' when verification of annual income or reporting is required. ''A month' or 'one month' may be increased from 1-12 months.

- The term 'spouse' may be changed to 'domestic partner' or both may be included.

- Reference to the 'group insurance enrollment form' may be changed to 'enrollment form', 'application' or other similar term.

- The 'Group Insurance Policy' may be changed to 'policy', 'group policy', 'group contract', 'group insurance contract'.

Specific Variable material is noted by subscripted numbers by variable text. Specific variable material will be changed only as indicated in the explanations shown below. However, illustrative material that appears within specific variable material may be varied as described above.

FORM NUMBER: 1000 LTD/SCH -1-01

1. This paragraph may be included or omitted.

2. This paragraph may be included or omitted. The bracketed statements within the paragraph are subject to inclusion or omission.

3. The specific Policyholder information will be inserted.

4. This item may be included or omitted. If included, either the word 'Open' or 'Annual' will appear. The dates for the Policyholder's enrollment and effective dates will be inserted.

<u>Eligible Classes</u>

5. Classes of eligible employees will be described in this section. More than one eligible group may be used allowing the Policyholder to differentiate coverage between groups.

   The Policyholder and Kemper will determine the eligible classes in accordance with the Policyholder's requirements and descriptions will be included here. The appropriate employee classification(s) will be included in accordance with the Policyholder's plan.

   'Eligible Classes' may be changed to 'Eligible Groups' or 'Eligible Employees'. Each employee class will be described and multiple classes may appear. When benefits vary between classes, this entire section may be omitted. If omitted, the classes will be

described with the "covered monthly earnings" benefit amount on page 4. Classes shown are purely illustrative and any description of an eligible class may be inserted.

6. Class 1and 2 are examples of class eligibility requirements for US employees of the Policyholder. This section will be populated by the policyholder's class descriptions to reflect the Policyholder's eligible class(es).

Minimum Hours Requirement

7. The minimum hours requirement for full-time and part-time may be included or omitted. If described above with the eligible class, or in the Certificate, it may be omitted from this section of the Schedule.

8. Reference to part-time employees will be omitted when not covered by the Policyholder's plan.

[Service] Waiting Period

9. The Waiting Period section may be omitted if the Policyholder does not include a waiting period as a feature of their plan. If included, the first paragraph may be included or omitted.

10. The option 'None', may be included to clarify for employees, that no waiting period is applied.

Full-time Employees

11. This section will describe the waiting period for each class of employees. When this section is included, and there is no waiting period, the word 'None' will be included.

    When a waiting period applies, only the bracketed option(s) reflecting the Policyholder's plan will be included. If there are different waiting periods for different classes of employees, each class will be described with its corresponding waiting period.

    When different waiting periods apply with respect to the employee's prior plan or employment start date, the appropriate options in paragraphs 1 and 2 will appear by class. The actual date of the Policyholders plan effective date will appear.

Part-time Employees

12. Reference to part-time employees will be omitted when not part of the Policyholder's plan.

    If part-time employees are eligible, the word 'None' may appear when there is no waiting period, or all references to a waiting period may be omitted. When a waiting period applies for part time employees, any of the bracketed phrases may be included to reflect the Policyholder's waiting period, by class.

    When different waiting periods apply with respect to the employee's prior plan or employment start date, the appropriate options in paragraphs 1 and 2 will appear by class. The actual date of the Policyholders plan effective date will appear.

Who Pays For Coverage

13. This entire section may be included or omitted. When included, only the statements relevant to the Policyholder's plan will appear. If omitted the information will appear in

the Certificate. Core benefits and Buy-up Benefits will appear on separate lines when included.

14. The word 'Core' may be changed to 'Basic'. The words 'Optional' or 'Buy-up', ' Basic Buy-up, or 'Core Buy-up' may be included or omitted to describe the benefit.

Elimination Period

15. The appropriate elimination period option reflecting the Policyholder's plan will be included. The elimination period may be different time periods for an injury or a sickness. The elimination period may be presented by class. The word 'later' may be changed to 'greater'.
16. Optional item. Policyholders may also elect start of benefits retroactively for longer periods of disability.
17. Optional item. The elimination period will not apply when a hospital confinement or surgery is due to a disability.
18. Optional feature. The accumulation period will be included when a feature of the Policyholder's plan.
19. The accumulation period is optional and will be included when elected by the policyholder.

Weekly Benefit

20. When benefits vary by class, each class and each benefit will be identified separately. Weekly may be changed to bi-weekly.
21. This item will be included when the benefit is a percentage of the employee's covered weekly income. Additional options may be included. Any bracketed statement may be included or omitted to reflect the benefit.
22. This option will be included when the benefit is a specific dollar amount. References to Deductible Sources of income may be included or omitted.
23. Reference to a maximum weekly benefit may be included or omitted.

Minimum Monthly Benefit

24. This item is optional and may be included or omitted as a feature of the Policyholder's plan. When included the appropriate benefit amount will be included.

25. Maximum Weekly Benefit Period may be omitted if described in the certificate.

Rehabilitation Program Benefit

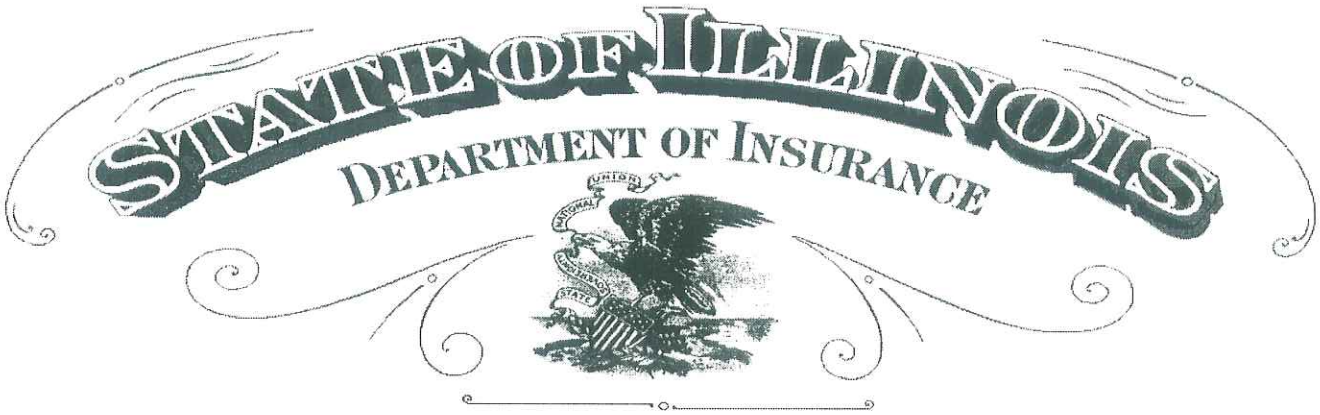
26. This is a standard feature. It may be omitted when not selected by the Policyholder.

27. This sentence may be omitted.

Limited and Excluded Conditions and Disabilities

28. Each paragraph is subject to inclusion or omission. If included, it may simply refer the insured back to the Certificate.

AMENDED CERTIFICATE OF AUTHORITY



WHEREAS, the **ZURICH AMERICAN LIFE INSURANCE COMPANY** located at **SCHAUMBURG**, in the State of **ILLINOIS** has complied with all the requirements of the **"Illinois Insurance Code"** applicable to said Company:

NOW, THEREFORE, I, the undersigned, Director of Insurance of the State of Illinois, do hereby authorize the said Company to transact its appropriate business as set forth under Clause(s) **(a) and (b)** of Class 1 of Section 4 of the **"Illinois Insurance Code"** in this State, in accordance with the laws thereof.

DEPARTMENT OF INSURANCE
OF THE STATE OF ILLINOIS

Date: 8-23-10

Michael T McRaith

Michael T. McRaith
Director

AMENDED ARTICLES OF INCORPORATION

OF

ZURICH AMERICAN LIFE INSURANCE COMPANY

(f/k/a KEMPER INVESTORS LIFE INSURANCE COMPANY)

Article 1 The name of the Corporation shall be ZURICH AMERICAN LIFE INSURANCE COMPANY.

Article 2 The principal office of the Corporation shall be located in Schaumburg, Cook County, State of Illinois.

Article 3 The duration of the Corporation shall be perpetual.

Article 4 The purposes for which the Corporation is formed and the class of insurance business in which the Corporation may engage in are as follows:

(a) Life: Insurance on the lives of persons and every insurance appertaining thereto or connected therewith and granting, purchasing or disposing of annuities. Policies of life or endowment insurance or annuity contracts or contracts supplemental thereto which contain provisions for additional benefits in case of death by accidental means and provisions operating to safeguard such policies or contracts against lapse or to give a special surrender value, or special benefit, or an annuity, in the event, that the insured or annuitant shall become totally and permanently disabled as defined by the policy or contract, shall be deemed to be policies of life or endowment insurance or annuity contracts within the intent of this clause.

(b) Accident and Health: Insurance against bodily injury, disablement or death by accident and against disablement resulting from sickness or old age and every insurance appertaining thereto.

Article 5 The corporate powers shall be exercised by a board of directors, not less than three nor more than twenty-one in number, at least three of whom are residents and citizens of the State of Illinois, elected by the shareholders of the Corporation at the first meeting of shareholders held following incorporation and thereafter the directors shall be elected by the shareholders of the Corporation at the annual meeting. In all elections for directors each shareholder shall have the right to vote in person or by proxy the number of shares owned by him for as many persons as there are directors to be elected or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of shares of stock shall equal, or to distribute them on the same principle among as many candidates as he may desire. A director shall serve for a term of one year and until his successor is duly elected and qualified. The shareholders at any regular or special meeting may fill any vacancy in the board of directors for the unexpired term.

Article 6 The amount of the authorized capital of the Corporation shall be $3,000,000 consisting of 300,000 common shares with a par value of $10.00 each. The number of common shares to be issued and outstanding at the effective date of this Article shall be 250,000 shares.

The board of directors shall have the power, by appropriate resolution, to authorize the issuance or sale at any time, or from time to time, of the whole or any part of the 50,000 authorized but unissued common shares as additions to the paid-up capital pursuant to permits issued at any time or from time to time by the Director of Insurance of the State of Illinois.

Article 7 The board of directors shall adopt bylaws for its own government and for the government of the business of the Corporation.

Article 8 The Corporation may issue both participating and non-participating policies. The board of directors shall have the power to determine the amount and manner of payment of dividends to the holders of participating policies. Such dividends shall be in accordance with such rates and rules and applicable to such kind or kinds of insurance as may be determined by the board of directors, which shall have power to adopt any bylaws or resolutions pertaining to such declaration and payment which in the judgment of the said board of directors seem necessary or desirable.

Article 9 The Corporation shall have such other power and authority to exercise and conduct business not inconsistent with the laws of the State of Illinois as presently in effect or as may be amended from time to time.

IN WITNESS WHEREOF, we have hereto subscribed our names and caused the seal of Zurich American Life Insurance Company to be affixed this 16th day of August, 2010.

Nicolas A. Burnet
President and Chief Executive Officer

Ali E. Rifai
Senior Vice President, General
Counsel and Corporate Secretary

(SEAL)

Approved 8-23-10

State of Illinois
Department of Insurance
By Michael T. McRaith
DIRECTOR OF INSURANCE

ASSISTANT SECRETARY'S CERTIFICATE OF RESOLUTION

The undersigned, Mary Lyn DeNiro, does hereby certify that she is an Assistant Secretary of Zurich American Life Insurance Company (f/k/a Kemper Investors Life Insurance Company) (the "Company") and that on March 11, 2010, the Company's board of directors approved an amendment to the Company's Amended Articles of Incorporation to change the Company's name, subject to approval of the Company's sole shareholder. She further certifies that the following is a true and correct copy of a resolution adopted by the sole shareholder the Company by unanimous written consent, which resolution is now in full force and effect:

AMENDMENT TO ARTICLES OF INCORPORATION

NOW THEREFORE BE IT RESOLVED, that the Company's Sole Shareholder hereby approves (i) that the name of the Company be changed to Zurich American Life Insurance Company and (ii) amendment of the Company's Articles of Incorporation to effect such name change, with such amendment being subject to the approval of the Illinois Department of Insurance.

WITNESS my hand and the seal of the Company this 16th day of August, 2010.

Mary Lyn DeNiro

Mary Lyn DeNiro
Assistant Secretary

(SEAL)

1[ZURICH AMERICAN LIFE INSURANCE COMPANY]

[1400 American Lane
Schaumburg, IL 60196]

A stock insurance company

Group 2[Life; Accidental Death and Dismemberment; Accidental Death; Short Term and Long Term Disability] Insurance [Policy]

Policyholder: 3[ABC Company
("*the [Policyholder")*

Policy Number: 3[2010-1]

Agreement to Insure

This Group Insurance [Policy] (["Policy"]) is a legal contract between the [Policyholder] and [Zurich American Life Insurance Company]. This [Policy] takes effect on the [Policy] Effective Date shown on the Group Insurance [Policy] Schedule. All provisions on this and the following pages are part of the [Policy].

"The Company", "We", "Us", "Our", and "the Company" mean [Zurich American Life Insurance Company].

We agree to insure eligible [employees] of the [Policyholder]. We will pay benefits in accordance with the terms, conditions, limitations and exclusions set forth in this [Policy]. Eligible [employees] are all the classes of [employees] described in the Group Certificate(s) of [Coverage], ("Certificate").

We issue this [Policy] in consideration of the application and payment of the initial premium by the [Policyholder]. The first premium is due and payable on the [Policy] Effective Date. Subject to the grace period provision of the [Policy], all premiums after the first premium must be paid when or before they are due. No benefits will be paid in the absence of premium.

4[This [Policy] is governed by the laws of the state where it is delivered and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.] 5[It is the intent of this [Policy] to cover only [employees] [and their dependents], who are not residents in the United States.]

6[It is the intent of this [Policy] to cover only [employees] of the [Policyholder] [and their dependents] who are not United States citizens, who are employed by the [Policyholder] to work within the United States under an appropriate INS issued visa.]

This [Policy] is 7[Non-]Participating]

_____
President

_____
Secretary

[_____
Policyholder]

8[Table of Contents

Agreement to Insure
[Policy] Contents
Special Notices
Group Insurance [Policy] Schedule
Schedule of Initial Premium Rates
Premiums [and Fees]
Responsibilities of the [Policyholder]
General Provisions
[Policy] Cancellation and Modification]

9[[Policy] Contents

[SECTION 1]

All the provisions set forth in this document as well as the provisions found in the Certificate(s), rider(s), amendment(s), endorsement(s), and benefit schedules, if any, shown on this page and attached to this [Policy] are made part of this Group Insurance [Policy]. The application of the [Policyholder] and the [employees], if any are made part of this Group Insurance Policy. [A copy of the [Policyholder's] application(s) will be attached to the Policy when issued.]

[[Policy] Forms	**Form Numbers**	**[Effective Date**
		[04/01/2010]
Group Insurance [Policy]		[04/01/2010]
[Policyholder] Application – Form		[04/01/2010]
Group Term Life Certificate of Coverage and Life Insurance Benefits Schedule		[04/01/2010]
Accidental Death Rider		[04/01/2010]
Group Short Term Disability Certificate of Coverage and Short Term Disability Insurance Benefits Schedule		[04/01/2010]
Group Long Term Disability Certificate of Coverage[and Long Term Disability Insurance Benefits Schedule		[04/01/2010]
Riders and Amendments [XXXXX]		[04/01/2010]
The Evidence of Insurability submitted by the [employee(s)] and accepted by Us in connection with this Policy.]		

10[SPECIAL NOTICES

PLEASE READ THIS [POLICY] CAREFULLY

[In the event you need to contact someone about this insurance policy for any reason, please contact your [agent or broker]. If no agent was involved in the sale of this insurance, or if you have additional questions you may contact Us at the following address and telephone number:

[Zurich American Life Insurance Company
1400 American Lane
Schaumburg, IL 60916]
[877-278-7556]

Written correspondence is preferable so that a record of your inquiry is maintained. Have your [Policy] number available when contacting Us.]

[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

[Group Insurance [Policy] Schedule

[SECTION 2]

[Policy] Effective Date:	[January 1, 2010] This [Policy] Effective Date begins at 12:01 AM [Standard] Time at the address of the [Policyholder] where this [Policy] is delivered.
[Initial Term of [Policy]:	From [04/01/2010] through [XX/XX/2010] The [6-60] consecutive month period beginning on the [Policy] Effective Date].
Policy Anniversaries:	[January 1, of each year, beginning in 2011]
Grace Period:	[31 Days]
Premium Due Dates:	The [Policy] Effective Date and [the 1st, 15th day of each succeeding calendar month] [each monthly anniversary of the [Policy] Effective Date]. [Annually on the Policy Anniversary Date] [Quarterly]
Governing Jurisdiction:	[State of Rhode Island]
11[Associated Companies:	[XYZ Company] Associated Companies are [employers] who are the Policyholder's subsidiaries or affiliates and are reported to Us in writing for inclusion under the [Policy], provided We have approved such request.]

Minimum Participation Number: [2-unlimited]

12[Included Employers:

We extend benefits under this [Policy] to certain employees of Included employers and its Associated Companies, if any.

An employee of more than one Included Employer will be considered an employee of only one of those employers, for the purpose of the [Policy]. That employee's service with all other Included Employers will be treated as service with that one.

On any date when an *Employer* ceases to be an Included Employer, the [Policy] will be considered to end for employees of that employer. This applies to all of those employees except those who on the next day, are still within the [eligible classes] of a plan of benefits of the [Policy] as employees of another Included Employer. The plans of benefits for eligible classes are listed in the [Policy's] [Benefit Schedule].

The [Policyholder] must let Us know, in writing, within [30-90] days, when an employer listed as an Associated Company is no longer one of its subsidiaries or affiliates.]

[Schedule of Initial Premium Rates

[SECTION 3]

This schedule lists the initial premium rates on the effective date of the Policy. Rates are subject to change in accordance with the Premium Rate Changes Provision of this Policy.

Effective Date: [January 1, 2010]

Premium Due Date: [Effective date] and the [first] day of each calendar month thereafter]

Classes of Employees to which this Schedule applies:

[All Classes]

[Applicable Coverage: [Monthly] Rate]

[All Coverages The premium rates in effect on the [Policy] Effective Date are those determined by Us. Those rates will be shown on the billing notice(s) sent to the [Policyholder] (subject to any subsequent corrections).]

Cost of Insurance: The initial premiums for each plan of benefits is based on the initial rate(s) shown below.

[Basic Long Term Disability

Initial Rate
[Monthly rate of: [x.xx%] of total covered payroll].
[$.451 per $100 of monthly covered payroll]
[Per employee, per month]

Basic Short Term Disability

Initial Rate
[Monthly rate of: [xx%] of total covered payroll].
[$0.30 per $10 of monthly benefit]

Basic Life Insurance

Initial Rate: [$0.15 per $1000 of volume] [$3.50 per employee]

Basic Accidental Death and Dismemberment

Initial Rate: [$.03 per $1000 of volume] [$.75 per employee]]

The premium rates are for a period of [one month]. Initial rates are subject to change as provided in this [Policy].

[Monthly Premium Rate Guarantee
Initial [monthly] premium rates are guaranteed as follows:

Insurance Coverage	**Rate Guarantee Period**
[Life	6 months
Accidental Death	6 months
Short Term Disability	6 months
Long Term Disability	6 months]

[The rate guarantee is subject to the terms and provisions of the Premium [and Fees Section] of this [Policy]. We may change the initial premium rates during the rate guarantee period in accordance with the Premium Rate Changes Provision of this [Policy].

Premium [13][and Fees]

[SECTION 4]

PAYMENT OF PREMIUMS

The [Policyholder] must pay Us all premiums on or before the date on which they fall due. The initial premium will be due on the [Policyholder's] [Policy] Effective Date. The initial premium covers the period from the [Policy] Effective Date to the first premium due date. The premium due date which begins [one] month or more after the [Policy] Effective Date. Premiums thereafter will be due on each succeeding premium due date as stated in the Group Insurance [Policy] Schedule.

Premiums are to be paid by the [Policyholder] to Us. Each premium due may be paid at Our [14][Home Office] [15][or to one of Our authorized agents]. If a premium is not paid on or before its due date, the [Policy] subject to the grace period, will be cancelled.

We may accept a partial payment of premium due without waiving our right to collect the entire amount due. If We expressly agree to accept late payment of a premium without terminating this [Policy], the [Policyholder] remains liable for all premiums and fees during the extended period.

[All amounts are to be paid in United States dollars.][16]

COST OF THIS INSURANCE

The initial premium for each *Plan* is based on the initial rate(s) shown in the [17][Schedule of Initial Premium Rates. [17][The premium rates for a plan of coverage are shown on the initial rate sheet and any subsequent indication of rates issued by Us.]

PREMIUM AMOUNTS

The premium due under this policy on any premium due date will be the sum of the premium charges for all the insurance coverages provided under this [Policy]. The premium charges will be determined in accordance with the premium rates in effect on the premium due date and the [*employees*] then insured. [17][The initial monthly premium rates are set forth in the Schedule of Initial Premium Rates] [17] [The initial premium rates for coverage are shown on the initial rate sheet and any subsequent indication of rates issued by Us.] [All amounts are United States dollars.]

[18] [Premiums may be determined by other methods which: (a) yields about the same total amount; and (b) is agreeable to both the [Policyholder] and the Company.]

[INITIAL RATE GUARANTEE

[17][Refer to the Schedule of Initial Premium Rates for the initial rate guarantee.] [17][The initial rate guarantee(s) are shown on the initial rate sheet and any subsequent indication of rates issued by Us.]

The rate guarantee supersedes only those provisions appearing elsewhere in this [Policy] which give Us the right to change the premium rates, and then, only for the period of time for which the rates are guaranteed. However, we may change the premium rates during the rate guarantee period in accordance with the Premium Rate Changes provision below in this [Policy]. The rate guarantee in no way affects, amends or supersedes any other provision in the [Policy].]

PREMIUM RATE CHANGES

We have the right to change premium rates as follows:

- on any date if We and the [Policyholder] mutually agree to change premium; or
- as of any premium due date.

We will notify the [Policyholder] in writing at least [30-360] days before a premium rate is changed.

Unless the Schedule of Initial Premium Rates or an amendment states otherwise, no change in rates will be made until [12-60 months] after the Policy Effective Date. An increase in rates will not be made more often than once in a [12 month] period. However, We reserve the right to change the rates at any time, even during a rate guarantee period if any of the following events takes place:

There is a change in the factors bearing on the risk assumed including the following: [**19**

- The terms of the [Policy] change;
- A change occurs in the plan design.
- A division, subsidiary, associated company, affiliated company or eligible class is added or deleted;
- A new law is enacted; a judicial decision, or a change or clarification of any existing law by a regulatory agency that affects the costs or administration of this [Policy] or plan of insurance;
- We determine the [Policyholder] failed to promptly furnish any necessary information requested by Us, or has failed to perform any other obligations relating to the [Policy];
- A material misrepresentation by the [Policyholder], including but not limited to:
  its reported experience during the pre-sale process; or
  the number of insured persons changes by [10%-35%] or more.]

20[INCREASES OR DECREASES IN PREMIUM DUE

[Premium increases or decreases which take effect during a policy month are adjusted and due on the next premium due date following the change. Changes will not be prorated daily.]

[If premiums are payable monthly, any insurance for newly eligible [employees] becoming effective will be charged for from the first day of the [policy] month on or right after the date the insurance takes effect.]

[Premium charges for insurance, that terminates for eligible [employees and their dependents, if any] will cease as of the first day of the [policy] month on or right after the date the insurance terminates.]

[If premiums are payable less often than monthly, premium charges or credits for increases and decreases will result in pro-rated adjustment on the next premium due date for the number of policy months between the date premium charges start or cease and the end of the premium-paying period.]

[If this [Policy] is changed to provide more coverage to take effect on a date other than the first day of a premium-paying period, a pro rata premium for the coverage will be due and payable on that date. It will cover the period then starting and ending right before the start of the next premium-paying period.]

[Each premium due will include any adjustment in past premiums which is caused by those changes which have not been taken into account at a prior date.]]

GRACE PERIOD

We provide a Grace Period of [31-180] consecutive days for the payment of any premium [and fees] due after the initial premium. During the Grace Period, the [Policy] will remain in force and will not be terminated for nonpayment of premium if the [Policyholder] pays all premiums due by the last day of the Grace Period. If the [Policyholder] fails to pay all premiums [and fees] by the last day of the Grace Period, this [Policy] **21**[terminates retroactively on the last day of the period for which all premiums have been paid] **21**[automatically terminates on the date the Grace Period expires] **21**[is terminated by Us pursuant to Cancellation Provision of this [Policy]].

The [Policyholder] is liable to pay premiums and fees to Us for the time the [Policy] is in force. We may recover from the [Policyholder] the costs of collecting any unpaid premiums [or fees], including reasonable attorney's fees and costs of suit incurred by Us in the collection of all overdue amounts.

21[No benefits will be paid for claims incurred during the Grace Period until and unless We receive the premium for that period.]

22[The [Policyholder] must pay interest on the total premium amount [and any fees] overdue after the premium due date, including the premium due for the Grace Period. The interest rate is [.5%-3%] per month for each month, or partial month, the balance remains unpaid.]

The [Policyholder] may write to Us in advance and request that the [Policy] be ended at the end of the period for which premiums have been paid or at any time during the grace period. Upon notice. We will cancel the [Policy] as of the earlier date. The [Policyholder] is liable to Us for any unpaid premium for the time the [Policy] was in force.

23[FEES.

In addition to the premiums, We may charge the following fees: **24** [

- An installation fee may be charged upon initial installation of coverage or any significant change in installation (e.g., a significant change in the number of [employees] or a change in the method of reporting [employee] eligibility to Us). A fee may also be charged upon initial installation for any custom plan set-ups
- A billing fee may be added to each [monthly] premium bill. [The billing fee may include a fee for the recovery of any surcharges for amounts paid through credit card, debit card or other similar means.]
- A reinstatement fee pursuant to the "Cancellation" provision of this [Policy].
- A conversion fee may be charged in connection with each [employee] [or dependent] electing conversion coverage. The conversion fee may be charged [monthly], based upon the number of covered persons electing conversion coverage during the previous [month].
- A fee may be charged in connection with a check returned due to insufficient funds.
- Interest on unpaid premium due.]

PREMIUM REFUNDS AND ADJUSTMENTS

Retroactive Adjustments. We may, at Our discretion, make retroactive adjustments to the [Policyholder] to correct billing errors for overpayments or underpayments. However, the [Policyholder] may only receive a maximum of **5**[1 - 6] month's credit for any correction. We may reduce any such credits by the amount of any payments We may have made on behalf of an *insured* before the correction was requested. Retroactive additions will be made at Our

discretion based upon eligibility guidelines stated in the Certificate of [Coverage], and are subject to the payment of all applicable premiums.

25 [Age Adjustment

If an age is used to determine the premium charge for an [employee's] insurance and the age is found to be in error, the amount of the [employee's] insurance under any plan affected by the change in age will then be adjusted to reflect the amount that the premium paid would have provided at the correct age.]

26 [Premium Contributions From [Employees]

The [Policyholder] determines the amount, if any, of each [employee's] contribution toward the cost of the insurance under the [Policy].]

27 [ADDITIONAL PLAN ADMINISTRATIVE PROVISIONS For Disability Products

[FICA Taxes. We will calculate and withhold the [Policyholder's] portion of FICA taxes under the disability plan(s). We will pay the [Policyholder's] portion of FICA taxes due on behalf of the [Policyholder].]

Responsibilities of the [Policyholder]

[SECTION 5]

RECORDS
Either the [Policyholder] or Us, upon mutual agreement, will keep a record of the insured [employees]. The record will contain the key facts about their insurance. All records of the [Policyholder] and of the [employee], which bear on the insurance, must be open to Us for its inspection at any reasonable time.

The [Policyholder] will furnish to Us, on a monthly basis (or as otherwise required), such information as We may reasonably require to administer this [Policy] and to determine the premium amount. This includes, but is not limited to information about employees

- who are eligible to become insured;
- changes in family status;
- whose amounts of coverage change or terminate;
- occupational information; and
- any other information required to manage a claim and any other information reasonably required.

The [Policyholder] represents that all enrollment and eligibility information that has been or will be supplied to Us is accurate. The [Policyholder] acknowledges that We can and will rely on such enrollment and eligibility information in determining whether a person is eligible for coverage under this [Policy]. To the extent, the [Policyholder] supplies such information to Us (in electronic or hard copy format), the [Policyholder] agrees to:

- Maintain and make available to Us, a reasonably complete record of such information (in electronic or hard copy format, for at least seven years or until the final rights and duties under this [Policy] have been resolved, and to make such information available to Us upon request.

- [If applicable, obtain from [all employees, and] [*late applicants*] "*Evidence of Insurability*" authorization in the form currently being used by Us in the enrollment process (or such other form as We may reasonably approve).]

We will not be liable to [employees] for the fulfillment of any obligation prior to information being received in a form satisfactory to Us. The [Policyholder] may correct wrong data given to Us, if We have not been harmed by acting on it. Clerical error or omission by Us or the [Policyholder] will not prevent an [employee] from receiving coverage, affect the amount of an [employee's] coverage or cause an [employee's] coverage to begin or continue when coverage would not have otherwise been effective.

The [Policyholder] must notify Us of the date in which an [employee's] employment ceases for the purpose of termination of coverage under this [Policy]. Subject to applicable law, unless otherwise provided in the Certificate(s) of [Coverage], We will consider an [employee's] employment to continue until stopped by the [Policyholder].

The [Policyholder] must notify [employees] of the termination of the [Policy] in compliance with all applicable laws. However, We reserve the right to notify [employees] of termination of the [Policy] for any reason, including non-payment of premium. The [Policyholder] must provide written notice to [employees] of their rights upon termination of coverage.

ACCESS.
The [Policyholder] must make payroll and other records directly related to an [employee's] coverage under this [Policy] available to Us for inspection, at Our expense, at the [Policyholder's] office, during regular business hours, upon reasonable advance request. This provision will survive termination of this [Policy].

FORM DISTRIBUTION.
The [Policyholder] agrees to timely distribute materials to [employees] regarding enrollment and coverage features. This includes Certificates of [Coverage] as described in Certificates Provision of this [Policy].

[POLICIES AND PROCEDURES AND COMPLIANCE VERIFICATION
The [Policyholder] must comply with all policies and procedures established by Us in administering and interpreting this [Policy]. The [Policyholder] must, upon request, provide a certification of it's compliance with Our participation and contribution requirements. [The [Policyholder] must, upon request, submit proof that it continues to meet the definition of an eligible group as provided under applicable law or regulation.]]

RIGHT TO AUDIT
We reserve the right to audit, [once every two years,] the [Policyholder's] billing records and premium accounting practices. If We discover:

- an underpayment of premium by the [Policyholder], the [Policyholder] will be obligated to remit, in a timely manner, the underpayment amount; or
- an overpayment of premium, We will return any overpayment amount in a timely manner.

CONTINUATION RIGHTS [and CONVERSION]. The [Policyholder] is responsible to notify all eligible [employees] and [dependents] of their right to continue coverage pursuant to the continuation provisions in the Certificate(s) of [Coverage] and applicable law. [The [Policyholder] is responsible to provide notification to each [employee] within [15] days after termination of coverage, of their conversion right, including a description of plans available, premium amounts, and application forms.]

General Provisions

[SECTION 6]

28 [Certificates of [Coverage].

We will issue the [Policyholder], Certificates of [Coverage] (referred to as "Certificates"), riders(s), endorsement(s) and amendments, if any, which are evidence of the coverage we agree to provide under this [Policy]. We may deliver Certificates in electronic or paper form as required by the [Policyholder]. The [Policyholder] must make available or distribute the Certificate(s) to each insured [employee]. The insurance in force will be set forth in the Certificate(s). Certificate values, benefits and all applicable charges are administered separately for each Certificate issued under the [Policy].

Policies and Procedures.

We have the right to adopt reasonable policies, procedures, rules, and interpretations of this [Policy] and the Certificate(s) in order to promote orderly and efficient administration. Our failure to implement or insist upon compliance with any provision of this [Policy] at any given time or times does not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This includes, but is not limited to, the payment of premiums. This applies regardless if the circumstances are the same.

[Policy] Modification and Amendment:

All agreements made by Us are signed by an authorized executive officer of the Company. Only officers of the Company have authority to:

- waive any conditions or restrictions of the [Policy];
- extend the time in which a premium may be paid;
- make or change a contract; or
- to bind the Company by a promise or a representation or by information given or received.

An agent or a broker is not an officer of the Company and has none of the above listed authority, whether implied or express.

The [Policy] may be amended without the consent of the insured [employees] or of anyone else with a beneficial interest in it. An amendment does not affect a claim incurred before the date of change.

[This [Policy] is deemed to be automatically amended to conform with the provisions of applicable laws and regulations.]

Mutual Consent: The [Policy] may be amended at any time by mutual written consent of the [Policyholder] and Us. This can be done through written request made by the [Policyholder] and agreed to by Us.

All Other Changes: This [Policy] may also be amended by Us with [30] days written notice to the [Policyholder]. The [Policyholder] will not have to give written agreement of a change in this [Policy] if:

- The [Policyholder] has asked for the change and We have agreed to it.
- The change is needed to correct an error in the [Policy], including any Certificate of [Coverage] issued to anyone.
- The change is needed so that this [Policy] will conform to any state or federal law, regulation or ruling of a jurisdiction that affects a person covered under this [Policy];
- The change has been initiated by Us and is not resulting in either a reduction or elimination in benefits or coverage; or an increase in premium.

The [Policyholder] will have to give written agreement of a change in this [Policy]:

- That reduces or eliminates benefits or coverage; or
- That increases benefits or coverage with a concurrent increase in premium during the [policy] term, except if the increased benefits or coverage is required by law.

29 [Payment of the applicable premium after notice of the proposed changes will be deemed to constitute the [Policyholder's] written agreement of those changes on behalf of all persons covered under this [Policy].]

Prior Agreements; Severability.
As of the [Policy] Effective Date, this [Policy] replaces and supersedes all other prior agreements between the parties as well as any other prior written or oral understandings, negotiations, discussions or arrangements between the [Policyholder] and Us related to matters covered by this [Policy]. If any provision of this [Policy] is deemed invalid or illegal, that provision is severable and the remaining provisions of this [Policy] shall continue in full force and effect.

Clerical Errors.
A clerical error in keeping records, or a delay in making an entry, does not alone cause the [Policy] or the coverage for any [employee] under the [Policy] to become invalid. An equitable adjustment in premiums will be made when the error or delay is found. If the clerical error affects the existence or amount of insurance, the facts as determined by Us will be used to decide if insurance is in force and its amount. We may also modify or replace a [Policy], Certificate of [Coverage] or other document issued in error.

30 **[ERISA Claim Fiduciary -Claim Determinations.**
For the purpose of section 503 of Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), We are a fiduciary with complete authority to review all denied claims for benefits under this [Policy]. In exercising this fiduciary responsibility, We have discretionary authority to determine whether and to what extent eligible [employees] and beneficiaries are entitled to benefits and to construe any disputed or doubtful terms under this [Policy], the Certificate(s) of [Coverage] or any other incorporated document. We are deemed to have properly exercised such authority unless We abuse our discretion by acting arbitrarily and capriciously. We have the right to adopt reasonable policies, procedures, rules, and interpretations of this [Policy] to promote the orderly and efficient administration of the [Policy].

The [Policyholder] is responsible for making reports and disclosures required by ERISA. This includes the creation, the distribution, and the final content of:

- Summary plan descriptions;
- Summary of material modifications; and
- Summary annual reports.]

31 **[Administrative Matters and Claim Determinations.**
For non-ERISA claims, We have complete discretionary authority to review all denied claims for benefits under this [Policy], and to determine whether and to what extent [employees] and beneficiaries are entitled to benefits. We also have complete discretionary authority to construe any disputed or doubtful terms of this [Policy].

We are deemed to have properly exercised our discretionary authority unless We abuse our discretion by acting arbitrarily and capriciously. We have the right to adopt reasonable policies, procedures, rules and interpretations of this [Policy] to promote the orderly and efficient administration of this [Policy].

The [Policyholder] is responsible for making reports and disclosures required by law or regulation. This includes the distribution to [employees] of Certificates of [Coverage], and disclosures prepared by Us.]

Misstatements.
If any fact as to the [Policyholder] or any [employee] [or dependent] is found to have been misstated or omitted, a fair change in premiums may be made. If the misstatement or omission affects the existence or amount of coverage, the facts will be used in determining whether coverage is or remains in force and its amount.

All statements made by the [Policyholder] or an [employee] shall be deemed representations and not warranties. No written statement made by an [employee] shall be used by Us in a contest unless a copy of the statement is or has been furnished to the [employee] or his beneficiary, or the person making the claim.

32 **[Other Goods and Services.**
From time to time, We may offer or provide insureds or their beneficiaries certain programs, goods and services in addition to the insurance coverage provided under this [Policy]. We also may arrange for third party vendors to provide programs, goods and services at a discount (including without limitation beneficiary financial counseling services and employee assistance programs) to the insured or their beneficiaries. Though We may make the arrangements, the third party vendors are solely liable for providing the goods and services. We are not responsible for providing or failing to provide the goods and services to insureds or their beneficiaries. Further, We shall not be liable to insureds or their beneficiaries for the negligent provision of the programs, goods and services by third party vendors.]

Delegation and Subcontracting.
The [Policyholder] acknowledges and agrees that We may enter into arrangements with third parties to delegate functions under this [Policy] such as We determine appropriate in Our sole discretion and as consistent with applicable laws and regulations. The [Policyholder] also acknowledges that Our arrangements with third party vendors are subject to change in accordance with applicable laws and regulations.

Incontestability.
As to the [Policy] in general: We may not contest the validity of this [Policy], except for non-payment of premiums, after it has been in force for [2] years from the [Policy] Effective Date.

33 [As to Life Insurance Benefits: In the absence of fraud, We may not contest the validity of the life insurance provided to an [employee] based on a representation provided in writing to Us signed by the [employee] concerning his or her insurability if the life insurance coverage We provide has been in force for [2] years during the [employee's] lifetime. If the life insurance coverage was increased, We may not contest the validity of the increase amount if the increased amount of life insurance coverage has been in force for [2] years during the [employee's] lifetime.]

33 [As to Disability Benefits: In the absence of fraud or failure to pay premiums when due, We may not use any statement made by:

- the [Policyholder] or any [employee] [or dependent] as the basis for voiding coverage or denying coverage or be used in defense of a claim unless it is in writing.
- the [Policyholder] as the basis for voiding this [Policy] after it has been in force for [2] years from the [Policy] Effective Date.
- an eligible [employee] [or dependent] in a defense of a claim for loss incurred or starting after coverage, as to which claim is made, has been in effect for [2] years.]

Conformity With Law.
If the provision of the [Policy] does not conform to the requirements of any state or federal law or regulation that applies to the [Policy], the [Policy] is automatically changed to conform with Our interpretation of the requirements of that law or regulation.

[The policy conforms to the minimum requirements of the state where the [Policy] is issued. The state law where the policy is issued supersedes any conflicting laws of any other state.]

34[Assignment.

No assignment of the benefits under this [Policy] or any Certificate of [Coverage] will be binding on Us until the original assignment or a certified copy of the assignment is given to Us at our home office. The assignment is subject to any action We may have taken before receiving it. We do not assume responsibility for the validity or sufficiency of an assignment. An assignment of the Certificate operates so long as the assignment remains in force. [To the extent provided under the terms of the assignment, an assignment transfers all rights and obligations of the insured or the owner if other than the insured.] [This insurance may not be levied on, attached garnished, or otherwise taken for a person's debts. This does not apply where it is contrary to law.]

Relationship Between the Parties.

The relationship between the parties is a contractual relationship between independent contractors. Neither party is an agent or employee of the other in performing its obligations pursuant to this [Policy].

35[Indemnification.

We agree to indemnify and hold the [Policyholder] harmless against that portion of its liability to third parties as determined by a court of final jurisdiction or by binding arbitration caused directly by Our willful misconduct, criminal conduct or material breach of this [Policy].

The [Policyholder] agrees to indemnify and hold Us harmless against that portion of Our liability to third parties as determined by a court of final jurisdiction or by binding arbitration caused directly by the [Policyholder's] negligence, breach of this [Policy], breach of applicable state and federal laws, willful misconduct, criminal conduct, fraud, or its breach of a fiduciary responsibility in the case of an action under ERISA, related to or arising out of this [Policy] or the [Policyholder's] role as employer or Plan Sponsor, as defined by ERISA.

The indemnification obligations described above shall terminate upon the termination of the [Policy] except as to any matter concerning a claim that has been made in writing before termination or within [365 days] after termination.]

Not in Lieu of Worker's Compensation.

This [Policy] does not satisfy any requirements for workers' compensation insurance.

36[End Of Employment.

An [employee's] employment ends when the [employee] is no longer in *active employment* on a full-time basis for the [Policyholder]. But, for insurance purposes, the [Policyholder] may consider the [employee] as still employed and in the [eligible classes] for the insurance during certain types of absences from full-time work. The [Policyholder] decides which [employees] with those types of absences are to be considered as still employed, and for how long. In doing this, the [Policyholder] must not discriminate among persons in like situations.

An [employee] may be considered as still employed up to any time limit for the [employee's] type of absence. When so considered, the [employee's] insurance under a plan will be continued only while the [employee] is paying contributions for it at the time and in the amounts, if any, required by the [Policyholder] (whether or not that insurance would otherwise be non-contributory insurance). But it will not be continued after it would end for a reason other than end of employment. The types of absences and the time limits are shown below, subject to any exceptions.

Types of Absences and Time Limits

- For absence due to part-time employment or retirement, there is no time limit.

- For absence due to disability, there is no time limit.
- For absence due to temporary layoff the time limit is the end of the contract month following the contract month in which the absence from full-time work starts.
- For absence due to leave of absence, there is no time limit.

Exceptions:

[Employee] Term Life Coverage

An [employee] will not be continued as a member of the [*eligible classes*] beyond the date the [employee] gives Us written proof of Total Disability. This proof must be given according to the rules of the Extended Death Benefit During Total Disability section of the Coverage.

Retirement is not an eligible type of absence.

[Employee] Accidental Death and Dismemberment Coverage
Retirement is not an eligible type of absence.]

[Policy] Cancellation and Modification

[SECTION 7]

[Policy] Cancellation

Either We or the [Policyholder] may cancel this [Policy] on any premium due date by giving [30-120] days advance written notice to the other party. This [Policy] or a plan under this [Policy] can be cancelled by Us or by the [Policyholder] at any time by the mutual written consent of the [Policyholder] and Us. When both the [Policyholder] and The Company agree, this [policy] or a plan can be cancelled on an earlier date. If The Company or the [Policyholder] cancels this [policy] or a plan, coverage will end at 12:00 midnight on the last day of coverage at the address of the [Policyholder].

Cancellation by the [Policyholder].

This [Policy], or any coverage included may be cancelled by the [Policyholder]. [The [Policyholder] may cancel this [Policy] as to all or any class of its [employees].] The Policyholder must give Us written notice at least [30-120] days in advance of any premium due date. The notice must state when such termination shall occur. It shall not be effective during a period for which a premium has been paid to Us for the coverage.

The [Policyholder] may cancel this policy or a plan by written notice delivered to Us at least [30-120] days prior to the cancellation date.

Cancellation By The Company.

We may cancel or modify this [Policy] upon [30-120] days advance written notice to the [Policyholder] if: [**37**

- There is less than 100% participation of those eligible [employees] for a [Policyholder] paid plan;
- The [Policyholder] does not promptly provide Us with information that is reasonably required;
- The [Policyholder] fails to perform any of its obligations that relate to this policy
- Fewer than [1] [employees] are insured under a plan or the Policy];
- The premium is not paid in accordance with the provisions of the policy that specify whether the [Policyholder], the [employee], or both pays the premiums;
- The [Policyholder] does not promptly report to Us the names of any [employees] who are added or deleted from the [eligible class];
- We determine that there is a significant change, in the size, occupation, or age of the [eligible class] as a result of a corporate transaction such as a merger, divestiture, acquisition, sale or reorganization of the [Policyholder] and/or its [employees]; or
- If the [Policyholder] breaches a provision of this [Policy] and such breach remains uncured at the end of the notice period;
- If the [Policyholder] ceases to meet Our requirements for an employer group as defined under applicable state law or regulation;
- If the [Policyholder] fails to meet Our contribution or participation requirements applicable to this [Policy];
- If the [Policyholder] fails to provide the certification required by the Policies and Procedures Provision within a reasonable period of time specified by Us; or
- If the [Policyholder] changes its eligibility or participation requirements without Our consent.

Further, We may cancel the [Policy] immediately:

- upon notice to [Policyholder] if the [Policyholder] has performed any act or practice that constitutes fraud or made any intentional misrepresentation of a material fact relevant to the coverage provided under this [Policy];
- **38**[upon notice to the [Policyholder] if a member of an association group and the [Policyholder]'s] membership in the association ceases.]
- The Participating Employer fails to pay any premium within the Grace Period. The policy will be automatically cancelled and no further notice will be provided.

If We modify this [Policy] or a plan, for reasons other than the [Policyholder]'s failure to pay premium, a written notice will be delivered to the [Policyholder] at least [31] days prior to the modification date. The [Policyholder] may cancel this [Policy] or a plan if the modifications are unacceptable.

If this [Policy] or a plan is cancelled, the cancellation will not affect a payable claim.

If the [Policy] terminates for any reason, the [Policyholder] remains liable for all premiums [and fees] due and unpaid before the termination, including, but not limited to, Premium payments for any period of time [Policy] is in force during the Grace Period. Covered [employees] also remain liable for their cost sharing and other required contributions to coverage for any period of time the [Policy] is in force during the Grace Period. We may recover from the [Policyholder] Our costs of collecting any unpaid Premiums [or fees], including reasonable attorneys' fees and costs of suit.

Effect of Cancellation. The cancellation of this [Policy] will not relieve either party from any obligation incurred before the date of cancellation. When cancelled, this [Policy] and all coverage provided hereunder will end at 12:00 midnight on the effective date of termination.

We may, at Our sole discretion, reinstate cancelled coverage[, provided any past due premium and reinstatement fees are paid.

Notice to [Employees]. It is the responsibility of the [Policyholder] to notify [employees] of the termination of the [Policy] in compliance with all applicable laws. However, We reserve the right to notify [employees] of termination of the [Policy] for any reason, including non-payment of Premium. In accordance with the Certificate, the [Policyholder] shall provide written notice to [employees] of their rights upon termination of coverage.

39[**Life Insurance Portability**., Unless otherwise stated: Termination of this [Policy] by the [Policyholder] or Us will not terminate Life Insurance then in force for any covered person under the terms of the *Group Life Insurance Portability* section in the Certificate. This [Policy] will be deemed to remain in force solely for continuing such Life Insurance, but without further obligation of the [Policyholder] hereunder. Any Life Insurance continued by the terms of this paragraph will remain in force until terminated under the terms of the *Group Life Insurance Portability* section in the Certificate of [Coverage]. A person may only elect coverage according to the terms of the *Group Life Insurance Portability* section in the Certificate of [Coverage] on or after the date of termination by the [Policyholder] or Us.]

[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Long Term Disability Plan]

[Zurich American Life Insurance Company] is pleased to welcome you to the plan. This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.]

[This long term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance [Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. **1**[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. [The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.] When making a benefit determination under the policy, we have discretionary authority to determine your eligibility for benefits and to interpret the terms and provisions of the policy.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

Zurich American Life Insurance Company is located at:

2[1400 American Lane
Schaumburg, IL 60196]

Our toll free number is: [877-278-7556]
Our website address is: [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Long Term Disability Benefits
Additional Benefits and Programs
Retirement Contribution Benefits
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

Zurich American Life Insurance Company

[Toll Free Number:	[877-278-7556]
Social Security Advocacy Program	[877-278-7556]
Claim Information Toll Free Number	[877-278-7556]]

[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

[Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

General Provisions

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

1[Your Long Term Disability Plan]

2[This [disability plan] provides you with a source of [monthly] income if you should become disabled and unable to work because of an ***sickness*** or ***injury*** while covered under this ***Plan***.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your long term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[**Policyholder**]*; and
- You must be in [***active employment***],
- You must be in an [***eligible class***]; [and
- 3You must be working [outside] [inside] the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [***eligible class***]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[**You are in an [eligible class] if you are a: [**

- regular full-time *[employee]* in ***active employment***, as defined by your *[employer]* who is scheduled to work [35] hours per week on a regular basis.]

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [eligible class], the date you are eligible for coverage is the later of:

- The plan effective date[; [or
- 7The day after you complete your ***[service] waiting period]***.

8**[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9[What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. **1** [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] **1**[The *[service] waiting period* is shown on the [Benefits Schedule].]

1[Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10[When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;

- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

12[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and
- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [monthly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

12[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] [You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

12[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

13[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **13** [

- you enroll for coverage for the first time.
- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of*

insurability is not satisfactory to us;

- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- you enroll on the effective date of this plan for an amount of long term disability coverage that is greater than the amount of coverage you had in effect under any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your long term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

13[The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

13[If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

14[Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

14[Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

[After Coverage Begins]

15[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

[You may decrease your coverage **16**[anytime] during the plan year.]

You may increase your coverage **16**[anytime] during the plan year or] during any annual enrollment period.]

[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

When Will Changes To Your Coverage Take Effect?

Once your coverage begins, any increased or additional coverage will take effect **16**[immediately]

[when your *evidence of insurability* is approved by us] if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.

17[An increase in your long term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **16**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

18[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

Once you have satisfied the *elimination period*, your premium and contributions, if any, will be waived for any period you are eligible to receive monthly benefits.

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **19**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- **19(a)**you return to the [U.S.A]. for more than [30-365 continuous days] [1-60 months];
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before **19(a)**the first premium due date that occurs after you stop *active employment*].
- [90-180] days after the date you [or your dependent] return to the U.S. to establish residency.
- the date on which you are age [60–100];
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

20[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of

the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your long term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

21 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

21[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

22 What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [*employer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within [31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]

How Can Statements Made In Your Application For This Coverage Be Used?

We consider any statements you or your [*employer*] makes in a signed application for coverage

23[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date **1**[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

During the first [one, two] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [one-two] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, the validity of your [insurance] may not be contested by us unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

24[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.
- Serve as a constructive trustee for the benefits of this plan over any settlement or recovery funds received as a result of Third Party Injuries.

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation or State Disability Insurance?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. However, any Workers' Compensation benefits are considered a *deductible source of incom*e.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We shall have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

Long Term Disability Benefits

How Do We Define a 1[Long Term] Disability?

[Option A- Partial- Standard

2 [During the [*elimination] period*], you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[indexed monthly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury."].]

[After the *elimination period] [After monthly benefits have been payable for [6-unlimited months]*, you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; [and] [or]
- you have a [10%-50%] or more loss in your [*indexed monthly earnings]* due to that *sickness* or *injury*] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After [6-unlimited] months *benefits* have been payable, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and
- you are under the *regular care* of a *physician;*. [and] [or]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option B Standard For Residual)

4 [You are disabled when we determine that:

- you are [limited from performing] [unable to perform] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician,* [and]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After monthly payments have been payable for [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and
- you are under the *regular care* of a *physician;* [and] [or]

- [you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury]* [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option C Total Disability During the Elimination Period)

5 [During the *[elimination] period*,] you are disabled when we determine that:

- you are unable to perform the *material and substantial duties* of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

[After the *elimination period*] [After benefits have been payable for [6-unlimited] months], you are disabled when we determine that:

- you are unable to perform the material and substantial duties of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

3 [After *monthly benefits* have been payable [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience and
- you are under the *regular care* of a *physician*.; and
- you are not working at any job for compensation or profit.

Option D (Special)

6[Loss of License

You will be considered disabled, if solely because of *injury* or *sickness*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [40- 60% or less] of your *[covered monthly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [***gainful occupation***] for which you may reasonably become qualified based on your education, training or experience.]

7[You must be under the *regular care* of a *physician* in order to be considered disabled.]

7[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical

practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.]]

8[**How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?**

You must be continuously disabled through your ***[elimination] period***. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [5-90] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*.

[Your *[elimination] period* is [30-365 days] [1-60 months] [described in the Benefits Schedule].]

[Your *[elimination] period* is the longer of [0-36] months and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

9[**Can You Satisfy Your [Elimination] Period If You Are Working?**

Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled. We will send you a *monthly benefit* for any period for which we are liable.

What Are Your [Covered Monthly Earnings]?

10[***"Covered Monthly Earnings"*]** means your gross monthly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

11[It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

11[*Covered monthly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

12[It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

13[How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A (Direct Offset)

We will follow this process to calculate your benefit amount:

1) Multiply your ***[covered monthly earnings]*** by [30%-100%] [the monthly benefits percentage shown in the [Benefits Schedule].
2) The ***maximum monthly benefit*** is [$1 - unlimited] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *monthly benefit*. The lesser of these two amounts is your [***gross disability benefit***].
4) Subtract from your *gross disability benefit any* ***[deductible sources of income]***.

The amount figured in Item 4 is your ***monthly benefit***. The *monthly benefit* will be recalculated when your income changes or you receive any new *[deductible sources of income]*.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your benefit for each day of disability.]

Monthly benefit means your benefit amount after any *[deductible sources of income]* have been subtracted from your *gross disability benefit*.

Maximum monthly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* and *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *monthly benefit* is [$50-$10,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *monthly benefit*.] [Your *monthly benefit* will [not] be reduced for any *[deductible sources of income]*.]

[Option C (All Sources)

[To calculate the amount of the *monthly benefit*, take the lesser of:

1) your ***[covered monthly earnings]*** multiplied by [30%-100%] [the monthly benefit percentage shown in the [Benefits Schedule]]; or
2) your [*covered monthly earnings]* multiplied by the ***all sources monthly benefit percentage*** [of 30%-100%] [shown in the [Benefits Schedule], [less *[deductible sources of income]*]; or
3) the ***maximum monthly benefit*** shown in the [Benefits Schedule].]

How is Your Benefit Determined if You Are Disabled and Working?

<u>Option A</u>

For the first [6-unlimited] months of payable benefits:

1. If you are disabled and return to work, we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows: **[14**

   - During the first [6-unlimited] months of payable benefits, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [90%-125%] of *[indexed monthly earnings].*

     1) Add your monthly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

     If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
     If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

   - After benefits have been payable for [6-unlimited] months, while working, the amount of your *monthly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *monthly benefit*.]

Option B

A. [If you are disabled and return to work we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

B. [After [6-unlimited] months] if you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows:

   14[During the first [6-36] months of *benefits*, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the gross disability benefit does not exceed [90% - 125%] of *[indexed monthly earnings].*

   1) Add your monthly *disability earnings* to your *gross disability benefit*.
   2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

   If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
   If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

15[During the first] [After] [6-36] months of *benefits*, while working, your *monthly benefit* will be based on the percentage of income you are losing due to your disability.

1) Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2) Divide the answer in item 1) by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3) Multiply your *monthly benefit* by the answer in item 2).

This amount will be your new *monthly benefit*.]

We may require you to send proof of your *disability earnings* on a [monthly] basis. We will re-calculate your benefit [each month] and adjust your [monthly] benefit based on your monthly *disability earnings*.

As part of your proof of *disability earnings*, we can require that you send us appropriate financial records, including copies of your IRS federal income tax return, W-2's and 1099's, which we believe are necessary to substantiate your income.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your *monthly benefit* for each day of disability.]

When Will Your Monthly Benefits End If Working While Disabled?

During the first [6- to unlimited months] of disability *benefits*, if your [*monthly disability earnings*] exceed [80% to 100%] of your [*indexed monthly earnings*], we will stop your benefits and your claim will end.

Beyond [6 to unlimited months] of disability *benefits*, if your monthly *disability earnings* exceed [40% to 100%] of your *[indexed monthly earnings]*, we will stop your benefits and your claim will end.

16[***Disability earnings*** means the earnings which you receive while you are disabled and working[, plus the earnings you could receive if you were working to your greatest extent possible. This would be , based on your restrictions and limitation:

- During the first [6-unlimited months] of disability *benefits*, the greatest extent of work you are able to do in your [*regular occupation*], that is reasonably available.
- Beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably fitted by education, training or experience.]

[Salary continuance paid to supplement your *disability earnings* will not be considered payment for work performed.]

7[We will review your status from time to time. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

17**[What Will We Use For [Covered Monthly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?**

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use

your monthly earnings from your [employer] in effect just prior to the date your absence begins.]

18[How Can We Protect You If You're Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from month to month, we may average your *disability earnings* over the most recent [3-12] months to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [3-12] months exceeds [40%-80%] of *[indexed monthly earnings]*. We will not pay you a benefit for any month during which *disability earnings* exceed [40-80%] of [*indexed monthly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[:**19**

- During the first [6-unlimited months] of disability benefits, the average of your *disability earnings* from the last [3-12] months exceeds [80%-100%] of *[indexed monthly earnings]*; or
- Beyond [6-unlimited months] of disability *benefits*, the average of your *disability earnings* from the last [3-12] months exceeds [40%-100%] of *indexed monthly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum monthly benefit* will not be paid when *disability earnings* exceed the above amounts.]

20 [What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[*Deductible sources of income* are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *monthly benefit* is calculated and may reduce your *monthly benefit.]*

20We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **20a[**

1. The amount that you receive or are entitled to receive under:
   - a workers' compensation law
   - an occupational disease law
   - any other ***plan, act or law*** with similar intent.

2. **20b**The amount that you receive or are entitled to receive as disability income *benefits* under any:
   - state compulsory benefit act or law
   - automobile liability insurance policy
   - other group insurance plan
   - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **20c** [your spouse and children] receive or are entitled

to receive as disability *benefits* because of your disability under:

- the United States Social Security Act
- the Canada Pension Plan
- the Quebec Pension Plan
- the Railroad Retirement Act
- any similar *plan, act or law* of any country, state or province.

[Amounts paid to your former spouse or to your children living with such spouse will not be included.] **20c**

4. The gross amount that you receive as retirement payments or the amount **20c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

   - the United States Social Security Act
   - the Canada Pension Plan
   - the Quebec Pension Plan
   - the Railroad Retirement Act
   - any similar *plan, act or law* of any country, state or province.

   This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

   [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

   [Benefits paid to your former spouse or your children living with such spouse will not be included.] **20c**

5. The amount that you:

   - receive as disability benefits under your [*employer*'s] ***retirement plan***;
   - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
   - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

   Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

   Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

   [Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

20d Amounts received do not include amounts rolled over or transferred to any eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future

amendments that affect the definition.

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **20e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total *monthly benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross monthly earnings.] **20f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **20g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **20h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement payments.**]**

[What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [**21**

- 401(k) plans
- profit sharing plans
- thrift plans
- tax sheltered annuities

- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance
- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

22 [What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Monthly Benefit)?

If your *monthly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum monthly benefit*. [Your *minimum monthly benefit* is listed on the [Benefits Schedule].

[The *minimum monthly benefit* is [the greater of:]
- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]

[The *minimum monthly benefit* is [the lesser of:
- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]]

We may apply your *minimum monthly benefit* toward any outstanding overpayment.

The *minimum monthly benefit* will not be paid in any month when *disability earnings* exceed [60-80%] of your *[indexed monthly earnings]*. This includes when we average your *disability earnings* as described above.]

23 [What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *monthly benefit* due to a cost of living increase from that source.]

24 [What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits [under Item(s) 1, 2, 3, 9, 10, and 11] in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *monthly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

Your *monthly benefit* may **NOT** be reduced by the estimated amount if you:

- apply for the disability benefits [under Item(s) 1, 2 3 ,9, 10 or 11] in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
- sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

- of the amount awarded; or
- that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

25[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a monthly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one.]

26[What Is The Maximum Benefit Period?

You will receive a benefit for each month you remain disabled up to the ***maximum benefit period***.

7 [Your *maximum benefit period* is [12 months to lifetime].]

7[Your *maximum benefit period* is to age [60-95].

[Your *maximum benefit period* is based on your age at disability as follows:

27 [Maximum Benefit Duration Schedule

Age At Disability	**Maximum Benefit Period**
[Less than age 62	To Social Security Normal Retirement Age
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months]
Year of Birth	**Social Security Normal Retirement Age**
1937 or before	65 years
1938	65 years 2 months
1939	65 years 4 months
1940	65 years 6 months
1941	65 years 8 months

1942	65 years 10 months
1943-1954	66 years
1955	66 years 2 months
1956	66 years 4 months
1957	66 years 6 months
1958	66 years 8 months
1959	66 years 10 months
1960 and after	67 years]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**28**

- the end of the *maximum benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- during the first [6-unlimited] months of benefits, when you are able to work in your [*regular occupation*] on a part-time basis but you choose not to;
- **29**after [6-unlimited] months of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your monthly *disability earnings* exceed [80%] of your *[indexed monthly earnings]*, the date your earnings exceed [80%];
- the date you fail to submit proof of continuing disability;
- after [12-60] months of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [6-60] months or more during any [12-60] consecutive months of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [*indexed monthly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 30[

- are not following a plan of ***appropriate care*** for your disability, or complications of your disability;
- are not receiving *appropriate care*;
- refuse to participate in [our *Rehabilitation Program*,a Worksite Modification Program, a transitional work arrangement or other modified work arrangement which may be for your *regular occupation* or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due.]

31[What Disabilities Have A Limited Pay Period Under Your Plan?

Option A

We will pay disability benefits on a limited basis for a disability caused by, or contributed to by, any one or more of the following conditions: [

- Disabilities, which as determined by us, due in whole or in part to mental illness have a limited pay period during your lifetime.

- Disabilities due to a *sickness* or *injury*, which as determined by us, are primarily based on

self-reported symptoms have a limited pay period during your lifetime.

- Disabilities which as determined by us, due in whole or in part to alcohol abuse, drug abuse or dependency have a limited pay period during your lifetime.]

The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by: [

- mental illness,
- alcohol abuse and drug abuse or dependency; and
- disabilities based primarily on ***self-reported symptoms*]**

is [6-unlimited] months during your lifetime. Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.

32[Option B

[The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by, any one or more of the following condition(s) is [6-unlimited] months during your lifetime:

- [Alcoholism
- Anxiety disorders
- Depressive disorders
- Drug addiction or abuse
- Eating disorders
- Fibromialgia
- Mental illness
- Psychotic disorders
- Schizophrenia
- Somatoform disorders (psychosomatic illness)
- Chemical and environmental sensitivities
- Subjective Symptom Conditions
- Chronic fatigue syndrome
- Thoracic outlet syndrome]

Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.]

Benefit Extension

We will continue your benefits beyond the [6-unlimited] month period if you meet one or both of these conditions:

1. If you are ***confined*** to a hospital or institution at the end of the [6-unlimited] month period, we will continue your benefits during your ***confinement***.
   If you are still disabled when you are discharged, we will continue your benefits for a recovery period of up to [30-365 days].

   If you become re-confined at any time during the recovery period and remain

confined for at least [14] days in a row, we will continue your benefits during that additional confinement and for one additional recovery period up to [30-180] more days.

2. In addition to item 1, if, after the [6-unlimited] month period for which you have received benefits, you continue to be disabled and subsequently become confined to a hospital or institution for at least [14] days in a row, we will continue benefits during the length of the re-confinement.

We will not pay beyond the limited pay period as indicated above, or the *maximum benefit period*, whichever occurs first. [We will not apply any period of confinement to your lifetime cumulative maximum.]

Exceptions

We will not apply the *[mental illness]* limitation to dementia if it is a result of: **33[**

- stroke;
- trauma;
- viral infection;
- Alzheimer's disease; or
- other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.]

What Disabilities Are Not Covered Under Your Plan?

[Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: **34**[

- a ***pre-existing condition;***
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness otherwise covered by the group insurance policy;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or *sickness* while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;

- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure
- normal pregnancy or childbirth; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]

35 [The following specific [conditions] [diagnoses] are not covered under this group insurance policy:

- Human Immunodeficiency Virus (HIV); and
- Acquired Immune Deficiency Syndrome (AIDS)]

36 [Your plan does not cover a disability while you are outside the [country of [England, United States, territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37 [Active participation in war

No Benefit is payable in the event of a claim arising from your:

- active engagement in an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention or effect of influencing any government or of putting the public or any section of the public in fear; or
- active involvement in war, invasion, act of foreign enemies, hostilities or war-like operation (whether war be declared or not), civil war,mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force or violence.]

Deleted: or terrorism

Deleted: , terrorism

37 [Passive participation in war

No benefit is payable if you;

- go to and remain in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against 'all travel' there; or
- go to and remain for a period of more than 28 days per stay in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against 'all but essential travel'; and
- the claim arises either directly or indirectly as a consequence of war, invasion, act of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force or violence.]

Deleted: , terrorism

37 [Nuclear, biological and chemical events

No benefit is payable in the event of a claim arising, directly or indirectly, from any of the following:

- nuclear fission, fusion or radioactivity;
- the use of nuclear, biological and chemical weapons and/or devices;
- attacks on or sabotage of facilities and storage depots, which lead to the release of

radioactivity or nuclear, biological or chemical warfare agents.]

38[What Is a Pre-Existing Condition?

You have a ***pre-existing condition*** if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -24 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the [3 days -24 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pe-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

39[What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [12-24] months, thereafter you are covered 100%.
- The *maximum monthly benefit* is limited to [10%-90%] of your *[covered monthly earnings]*, not to exceed the *maximum monthly benefit* shown in the [Benefit Schedule].
- The *maximum benefit period* is limited to [1 – 24] months.]]

40[How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

41What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a *sickness* or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *monthly benefit* will be limited to the amount that would have been paid by the prior carrier. We will reduce your *monthly benefit* by any amount for which your prior carrier is liable.

42[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *monthly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *monthly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *monthly benefit* will be the lesser of:

- the *monthly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *monthly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

43[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this long term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing *sickness* or *injury* will not increase. Instead, the benefits are limited to the amount you had on the day before the plan change.]

44 What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior claim and your *recurrent disability*; and

- your recurrent disability occurs within [3-12] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [3-12] months from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group long term disability plan, you will not be eligible for benefits under this disability plan.

45 [What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, we will treat your disability as part of your prior claim and you will not have to complete another *[elimination] period* if:

- you were continuously working full time for the period between the end of your prior claim and your *recurrent disability*; and
- your *recurrent disability* occurs within [6] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

If you become entitled to benefits under any other group long term disability plan, you will not be eligible for *benefits* under this disability plan.]

[Additional Long Term Disability Benefits and Programs

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

[Survivor Benefit
What benefits will be provided to your family if you die or are terminally ill?

1 Death Benefit

When we receive proof that you have died, while [totally] disabled, we will pay your *eligible survivor* a lump sum benefit equal to [3-24] months of your [*gross disability benefit*] [*monthly benefit]* if, on the date of your death:

- your disability had continued for [180-365 or more consecutive days] [6-24 months]; and
- you were receiving or were entitled to receive payments under this *Plan*.

However, we will first apply the survivor benefit to any overpayment that may exist on your claim.

If you have no *eligible survivors*, [no payment will be made] [payment will be made to your estate, unless there is none.]

2 [Accelerated Survivor Benefit

You may receive your [3-24] month survivor benefit prior to your death if you have been diagnosed as terminally ill. We will pay you a lump sum amount equal to [3-24] months of your *gross disability benefit* if:

- you have been diagnosed with a terminal illness or condition;
- your life expectancy has been reduced to less than [6-24] months; and
- you are receiving *monthly benefits*.

Your right to exercise this option and receive payment is subject to the following:

- you must make this election in writing to us; and
- your ***physician*** must certify in writing that you have a terminal illness or condition and
- your life expectancy has been reduced to less than [6-24] months.

This benefit is available to you on a voluntary basis and will only be payable once. If you elect to receive this benefit prior to your death, no survivor benefit will be payable upon your death.]

3 [[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible colleges for a child, to helping to deal with the stress of the workplace. This program is

available for everyday issues as well as crisis support.]

4[[Social Security Advocacy Program]

How can we assist you with obtaining Social Security Disability Benefits?

In order to be eligible for assistance from our [Social Security Advocacy Program], you must be receiving *monthly benefits* from us. We can provide expert advice regarding your claim and assist you with your application or appeal.

Receiving Social Security benefits may enable:[

- you to receive Medicare after 24 months of disability payments;
- you to protect your retirement benefits; and - your family to be eligible for Social Security benefits.
- We can assist you in obtaining Social Security disability benefits by: helping you find appropriate legal representation;
  - obtaining medical and vocational evidence; and
  - reimbursing pre-approved case management expenses.]

[This program can be accessed by a 1-800 telephone number available 24 hours a day, 7 days a week or online through a website.]

[Information about this program can be obtained through your [plan administrator]. This service is also available to your [***employer***].]]

5[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

6[Additional Benefits While You Participate In Our *[Rehabilitation Program]*

We will pay an additional benefit of [1%-10%] of your [*gross disability benefit*] to a maximum benefit of [$1,000] per month. This benefit is not subject to policy provisions which would otherwise increase or reduce the benefit amount such as *[deductible sources of income]*. However, the ***maximum benefit*** and ***maximum benefit period*** will apply. [In addition, we will continue benefits for you for [3-12] months following the date your disability ends if we determine you are no longer disabled while:

- you are participating in our [*Rehabilitation Program*]; and
- you are not able to find employment.

This benefit payment may be paid in a lump sum.]

[When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.]

7[Dependent Care Expense Benefits While You Participate in a [Rehabilitation Program]

While you are participating in our *[Rehabilitation Program]***,** we will pay a Dependent Care Expense Benefit when you are disabled and you:

- are incurring expenses to provide care for a child under the age of [5-15]; and/or
- start incurring expenses to provide care for a child age [11-15] or older or a family member who needs personal care assistance.

The payment of the Dependent Care Expense Benefit will begin immediately after you start our *[Rehabilitation Program]*. Our payment of the Dependent Care Expense Benefit will:

- be [$ 250-$1000] per month, per dependent; and
- not exceed [$500-$5000] per month for all dependent care expenses combined.

To receive this benefit, you must provide satisfactory proof that you are incurring expenses that entitle you to the Dependent Care Expense Benefit.

Dependent Care Expense Benefits will end on the earlier of the following:

- the date you are no longer incurring expenses for your dependent;
- the date you no longer participate in our *[Rehabilitation Program]*; or
- any other date benefits would stop in accordance with this *Plan*.]]

8[Education Expenses Benefit For Eligible Students

If you are disabled and receiving long term disability benefits under this *Plan*, you will receive a monthly Education Benefit for each child that is an ***eligible student***. Education Benefits are in addition to your long term disability benefits.

Benefits will be payable in between terms as long as the *eligible student* is enrolled for the next scheduled term.

The Education Benefit will:

- be [$ 50-$200] per month, per *eligible student*; and
- not exceed [$100-$500] per month for all *eligible students* combined.

Education Benefits will stop at the earliest of:

- the date the child is no longer an *eligible student*; or
- any other date monthly benefits would stop in accordance with this plan.]

9[Cost Of Living Adjustment Benefit

We will make a cost of living adjustment (COLA) [on July 1] after you have received [2] full years of payments for your disability.

Your benefit will increase on that date by the lesser of the current annual increase in the Consumer Price Index (CPI-W) or] [1% -5%] each July 1s and each following anniversary not to exceed] **5** [1-unlimited] [anniversary] adjustment periods while you continue to receive payments for your disability.

[We will make a cost of living adjustment (COLA) on [July 1] if you are disabled and not working on that date and have been disabled for all of the [12-24] months before that date.

Your benefit will increase on that date by [1%-10%]. You will not receive more than [1-5] cost of living adjustments while you continue to receive benefits for your disability.]

Each month we will add the cost of living adjustment to your *monthly benefit*. When we add the adjustment to your *monthly benefit*, the increase may cause your *monthly benefit* to exceed the *maximum monthly benefit*.

9[Compound Interest Cost of Living Example:

Your *monthly benefit* = $1500
Cost of Living Adjustment % (COLA%) = 1%

Each [July 1] after 12 or more months of disability payments	**Your monthly payment x (100% + 2%)**	**New Payment**
1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2%) x (100% + 2%)	= $1561
3rd	$1500 x (100% + 2%) x (100% + 2%) x (100% + 2%)	= $1592]

[Compounding interest will continue up to the maximum number of adjustments.]

10[Simple Interest Cost of Living Example

1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2% +2%)	= $1560
3rd	$1500 x (100% + 2% + 2% + 2%)	= $1590]

[Simple interest will continue up to the maximum number of adjustments.]]

[Consumer Price Index (CPI-W) means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the US Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.]
We will use the CPI in effect [on] [immediately prior to] [the calendar year prior to] [the date of your increase.]

11 [Worksite Modification Benefit

How can we help your employer identify and provide worksite modification?

A worksite modification might be what is needed to allow you to perform the ***material and substantial duties*** of your ***regular occupation*** with your [*employer*]. One of our designated professionals will assist you and your [*employer*] to identify a modification we agree is likely to help you remain at work or return to work. This agreement will be in writing and must be signed by you, your *[employer]* and us. When this occurs, we will assist your [*employer*] with the cost of the modification, up to the greater of:

- [$1,000], or
- the equivalent of [2] months of your *monthly benefit*. This benefit is available to you on a one time only basis.]]

12 [Plan Conversion Option

What Insurance Is Available If You End Employment (Conversion)

If you end employment with your *[employer],* your coverage under this *Plan* will end. You may be eligible to purchase insurance under our group conversion policy. To be eligible, you must have been insured under your [employer's] group plan for at least [12] consecutive months. We will consider the amount of time you were insured under our *Plan* and the plan it replaced, if any.

You must apply for insurance under the conversion policy and pay the first quarterly premium within 31 days after the date your employment ends. We will determine the coverage you will have under the conversion policy. The conversion policy may not be the same coverage we offered you under your [employer's] group plan.

You are not eligible to apply for coverage under our group conversion policy if:

- you are or become insured under another group long term disability plan within [31] days after your employment ends;
- you are disabled under the terms of the plan;
- you recover from a disability and do not return to work for your *[employer]*;
- you are on a leave of absence; or
- your coverage under the plan ends for any of the following reasons:
  - the plan is cancelled;
  - the plan is changed to exclude the group of employees to which you belong;
  - you are no longer in an eligible group;
  - you end your working career or retire and receive payment from any [employer's] retirement plan; or
  - you fail to pay the required premium under this plan.]

13[Recovery Income Protection

You may be eligible for an additional monthly benefit following your disability. We will be eligible for this benefit if you have been disabled and you satisfy each of the following:

- you have satisfied the *[elimination period]* for that disability;
- you return to your *regular occupation* full time with the [*employer*] on the earlier of the date your disability ends or the date your benefits cease;
- you have a [20%] or more loss in your *[indexed monthly earnings]* due to the same disability; and
- you have received at least [3] months of disability benefits for that disability under the *Plan*.

Recovery income protection benefit payments will end on the earliest of the following:

- the date [3] months recovery income protection benefits have been paid; or
- the date your current earnings exceed 80% of your *[indexed monthly earnings]*.]

14[Revenue Protection Benefit For [Employers]

If you are receiving monthly benefits under this *Plan*, we will make a payment to the [*employer*]. This benefit will be paid for [12] months to the [*employer*]. This payment will be [1%-50%] of your *[covered monthly earnings]* up to [$0-$5,000]. We will not subtract *[deductible sources of income]* from this payment.

If you are disabled and working and your monthly *disability earnings* are from [20% through 80%] of your *[indexed monthly earnings]*, the payment will be based on the percentage of income you are losing due to your disability according to the following steps:

1. Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2. Divide the answer in Step 1 by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3. Multiply the extra payment (payable to the [*employer*], noted above) by the percent of lost earnings in Step 2.

This is the amount payable to the [*employer*].]**]**

[Retirement/Pension Plan Contribution Benefits]

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

These services are also available as part of your Long Term Disability Plan

[Retirement/Pension Plan Contribution Benefit

If you are receiving benefits for your disability under this *Plan* and have been continuously disabled for at least [180 days] [3-12 months], you may be eligible to receive a supplemental payment equal to:

Option 1

[[1-25%] of your *[covered monthly earning*s], not to exceed the maxiumum amount allowed by law as determined by your [employer].]

Option 2

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the maximum amount allowed by law, as determined by your [employer].]

Option 3

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the amount of the average monthly tax deferred contributions you and your [employer] made to your [employer's pension plan during the last [12-60] calendar months prior to the date your disability started or the amount of time you participated in the pension plan if fewer then [12-60] months.]

Benefit Requirements

A pension plan contribution benefit will be payable if:

- a disability starts while you are covered by this Plan;
- your were an active participant in your [employer's] pension plan for at least [12-60] months prior to the date your disability started.
- your disability continues during and past the elimination period;
- your disability continues for [3-12] months;
- payment of your monthly payment is not excluded by any other terms of this Plan; and
- payment of a monthly pension contribuiton benefit is not excluded by law or your [employer's] pension plan.

The pension plan contribution benefit is first payable after the *[elimination period]* or, if later, the date you would have been eligible to participate if you were not disabled.

The monthly amount of your pension contribution benefit will be calculated in accordance with the formula used by your [*employer*] to compute monthly contributions to be made by you and your [employer]. If you are working while you are disabled, your supplemental payments will be multiplied by your percentage of lost income as determined above to calculate the amount.

1[This benefit will not be reduced by *deductible sources of income*.]

This benefit will be paid to the trustee or administrator of your pension plan after proof of your participation in the plan is verified.

Termination of Benfits
This benefit will end the earlier of any of the following:

- The date your disability ends for any reason;
- The date you are not longer eligible to be an active participant in your [employer's] pension plan;
- The date your [employer's] pension plan is frozen or terminated;
- The date your [employer] notifies us it is necessary to terminate the benefit to comply with the Internal revenue Code, ERISA, or any other federal, state or the law of any country where you reside.

Employer [Pension] Fund Contribution – To calculate the amount of monthly contribution multiply the insured's monthly benefit by the [Employer Pension] percentage in the [Benefits Schedule]. This is the amount we will pay each month to the [employer] to be contributed into the fund.

2[Pension plan means a plan which provides retirement benefits and which is not wholly funded by employee contributions. The term shall not include a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity plan (TSA), a stock ownership plan or a non-qualified plan of deferred compensation.]

3[National Insurance Contribution Benefit

National Insurance is a system of taxes and related social security benefits which has operated in the United Kingdom since its introduction in 1911, and wider extension by the government of Clement Attlee in 1946.

To calculate the amount of your monthly contribution multiply the insured's monthly benefit by the precentage shown in the [Benefits Schedule]. These funds will then be sent along each month to the [Policyholder] to be contributed into the plan.]**]**

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Long Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [30-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [90-365 days] after your elimination period. If it is not possible to give proof within [90-365 days], it must be given no later than [1-5] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring ***evidence of insurability***, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within [15] days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending ***physician*** for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your monthly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the ***[elimination period]*** for your Long Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5**[***regular occupation*** or any ***gainful occupation*** or an ***activity of daily living***]; and
7. The name and address of any inpatient or outpatient facility, ***hospital***, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [30-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of ***[deductible sources of income]****, during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [30-365] days of our written request. If you do not return the overpayment to us within [30-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

8[Examples of *[deductible sources of income]* are:

- Workers' compensation;
- Federal Social Security benefits;
- Disability payments made by, or on behalf of, a third party as a result of any person's
- action or inaction.]

1[All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7[Unpaid Premium Due:

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim [60 days] after proof of claim has been given to us and up to [3 years] from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge

upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such sources of income until any *benefit overpayments have been recovered in full.*

Discretionary Acts

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's discretionary authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Activities of Daily Living

- Bathing - the ability to wash yourself either in the tub or shower or by sponge bath with or without equipment or adaptive devices.
- Dressing - the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn.
- Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing.
- Transferring - the ability to move in and out of a chair or bed with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorized devices.
- Continence - the ability to either:
  -voluntarily control bowel and bladder function; or
  -if incontinent, be *able* to maintain a reasonable level of personal hygiene.
- Eating - the ability to get nourishment into the body.

1**Administrator** means [Zurich American Life Insurance Company.] [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].

[References to [the Company and] [Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and
- who has paid initial premium and fees.

Cognitive Impairment means a loss or deterioration in intellectual capacity that is

- comparable to and includes Alzheimer's disease and similar forms of irreversible dementia; and
- measured by clinical evidence and standardized tests that reliably measure impairment in the individual's short-term or long-term memory, orientation as to person, place or time; and deductive reasoning.

Complication of Pregnancy means a condition, when pregnancy is not terminated, whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy. Complication of pregnancy includes, but is not limited to, non-elective Cesarean section; termination of ectopic pregnancy; spontaneous termination of pregnancy occurring during a period of gestation in which a viable birth is not possible; acute nephritis or nephrosis; cardiac decompensation; missed abortion; and similar medical and surgical conditions of comparable severity. It does not include false labor; occasional spotting; morning sickness; doctor prescribed rest; hyperemesis gravidarum; pre-eclampsia; or any other condition associated with the management of a difficult pregnancy not consisting of a nosologically distinct complication of pregnancy.

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Monthly Earnings] means your gross monthly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability had not occurred. (If the payment does cause a reduction, it will be considered a

retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working, plus the earnings you would receive if you were working to your *maximum capacity*. **2** [This would be based on your restrictions and limitations:

- during the first [6-unlimited months] of disability payments, the greatest extent of work you are able to do in your regular occupation, that is reasonably available.
- beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably filled by education, training or experience].

[Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [***eligible class***] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Eligible Student means your unmarried dependent children who are

- less than 25 years of age; and
- attending an accredited post-secondary school, beyond the 12th grade level on a full time basis.

Eligible Survivor - means your spouse, if living, otherwise your children under age [25] equally.

Elimination Period - means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] [and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] [Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. [This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] – means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Expatriate means an employee who is working outside his or her country of **3**[permanent residence] [citizenship].

[Full-Time] as used with the Education Benefit means a full course load as defined by the accredited post secondary school.

Full-Time as used other than with the Education Benefit, means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within 12 months of your return to work, that exceeds:
[40%-100%] of your *indexed monthly earnings*, if you are working; or
[40-100%] of your *indexed monthly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the *regular occupation* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Grace Period means a period of time following the premium due date during which premium payment may be made.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

[Indexed Monthly Earnings] For the first year you are disabled your [*indexed monthly earnings]* will be equal to your *monthly covered earnings*. After you have been disabled for one year, your [*indexed monthly earning]* means your [*covered monthly earnings]* adjusted on each anniversary of benefit payments, after a 12 month period of disability by the lesser of [1%-10%] or the current annual percentage increase in the Consumer Price Index. Your [*indexed monthly earnings]* may increase or remain the same, but will never decrease.

The U.S. Department of Labor publishes the consumer price Index (CPI-W). We reserve the right to use some other similar measurement if the Department of Labor changes or stops publishing the CPI-W. Indexing is only used as a factor in the determination of the percentage of lost earnings while you are disabled and working in the determination of any *gainful occupation*.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other

causes. The injury must occur and the disability must begin while you are covered under this plan. **4**[Exception: any disability that occurs more than [60] days after the injury will be considered a sickness for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.

Key Local National means an [employee] of the [employer] working and residing within his or her country of permanent residence[and outside the [*Employer's*] country of domicile,] and who the [employer] has designated as essential to the management of that country's operation.

Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Master Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group long term disability insurance to cover eligible employees.

Material and Substantial Duties means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Capacity means based on your restrictions and limitations:

- during the first [24] months of disability, the greatest extent of work you are able to do in your regular occupation that is reasonably available, and
- beyond [24] months of disability the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably qualified by education, training or experience.

Maximum Period of Payment means the longest period of time we will make payments to you for any one period of disability.

5[Mental Illness] means a psychiatric or psychological condition classified in the Diagnostic and Statistical Manual of Mental Health Disorders (DSM) published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, schizophrenia, depression, bipolar illness, or disorders relating from stress or to substance abuse or dependency. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of the disability. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other methods of treatment as standardly accepted in the practice of medicine.

Monthly Benefit means your benefit amount after any *deductible sources of income* [and *disability earnings*] have been subtracted from your *gross disability benefit***.**

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

[Own Job] means the job the [employee] routinely performs at the time the disability begins. In

evaluating the disability, we will consider the duties of the job as it is normally performed for the [Employer].

[Own-Specialty Occupation means the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your ***own specialty occupation*** [for your initial period of disability].]

6[If you are a [physician or a lawyer] whose practice is limited to a specialty, own specialty means only the specialty that you practiced on the day before your disability began.]

6[If you are a [physician or dentist], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [[American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your indexed monthly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible employees and their dependents.]

7[Pre-Existing Condition means a condition for which you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in

effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [*indexed monthly earnings*].
- your [*indexed monthly earnings*] multiplied by the [monthly benefit percentage] [or if less,
- the amount of the *maximum monthly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Long Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed [in the national economy, instead of] [, and] how the work tasks are performed for a specific employer [[or] at a specific location].

8[For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

8[If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*monthly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*monthly benefit*].

Self-Reported Symptoms means the manifestations of your condition, which you tell your *physician*, that are not verifiable using tests, procedures and clinical examinations standardly accepted in the practice of medicine. Examples of self-reported symptoms include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

Sickness means an illness, disease or disabling pregnancy. The sickness must begin while you are covered under this plan.

Substantial Assistance means the

- physical assistance of another person without which you would not be able to perform an activity of daily living; or
- constant presence of another person within arm's reach which is necessary to prevent, by physical intervention, injury to you while you are performing an *activity of daily living*.

Substantial Supervision means continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and which is necessary to protect you from threats to your health or safety.

Third Country National - means an [employee] who works outside his country of citizenship and outside the [*Employer's*] country of domicile.

Total Covered Payroll means the total amount of monthly earnings for which employees are incurred under this plan.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means Zurich American Life Insurance Company.

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]]

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
10/25/2010	Form	Certificate of Coverage Long Term Disability Plan	12/06/2010	2000 ZACERT-LTD-01-01 Certificate of Coverage Long Term Disability Plan 10-25-2010.do.pdf (Superceded)
10/25/2010	Form	Certificate of Coverage Short Term Disability Plan	12/06/2010	3000-ZACERT-STD-01-01 Certificate of Coverage Short Term Disability Plan 10-25-2010.pdf (Superceded)
10/25/2010	Form	Short Term Disability Plan Benefits Schedule	11/10/2010	3000-ZASCH-STD-01-01 Short Term Disability Plan Benefits Schedule 10-25-2010.pdf (Superceded)

[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Long Term Disability Plan]

[Zurich American Life Insurance Company] is pleased to welcome you as our client. This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.

[This long term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance [Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. **1**[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

Zurich American Life Insurance Company is located at:

2[1400 American Lane
Schaumburg, IL
60196]

Our toll free number is: [877-278-7556]
Our website address is: [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Long Term Disability Benefits
Additional Benefits and Programs
Retirement Contribution Benefits
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

Zurich American Life Insurance Company
[Toll Free Number: [877-278-7556]
Social Security Advocacy Program [877-278-7556]
Claim Information Toll Free Number [877-278-7556]]

[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]

General Provisions

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

1[Your Long Term Disability Plan]

2[This [disability plan] provides you with a source of [monthly] income if you should become disabled and unable to work because of an ***sickness*** or ***injury*** while covered under this ***Plan***.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your long term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[**Policyholder**]*; and
- You must be in [***active employment***],
- You must be in an [***eligible class***]; [and
- 3You must be working [outside] [inside] the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [***eligible class***]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[**You are in an [eligible class] if you are a: [**

- regular full-time *[employee]* in ***active employment***, as defined by your *[employer]* who is scheduled to work [35] hours per week on a regular basis.]

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [eligible class], the date you are eligible for coverage is the later of:

- The plan effective date[; [or
- 7The day after you complete your ***[service] waiting period]***.

8**[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9[What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. 1 [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] 1[The *[service] waiting period* is shown on the [Benefits Schedule].]

1[Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;
- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

12[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and

- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [monthly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

12[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] [You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

12[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

13[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **13** [

- you enroll for coverage for the first time.

- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of insurability* is not satisfactory to us;
- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- you enroll on the effective date of this plan for an amount of long term disability coverage that is greater than the amount of coverage you had in effect under any group long term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your long term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

13[The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

13[If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

14[Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

14[Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

[After Coverage Begins]

15[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

[You may decrease your coverage **16**[anytime] during the plan year.]

You may increase your coverage **16**[anytime] during the plan year or] during any annual enrollment period.]

[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

When Will Changes To Your Coverage Take Effect?

Once your coverage begins, any increased or additional coverage will take effect **16**[immediately]

[when your *evidence of insurability* is approved by us] if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.

17[An increase in your long term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **16**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

18[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

Once you have satisfied the *elimination period*, your premium and contributions, if any, will be waived for any period you are eligible to receive monthly benefits.

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **19**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- **19(a)**you return to the [U.S.A]. for more than [30-365 continuous days] [1-60 months];
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before **19(a)**the first premium due date that occurs after you stop *active employment*].
- [90-180] days after the date you [or your dependent] return to the U.S. to establish residency.
- the date on which you are age [60–100];
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

20[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your long term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

21 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

21[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

22 What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [e*mployer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within

[31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]

How Can Statements Made In Your Application For This Coverage Be Used?

We consider any statements you or your [*employer*] makes in a signed application for coverage

23[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date **1**[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

During the first [one, two] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [one-two] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, the validity of your [insurance] may not be contested by us unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

24[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits

associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.

- Serve as a constructive trustee for the benefits of this plan over any settlement or recovery funds received as a result of Third Party Injuries.

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation or State Disability Insurance?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. However, any Workers' Compensation benefits are considered a *deductible source of incom*e.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We shall have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

Long Term Disability Benefits

How Do We Define a 1[Long Term] Disability?

[Option A- Partial- Standard

2 [During the [*elimination] period*], you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[indexed monthly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury."].]

[After the *elimination period] [After monthly benefits have been payable for [6-unlimited months]*, you are disabled when we determine that:

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; [and] [or]
- you have a [10%-50%] or more loss in your [*indexed monthly earnings]* due to that *sickness* or *injury*] [You are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After [6-unlimited] months *benefits* have been payable, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and
- you are under the *regular care* of a *physician;*. [and] [or]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option B Standard For Residual)

4 [You are disabled when we determine that:

- you are [limited from performing] [unable to perform] the *material and substantial duties* of your *regular occupation* due [solely] to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician,* [and]
- you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury*] [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

3[After monthly payments have been payable for [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience; and

- you are under the *regular care* of a *physician;* [and] [or]
- [you have a [10%-50%] or more loss in your *indexed monthly earnings* due to the same *sickness* or *injury]* [you are unable to earn [50% -90%] of your [indexed monthly earnings] due to the same sickness or injury].]

(Option C Total Disability During the Elimination Period)

5 [During the *[elimination] period*,] you are disabled when we determine that:

- you are unable to perform the *material and substantial duties* of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

[After the *elimination period*] [After benefits have been payable for [6-unlimited] months], you are disabled when we determine that:

- you are unable to perform the material and substantial duties of your *regular occupation* due to your *sickness* or *injury*; and
- you are under the *regular care* of a *physician*; and
- you are not working at any job for compensation or profit.

3 [After *monthly benefits* have been payable [6-unlimited] months, you are disabled when we determine that due to the same *sickness* or *injury*:

- you are unable to perform the duties of any *gainful occupation* for which you are reasonably fitted by education, training or experience and
- you are under the *regular care* of a *physician*.; and
- you are not working at any job for compensation or profit.

Option D (Special)

6[Loss of License

You will be considered disabled, if solely because of *injury* or *sickness*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [40- 60% or less] of your *[covered monthly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [***gainful occupation***] for which you may reasonably become qualified based on your education, training or experience.]

7[You must be under the *regular care* of a *physician* in order to be considered disabled.]

7[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.]]

8[**How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?**

You must be continuously disabled through your ***[elimination] period***. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [5-90] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*.

[Your *[elimination] period* is [30-365 days] [1-60 months] [described in the Benefits Schedule].]

[Your *[elimination] period* is the longer of [0-36] months and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

9[**Can You Satisfy Your [Elimination] Period If You Are Working?**

Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled. We will send you a *monthly benefit* for any period for which we are liable.

What Are Your [Covered Monthly Earnings]?

10[***"Covered Monthly Earnings"*]** means your gross monthly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

11[It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

11[*Covered monthly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

12[It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

13[How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A (Direct Offset)

We will follow this process to calculate your benefit amount:

1) Multiply your ***[covered monthly earnings]*** by [30%-100%] [the monthly benefits percentage shown in the [Benefits Schedule].
2) The ***maximum monthly benefit*** is [$1 - unlimited] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *monthly benefit*. The lesser of these two amounts is your [***gross disability benefit***].
4) Subtract from your *gross disability benefit any* ***[deductible sources of income]***.

The amount figured in Item 4 is your ***monthly benefit***. The *monthly benefit* will be recalculated when your income changes or you receive any new *[deductible sources of income]*.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your benefit for each day of disability.]

Monthly benefit means your benefit amount after any *[deductible sources of income]* have been subtracted from your *gross disability benefit*.

Maximum monthly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* and *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *monthly benefit* is [$50-$10,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *monthly benefit*.] [Your *monthly benefit* will [not] be reduced for any *[deductible sources of income]*.]

[Option C (All Sources)

[To calculate the amount of the *monthly benefit*, take the lesser of:

1) your ***[covered monthly earnings]*** multiplied by [30%-100%] [the monthly benefit percentage shown in the [Benefits Schedule]]; or
2) your [*covered monthly earnings]* multiplied by the ***all sources monthly benefit percentage*** [of 30%-100%] [shown in the [Benefits Schedule], [less *[deductible sources of income]*]; or
3) the ***maximum monthly benefit*** shown in the [Benefits Schedule].]

How is Your Benefit Determined if You Are Disabled and Working?

Option A

For the first [6-unlimited] months of payable benefits:

1. If you are disabled and return to work, we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows: **[14**

   - During the first [6-unlimited] months of payable benefits, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [90%-125%] of *[indexed monthly earnings].*

     1) Add your monthly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

     If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
     If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

   - After benefits have been payable for [6-unlimited] months, while working, the amount of your *monthly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *monthly benefit*.]

Option B

A. [If you are disabled and return to work we will not reduce your *monthly benefit* for ***disability earnings*** if:
   - your monthly *disability earnings,* if any, are less than [20%] of your *[indexed monthly earnings]* due to the same *sickness* or *injury*; and
   - you have satisfied the *[elimination] period*.

B. [After [6-unlimited] months] if you are disabled and your monthly *disability earnings* are [20%] or more of your *[indexed monthly earnings]*, due to the same *sickness* or *injury*, we will calculate your *monthly benefit* as follows:

   14[During the first [6-36] months of *benefits*, while working, your *monthly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the gross disability benefit does not exceed [90% - 125%] of *[indexed monthly earnings].*

   1) Add your monthly *disability earnings* to your *gross disability benefit*.
   2) Compare the answer in item 1) to your *[indexed monthly earnings]*.

If the answer from item 1) is less than or equal to [90%-125%] of your *[indexed monthly earnings]*, we will not further reduce your *monthly benefit*.
If the answer from item 1 is more than [90%-125%] of your *[indexed monthly earnings]*, we will subtract the amount over [90% - 125%] from your *monthly benefit*.

15 [During the first] [After] [6-36] months of *benefits*, while working, your *monthly benefit* will be based on the percentage of income you are losing due to your disability.

1) Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2) Divide the answer in item 1) by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3) Multiply your *monthly benefit* by the answer in item 2).

This amount will be your new *monthly benefit*.]

We may require you to send proof of your *disability earnings* on a [monthly] basis. We will re-calculate your benefit [each month] and adjust your [monthly] benefit based on your monthly *disability earnings*.

As part of your proof of *disability earnings*, we can require that you send us appropriate financial records, including copies of your IRS federal income tax return, W-2's and 1099's, which we believe are necessary to substantiate your income.

After the *[elimination] period*, if you are disabled for less than 1 month, we will send you [1/20th – 1/31st] of your *monthly benefit* for each day of disability.]

When Will Your Monthly Benefits End If Working While Disabled?

During the first [6- to unlimited months] of disability *benefits*, if your [*monthly disability earnings*] exceed [80% to 100%] of your [*indexed monthly earnings*], we will stop your benefits and your claim will end.

Beyond [6 to unlimited months] of disability *benefits*, if your monthly *disability earnings* exceed [40% to 100%] of your *[indexed monthly earnings]*, we will stop your benefits and your claim will end.

16 [***Disability earnings*** means the earnings which you receive while you are disabled and working[, plus the earnings you could receive if you were working to your greatest extent possible. This would be , based on your restrictions and limitation:

- During the first [6-unlimited months] of disability *benefits*, the greatest extent of work you are able to do in your [*regular occupation*], that is reasonably available.
- Beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably fitted by education, training or experience.]

[Salary continuance paid to supplement your *disability earnings* will not be considered payment for work performed.]

---

7 [We will review your status from time to time. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine

you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

17[What Will We Use For [Covered Monthly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use your monthly earnings from your [employer] in effect just prior to the date your absence begins.]

18[How Can We Protect You If You're Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from month to month, we may average your *disability earnings* over the most recent [3-12] months to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [3-12] months exceeds [40%-80%] of *[indexed monthly earnings]*. We will not pay you a benefit for any month during which *disability earnings* exceed [40-80%] of [*indexed monthly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[:**19**

- During the first [6-unlimited months] of disability benefits, the average of your *disability earnings* from the last [3-12] months exceeds [80%-100%] of *[indexed monthly earnings]*; or
- Beyond [6-unlimited months] of disability *benefits*, the average of your *disability earnings* from the last [3-12] months exceeds [40%-100%] of *indexed monthly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum monthly benefit* will not be paid when *disability earnings* exceed the above amounts.]

20 [What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[*Deductible sources of income* are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *monthly benefit* is calculated and may reduce your *monthly benefit.]*

20We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **20a[**

1. The amount that you receive or are entitled to receive under:
    - a workers' compensation law
    - an occupational disease law
    - any other ***plan, act or law*** with similar intent.

2. **20b** The amount that you receive or are entitled to receive as disability income *benefits* under any:
    - state compulsory benefit act or law
    - automobile liability insurance policy
    - other group insurance plan
    - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **20c** [your spouse and children] receive or are entitled to receive as disability *benefits* because of your disability under:
    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan
    - the Railroad Retirement Act
    - any similar *plan, act or law* of any country, state or province.

    [Amounts paid to your former spouse or to your children living with such spouse will not be included.] **20c**

4. The gross amount that you receive as retirement payments or the amount **20c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan
    - the Railroad Retirement Act
    - any similar *plan, act or law* of any country, state or province.

    This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

    [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

    [Benefits paid to your former spouse or your children living with such spouse will not be included.] **20c**

5. The amount that you:
    - receive as disability benefits under your [*employer*'s] ***retirement plan***;
    - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
    - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

    Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

    Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement

benefit under the plan will also be considered as a retirement benefit.

[Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

20d Amounts received do not include amounts rolled over or transferred to any eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future amendments that affect the definition.

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **20e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total *monthly benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross monthly earnings.] **20f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **20g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **20h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement

payments.**]**

[What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [**21**

- 401(k) plans
- profit sharing plans
- thrift plans
- tax sheltered annuities
- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance
- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

22[What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Monthly Benefit)?

If your *monthly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum monthly benefit*. [Your *minimum monthly benefit* is listed on the [Benefits Schedule].

[The *minimum monthly benefit* is [the greater of:]

- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]

[The *minimum monthly benefit* is [the lesser of:

- [$0-unlimited] [; or
- [1%-50%] of your *gross disability benefit*.]]

We may apply your *minimum monthly benefit* toward any outstanding overpayment.

The *minimum monthly benefit* will not be paid in any month when *disability earnings* exceed [60-80%] of your *[indexed monthly earnings]*. This includes when we average your *disability earnings* as described above.]

23[What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *monthly benefit* due to a cost of living increase from that source.]

24[What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits [under Item(s) 1, 2, 3, 9, 10, and 11] in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *monthly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

   Your *monthly benefit* may **NOT** be reduced by the estimated amount if you:

   - apply for the disability benefits [under Item(s) 1, 2 3 ,9, 10 or 11] in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
   - sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

   If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

   - of the amount awarded; or
   - that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

25[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a monthly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one.]

26[What Is The Maximum Benefit Period?

You will receive a benefit for each month you remain disabled up to the ***maximum benefit period***.

7 [Your *maximum benefit period* is [12 months to lifetime].]

7[Your *maximum benefit period* is to age [60-95].

[Your *maximum benefit period* is based on your age at disability as follows:

27 [Maximum Benefit Duration Schedule

Age At Disability	Maximum Benefit Period
[Less than age 62	To Social Security Normal Retirement Age
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months

Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months]
Year of Birth	**Social Security Normal Retirement Age**
1937 or before	65 years
1938	65 years 2 months
1939	65 years 4 months
1940	65 years 6 months
1941	65 years 8 months
1942	65 years 10 months
1943-1954	66 years
1955	66 years 2 months
1956	66 years 4 months
1957	66 years 6 months
1958	66 years 8 months
1959	66 years 10 months
1960 and after	67 years]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**28**

- the end of the *maximum benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- during the first [6-unlimited] months of benefits, when you are able to work in your [*regular occupation*] on a part-time basis but you choose not to;
- **29**after [6-unlimited] months of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your monthly *disability earnings* exceed [80%] of your *[indexed monthly earnings]*, the date your earnings exceed [80%];
- the date you fail to submit proof of continuing disability;
- after [12-60] months of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [6-60] months or more during any [12-60] consecutive months of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [*indexed monthly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 30[

- are not following a plan of ***appropriate care*** for your disability, or complications of your disability;
- are not receiving *appropriate care*;
- refuse to participate in [our *Rehabilitation Program*,a Worksite Modification Program, a transitional work arrangement or other modified work arrangement which may be for your *regular occupation* or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due.]

31[What Disabilities Have A Limited Pay Period Under Your Plan?

Option A

We will pay disability benefits on a limited basis for a disability caused by, or contributed to by, any one or more of the following conditions: [

- Disabilities, which as determined by us, due in whole or in part to mental illness have a limited pay period during your lifetime.

- Disabilities due to a *sickness* or *injury*, which as determined by us, are primarily based on ***self-reported symptoms*** have a limited pay period during your lifetime.

- Disabilities which as determined by us, due in whole or in part to alcohol abuse, drug abuse or dependency have a limited pay period during your lifetime.]

The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by: [

- mental illness,

- alcohol abuse and drug abuse or dependency; and
- disabilities based primarily on ***self-reported symptoms*]**

is [6-unlimited] months during your lifetime. Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.

32[Option B

[The lifetime cumulative *maximum benefit period* for all disabilities caused by, or contributed to by, any one or more of the following condition(s) is [6-unlimited] months during your lifetime:

- [Alcoholism
- Anxiety disorders
- Depressive disorders
- Drug addiction or abuse
- Eating disorders
- Fibromialgia
- Mental illness
- Psychotic disorders
- Schizophrenia
- Somatoform disorders (psychosomatic illness)
- Chemical and environmental sensitivities
- Subjective Symptom Conditions
- Chronic fatigue syndrome
- Thoracic outlet syndrome]

Only [6-unlimited] months of benefits will be paid for any combination of such disabilities even if the disabilities:

- are not continuous; and/or
- are not related.]

Benefit Extension

We will continue your benefits beyond the [6-unlimited] month period if you meet one or both of these conditions:

1. If you are ***confined*** to a hospital or institution at the end of the [6-unlimited] month period, we will continue your benefits during your ***confinement***.
   If you are still disabled when you are discharged, we will continue your benefits for a recovery period of up to [30-365 days].

   If you become re-confined at any time during the recovery period and remain confined for at least [14] days in a row, we will continue your benefits during that additional confinement and for one additional recovery period up to [30-180] more days.

2. In addition to item 1, if, after the [6-unlimited] month period for which you have received benefits, you continue to be disabled and subsequently become confined to a hospital or institution for at least [14] days in a row, we will continue benefits during

the length of the re-confinement.

We will not pay beyond the limited pay period as indicated above, or the *maximum benefit period*, whichever occurs first. [We will not apply any period of confinement to your lifetime cumulative maximum.]

Exceptions

We will not apply the *[mental illness]* limitation to dementia if it is a result of: **33[**

- stroke;
- trauma;
- viral infection;
- Alzheimer's disease; or
- other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.]

What Disabilities Are Not Covered Under Your Plan?

[Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: [**34**

- a ***pre-existing condition;***
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness otherwise covered by the group insurance policy;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or *sickness* while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;
- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure

- normal pregnancy or childbirth; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]

35 [The following specific [conditions] [diagnoses] are not covered under this group insurance policy:

- Human Immunodeficiency Virus (HIV); and
- Acquired Immune Deficiency Syndrome (AIDS)]

36 [Your plan does not cover a disability while you are outside the [country of [England, United States, territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37 **[Active participation in war or terrorism**

No Benefit is payable in the event of a claim arising from your:

- active engagement in an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention or effect of influencing any government or of putting the public or any section of the public in fear; or
- active involvement in war, invasion, act of foreign enemies, hostilities or war-like operation (whether war be declared or not), civil war,mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force, terrorism or violence.]

37 **[Passive participation in war**

No benefit is payable if you;

- go to and remain in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against 'all travel' there; or
- go to and remain for a period of more than 28 days per stay in a country or an area where the [U.S. State Department] [British Government Foreign and Commonwealth Office] advises against 'all but essential travel'; and
- the claim arises either directly or indirectly as a consequence of war, invasion, act of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular uprising, military uprising, insurrection, rebellion, riot, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow or to the influencing of any Government or ruling body by force, terrorism or violence.]

37 **[Nuclear, biological and chemical events**

No benefit is payable in the event of a claim arising, directly or indirectly, from any of the following:

- nuclear fission, fusion or radioactivity;
- the use of nuclear, biological and chemical weapons and/or devices;
- attacks on or sabotage of facilities and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents.]

38 **[What Is a Pre-Existing Condition?**

You have a ***pre-existing condition*** if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -24 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the [3 days -24 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pe-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

39[What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [12-24] months, thereafter you are covered 100%.
- The *maximum monthly benefit* is limited to [10%-90%] of your *[covered monthly earnings]*, not to exceed the *maximum monthly benefit* shown in the [Benefit Schedule].
- The *maximum benefit period* is limited to [1 – 24] months.]]

40[How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

41What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a *sickness* or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *monthly benefit* will be limited to the amount that would have been paid by the prior carrier. We will reduce your *monthly benefit* by any amount for which your prior carrier is liable.

42[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *monthly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *monthly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *monthly benefit* will be the lesser of:

- the *monthly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *monthly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

43[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this long term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing *sickness* or *injury* will not increase. Instead, the benefits are limited to the

amount you had on the day before the plan change.]

44 What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior claim and your *recurrent disability*; and

- your recurrent disability occurs within [3-12] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [3-12] months from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group long term disability plan, you will not be eligible for benefits under this disability plan.

45 [What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, we will treat your disability as part of your prior claim and you will not have to complete another *[elimination] period* if:

- you were continuously working full time for the period between the end of your prior claim and your *recurrent disability*; and
- your *recurrent disability* occurs within [6] months from the end of your prior claim.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

If you become entitled to benefits under any other group long term disability plan, you will not be eligible for *benefits* under this disability plan.]

[Additional Long Term Disability Benefits and Programs

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

[Survivor Benefit
What benefits will be provided to your family if you die or are terminally ill?

1 Death Benefit
When we receive proof that you have died, while [totally] disabled, we will pay your *eligible survivor* a lump sum benefit equal to [3-24] months of your [*gross disability benefit*] [*monthly benefit]* if, on the date of your death:

- your disability had continued for [180-365 or more consecutive days] [6-24 months]; and
- you were receiving or were entitled to receive payments under this *Plan*.

However, we will first apply the survivor benefit to any overpayment that may exist on your claim.

If you have no *eligible survivors*, [no payment will be made] [payment will be made to your estate, unless there is none.]

2 [Accelerated Survivor Benefit
You may receive your [3-24] month survivor benefit prior to your death if you have been diagnosed as terminally ill. We will pay you a lump sum amount equal to [3-24] months of your *gross disability benefit* if:

- you have been diagnosed with a terminal illness or condition;
- your life expectancy has been reduced to less than [6-24] months; and
- you are receiving *monthly benefits*.

Your right to exercise this option and receive payment is subject to the following:

- you must make this election in writing to us; and
- your ***physician*** must certify in writing that you have a terminal illness or condition and
- your life expectancy has been reduced to less than [6-24] months.

This benefit is available to you on a voluntary basis and will only be payable once. If you elect to receive this benefit prior to your death, no survivor benefit will be payable upon your death.]

3 [[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible

colleges for a child, to helping to deal with the stress of the workplace. This program is available for everyday issues as well as crisis support.]

4[[Social Security Advocacy Program]

How can we assist you with obtaining Social Security Disability Benefits?

In order to be eligible for assistance from our [Social Security Advocacy Program], you must be receiving *monthly benefits* from us. We can provide expert advice regarding your claim and assist you with your application or appeal.

Receiving Social Security benefits may enable:[

- you to receive Medicare after 24 months of disability payments;
- you to protect your retirement benefits; and - your family to be eligible for Social Security benefits.
- We can assist you in obtaining Social Security disability benefits by: helping you find appropriate legal representation;
  - obtaining medical and vocational evidence; and
  - reimbursing pre-approved case management expenses.]

[This program can be accessed by a 1-800 telephone number available 24 hours a day, 7 days a week or online through a website.]

[Information about this program can be obtained through your [plan administrator]. This service is also available to your [***employer***].]]

5[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

6[Additional Benefits While You Participate In Our *[Rehabilitation Program]*

We will pay an additional benefit of [1%-10%] of your [*gross disability benefit*] to a maximum benefit of [$1,000] per month. This benefit is not subject to policy provisions which would otherwise increase or reduce the benefit amount such as *[deductible sources of income]*. However, the ***maximum benefit*** and ***maximum benefit period*** will apply. [In addition, we will continue benefits for you for [3-12] months following the date your disability ends if we determine you are no longer disabled while:

- you are participating in our [*Rehabilitation Program*]; and
- you are not able to find employment.

This benefit payment may be paid in a lump sum.]

[When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.]

7[Dependent Care Expense Benefits While You Participate in a [Rehabilitation Program]

While you are participating in our *[Rehabilitation Program]***,** we will pay a Dependent Care Expense Benefit when you are disabled and you:

- are incurring expenses to provide care for a child under the age of [5-15]; and/or
- start incurring expenses to provide care for a child age [11-15] or older or a family member who needs personal care assistance.

The payment of the Dependent Care Expense Benefit will begin immediately after you start our *[Rehabilitation Program]*. Our payment of the Dependent Care Expense Benefit will:

- be [$ 250-$1000] per month, per dependent; and
- not exceed [$500-$5000] per month for all dependent care expenses combined.

To receive this benefit, you must provide satisfactory proof that you are incurring expenses that entitle you to the Dependent Care Expense Benefit.

Dependent Care Expense Benefits will end on the earlier of the following:

- the date you are no longer incurring expenses for your dependent;
- the date you no longer participate in our *[Rehabilitation Program]*; or
- any other date benefits would stop in accordance with this *Plan*.]]

8[Education Expenses Benefit For Eligible Students

If you are disabled and receiving long term disability benefits under this *Plan*, you will receive a monthly Education Benefit for each child that is an ***eligible student***. Education Benefits are in

addition to your long term disability benefits.
Benefits will be payable in between terms as long as the *eligible student* is enrolled for the next scheduled term.

The Education Benefit will:

- be [$ 50-$200] per month, per *eligible student*; and
- not exceed [$100-$500] per month for all *eligible students* combined.

Education Benefits will stop at the earliest of:

- the date the child is no longer an *eligible student*; or
- any other date monthly benefits would stop in accordance with this plan.]

9[Cost Of Living Adjustment Benefit

We will make a cost of living adjustment (COLA) [on July 1] after you have received [2] full years of payments for your disability.

Your benefit will increase on that date by the lesser of the current annual increase in the Consumer Price Index (CPI-W) or] [1% -5%] each July 1s and each following anniversary not to exceed] **5** [1-unlimited] [anniversary] adjustment periods while you continue to receive payments for your disability.

[We will make a cost of living adjustment (COLA) on [July 1] if you are disabled and not working on that date and have been disabled for all of the [12-24] months before that date.

Your benefit will increase on that date by [1%-10%]. You will not receive more than [1-5] cost of living adjustments while you continue to receive benefits for your disability.]

Each month we will add the cost of living adjustment to your *monthly benefit*. When we add the adjustment to your *monthly benefit*, the increase may cause your *monthly benefit* to exceed the *maximum monthly benefit*.

9Compound Interest Cost of Living Example:

Your *monthly benefit* = $1500
Cost of Living Adjustment % (COLA%) = 1%

Each [July 1] after 12 or more months of disability payments	**Your monthly payment x (100% + 2%)**	**New Payment**
1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2%) x (100% + 2%)	= $1561
3rd	$1500 x (100% + 2%) x (100% + 2%) x (100% + 2%)	= $1592]

[Compounding interest will continue up to the maximum number of adjustments.]

10[Simple Interest Cost of Living Example

1st	$1500 x (100% + 2%)	= $1520
2nd	$1500 x (100% + 2% +2%)	= $1560

3rd $1500 x (100% + 2% + 2% + 2%) = $1590]

[Simple interest will continue up to the maximum number of adjustments.]

Consumer Price Index (CPI-W) means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the US Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.]
We will use the CPI in effect [on] [immediately prior to] [the calendar year prior to] [the date of your increase.]

11[Worksite Modification Benefit

How can we help your employer identify and provide worksite modification?

A worksite modification might be what is needed to allow you to perform the ***material and substantial duties*** of your ***regular occupation*** with your [*employer*]. One of our designated professionals will assist you and your [*employer*] to identify a modification we agree is likely to help you remain at work or return to work. This agreement will be in writing and must be signed by you, your *[employer]* and us. When this occurs, we will assist your [*employer*] with the cost of the modification, up to the greater of:

- [$1,000], or
- the equivalent of [2] months of your *monthly benefit*. This benefit is available to you on a one time only basis.]

12[Plan Conversion Option

What Insurance Is Available If You End Employment (Conversion)

If you end employment with your *[employer],* your coverage under this *Plan* will end. You may be eligible to purchase insurance under our group conversion policy. To be eligible, you must have been insured under your [employer's] group plan for at least [12] consecutive months. We will consider the amount of time you were insured under our *Plan* and the plan it replaced, if any.

You must apply for insurance under the conversion policy and pay the first quarterly premium within 31 days after the date your employment ends. We will determine the coverage you will have under the conversion policy. The conversion policy may not be the same coverage we offered you under your [employer's] group plan.

You are not eligible to apply for coverage under our group conversion policy if:

- you are or become insured under another group long term disability plan within [31] days after your employment ends;
- you are disabled under the terms of the plan;
- you recover from a disability and do not return to work for your *[employer]*;
- you are on a leave of absence; or
- your coverage under the plan ends for any of the following reasons:
    - the plan is cancelled;
    - the plan is changed to exclude the group of employees to which you belong;
    - you are no longer in an eligible group;
    - you end your working career or retire and receive payment from any

[employer's] retirement plan; or
- you fail to pay the required premium under this plan.]

13[Recovery Income Protection

You may be eligible for an additional monthly benefit following your disability. We will be eligible for this benefit if you have been disabled and you satisfy each of the following:

- you have satisfied the *[elimination period]* for that disability;
- you return to your *regular occupation* full time with the [*employer*] on the earlier of the date your disability ends or the date your benefits cease;
- you have a [20%] or more loss in your *[indexed monthly earnings]* due to the same disability; and
- you have received at least [3] months of disability benefits for that disability under the *Plan*.

Recovery income protection benefit payments will end on the earliest of the following:

- the date [3] months recovery income protection benefits have been paid; or
- the date your current earnings exceed 80% of your *[indexed monthly earnings]*.]

14[Revenue Protection Benefit For [Employers]

If you are receiving monthly benefits under this *Plan*, we will make a payment to the [*employer*]. This benefit will be paid for [12] months to the [*employer*]. This payment will be [1%-50%] of your *[covered monthly earnings]* up to [$0-$5,000]. We will not subtract *[deductible sources of income]* from this payment.

If you are disabled and working and your monthly *disability earnings* are from [20% through 80%] of your *[indexed monthly earnings]*, the payment will be based on the percentage of income you are losing due to your disability according to the following steps:

1. Subtract your *disability earnings* from your *[indexed monthly earnings]*.
2. Divide the answer in Step 1 by your *[indexed monthly earnings]*. This is your percentage of lost earnings.
3. Multiply the extra payment (payable to the [*employer*], noted above) by the percent of lost earnings in Step 2.

This is the amount payable to the [*employer*].]]

[Retirement/Pension Plan Contribution Benefits]

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

These services are also available as part of your Long Term Disability Plan

[Retirement/Pension Plan Contribution Benefit

If you are receiving benefits for your disability under this *Plan* and have been continuously disabled for at least [180 days] [3-12 months], you may be eligible to receive a supplemental payment equal to:

Option 1

[[1-25%] of your *[covered monthly earning*s]*,* not to exceed the maxiumum amount allowed by law as determined by your [employer].]

Option 2

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the maximum amount allowed by law, as determined by your [employer].]

Option 3

[the lesser of:
- [1%-25%] of your *[covered monthly earnings]*; or
- [$250 -$10,000]; and
- the amount of the average monthly tax deferred contributions you and your [employer] made to your [employer's pension plan during the last [12-60] calendar months prior to the date your disability started or the amount of time you participated in the pension plan if fewer then [12-60] months.]

Benefit Requirements

A pension plan contribution benefit will be payable if:

- a disability starts while you are covered by this Plan;
- your were an active participant in your [employer's] pension plan for at least [12-60] months prior to the date your disability started.
- your disability continues during and past the elimination period;
- your disability continues for [3-12] months;
- payment of your monthly payment is not excluded by any other terms of this Plan; and
- payment of a monthly pension contribuiton benefit is not excluded by law or your [employer's] pension plan.

The pension plan contribution benefit is first payable after the *[elimination period]* or, if later, the date you would have been eligible to participate if you were not disabled.

The monthly amount of your pension contribution benefit will be calculated in accordance with the formula used by your [*employer*] to compute monthly contributions to be made by you and your [employer]. If you are working while you are disabled, your supplemental payments will be

multiplied by your percentage of lost income as determined above to calculate the amount.

1[This benefit will not be reduced by *deductible sources of income*.]

This benefit will be paid to the trustee or administrator of your pension plan after proof of your participation in the plan is verified.

Termination of Benfits
This benefit will end the earlier of any of the following:

- The date your disability ends for any reason;
- The date you are not longer eligible to be an active participant in your [employer's] pension plan;
- The date your [employer's] pension plan is frozen or terminated;
- The date your [employer] notifies us it is necessary to terminate the benefit to comply with the Internal revenue Code, ERISA, or any other federal, state or the law of any country where you reside.

Employer [Pension] Fund Contribution – To calculate the amount of monthly contribution multiply the insured's monthly benefit by the [Employer Pension] percentage in the [Benefits Schedule]. This is the amount we will pay each month to the [employer] to be contributed into the fund.

2[Pension plan means a plan which provides retirement benefits and which is not wholly funded by employee contributions. The term shall not include a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity plan (TSA), a stock ownership plan or a non-qualified plan of deferred compensation.]

3[National Insurance Contribution Benefit

National Insurance is a system of taxes and related social security benefits which has operated in the United Kingdom since its introduction in 1911, and wider extension by the government of Clement Attlee in 1946.

To calculate the amount of your monthly contribution multiply the insured's monthly benefit by the precentage shown in the [Benefits Schedule]. These funds will then be sent along each month to the [Policyholder] to be contributed into the plan.]

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Long Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [30-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [90-365 days] after your elimination period. If it is not possible to give proof within [90-365 days], it must be given no later than [1-5] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring ***evidence of insurability***, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within [15] days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending ***physician*** for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your monthly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the ***[elimination period]*** for your Long Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5**[***regular occupation*** or any ***gainful occupation*** or an ***activity of daily living***]; and
7. The name and address of any inpatient or outpatient facility, ***hospital***, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [30-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of ***[deductible sources of income]****, during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [30-365] days of our written request. If you do not return the overpayment to us within [30-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

8[Examples of *[deductible sources of income]* are:

- Workers' compensation;
- Federal Social Security benefits;
- Disability payments made by, or on behalf of, a third party as a result of any person's
- action or inaction.]

1[All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7[Unpaid Premium Due:

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim [60 days] after proof of claim has been given to us and up to [3 years] from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge

upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be

completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such sources of income until any *benefit overpayments have been recovered in full.*

Discretionary Acts

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's discretionary authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Activities of Daily Living

- Bathing - the ability to wash yourself either in the tub or shower or by sponge bath with or without equipment or adaptive devices.
- Dressing - the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn.
- Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing.
- Transferring - the ability to move in and out of a chair or bed with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorized devices.
- Continence - the ability to either:
  -voluntarily control bowel and bladder function; or
  -if incontinent, be *able* to maintain a reasonable level of personal hygiene.
- Eating - the ability to get nourishment into the body.

1**Administrator** means [Zurich American Life Insurance Company.] [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].

[References to [the Company and] [Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and
- who has paid initial premium and fees.

Cognitive Impairment means a loss or deterioration in intellectual capacity that is

- comparable to and includes Alzheimer's disease and similar forms of irreversible dementia; and
- measured by clinical evidence and standardized tests that reliably measure impairment in the individual's short-term or long-term memory, orientation as to person, place or time; and deductive reasoning.

Complication of Pregnancy means a condition, when pregnancy is not terminated, whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy. Complication of pregnancy includes, but is not limited to, non-elective Cesarean section; termination of ectopic pregnancy; spontaneous termination of pregnancy occurring during a period of gestation in which a viable birth is not possible; acute nephritis or nephrosis; cardiac decompensation; missed abortion; and similar medical and surgical conditions of comparable severity. It does not include false labor; occasional spotting; morning sickness; doctor prescribed rest; hyperemesis gravidarum; pre-eclampsia; or any other condition associated with the management of a difficult pregnancy not consisting of a nosologically distinct complication of pregnancy.

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Monthly Earnings] means your gross monthly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability

had not occurred. (If the payment does cause a reduction, it will be considered a retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working, plus the earnings you would receive if you were working to your *maximum capacity*. **2** [This would be based on your restrictions and limitations:

- during the first [6-unlimited months] of disability payments, the greatest extent of work you are able to do in your regular occupation, that is reasonably available.
- beyond [6-unlimited months] of disability payments, the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably filled by education, training or experience].

[Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [***eligible class***] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Eligible Student means your unmarried dependent children who are

- less than 25 years of age; and
- attending an accredited post-secondary school, beyond the 12th grade level on a full time basis.

Eligible Survivor - means your spouse, if living, otherwise your children under age [25] equally.

Elimination Period - means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] [and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] [Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. [This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] – means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Expatriate means an employee who is working outside his or her country of **3**[permanent residence] [citizenship].

[Full-Time] as used with the Education Benefit means a full course load as defined by the accredited post secondary school.

Full-Time as used other than with the Education Benefit, means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within 12 months of your return to work, that exceeds:
[40%-100%] of your *indexed monthly earnings*, if you are working; or
[40-100%] of your *indexed monthly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the *regular occupation* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Grace Period means a period of time following the premium due date during which premium payment may be made.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

[Indexed Monthly Earnings] For the first year you are disabled your [*indexed monthly earnings]* will be equal to your *monthly covered earnings*. After you have been disabled for one year, your [*indexed monthly earning]* means your [*covered monthly earnings]* adjusted on each anniversary of benefit payments, after a 12 month period of disability by the lesser of [1%-10%] or the current annual percentage increase in the Consumer Price Index. Your [*indexed monthly earnings]* may increase or remain the same, but will never decrease.

The U.S. Department of Labor publishes the consumer price Index (CPI-W). We reserve the right to use some other similar measurement if the Department of Labor changes or stops publishing the CPI-W. Indexing is only used as a factor in the determination of the percentage of lost earnings while you are disabled and working in the determination of any *gainful occupation*.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other causes. The injury must occur and the disability must begin while you are covered under this plan. 4[Exception: any disability that occurs more than [60] days after the injury will be considered a sickness for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.

Key Local National means an [employee] of the [employer] working and residing within his or her country of permanent residence[and outside the [*Employer's*] country of domicile,] and who the [employer] has designated as essential to the management of that country's operation.

Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Master Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group long term disability insurance to cover eligible employees.

Material and Substantial Duties means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Capacity means based on your restrictions and limitations:

- during the first [24] months of disability, the greatest extent of work you are able to do in your regular occupation that is reasonably available, and
- beyond [24] months of disability the greatest extent of work you are able to do in any occupation, that is reasonably available, for which you are reasonably qualified by education, training or experience.

Maximum Period of Payment means the longest period of time we will make payments to you for any one period of disability.

5**[Mental Illness]** means a psychiatric or psychological condition classified in the Diagnostic and Statistical Manual of Mental Health Disorders (DSM) published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, schizophrenia, depression, bipolar illness, or disorders relating from stress or to substance abuse or dependency. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of the disability. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other methods of treatment as standardly accepted in the practice of medicine.

Monthly Benefit means your benefit amount after any *deductible sources of income* [and

disability earnings] have been subtracted from your *gross disability benefit***.**

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

[Own Job] means the job the [employee] routinely performs at the time the disability begins. In evaluating the disability, we will consider the duties of the job as it is normally performed for the [Employer].

[Own-Specialty Occupation means the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your ***own specialty occupation*** [for your initial period of disability].]

6[If you are a [physician or a lawyer] whose practice is limited to a specialty, own specialty means only the specialty that you practiced on the day before your disability began.]

6[If you are a [physician or dentist], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [[American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your indexed monthly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible employees.]

7[Pre-Existing Condition means a condition for which you received medical treatment,

consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [*indexed monthly earnings*].
- your [*indexed monthly earnings*] multiplied by the [monthly benefit percentage] [or if less,
- the amount of the *maximum monthly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Long Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed [in the national economy, instead of] [, and] how the work tasks are performed for a specific employer [[or] at a specific location].

8[For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

8[If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to

work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*monthly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*monthly benefit*].

Self-Reported Symptoms means the manifestations of your condition, which you tell your *physician*, that are not verifiable using tests, procedures and clinical examinations standardly accepted in the practice of medicine. Examples of self-reported symptoms include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

Sickness means an illness, disease or disabling pregnancy. The sickness must begin while you are covered under this plan.

Substantial Assistance means the

- physical assistance of another person without which you would not be able to perform an activity of daily living; or
- constant presence of another person within arm's reach which is necessary to prevent, by physical intervention, injury to you while you are performing an *activity of daily living*.

Substantial Supervision means continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and which is necessary to protect you from threats to your health or safety.

Third Country National - means an [employee] who works outside his country of citizenship and outside the [*Employer's*] country of domicile.

Total Covered Payroll means the total amount of monthly earnings for which employees are incurred under this plan.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means Zurich American Life Insurance Company.

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]]

1[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Short Term Disability Plan]

This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.

1[This Short term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance [Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. 1[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

[Zurich American Life Insurance Company] is located at:

2[1400 American Lane, Schaumburg, IL 60916]

Our toll free number is: 2 [877-278-7556]

Our website address is: 2 [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Short Term Disability Benefits
Programs
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

[Zurich American Life Insurance Company]

2[Toll Free Number:	[877-278-7556]
Social Security Advocacy Program	[877-278-7556]
Claim Information Toll Free Number	[877-278-7556]]

1[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

1[Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

3[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

General Provisions

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

1[Your Short Term Disability Plan]

2[This 1[short term disability] plan provides you with a source of [weekly] income if you should become disabled and unable to work because of an [*sickness*] or *injury* while covered under this *Plan*.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Kemper Investors Life Insurance Company; Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your short term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[Policyholder]*; and
- You must be in [*active employment*],
- You must be in an [*eligible class*] 3[; and
- You must be working inside the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [*eligible class*]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[You are in an [*eligible class*] if you are a: [

- regular full-time *[employee]* in *active employment*, as defined by your *[employer]* who is scheduled to work [35] hours per week on a regular basis.]

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [*eligible class*], the date you are eligible for coverage is the later of:

- The plan effective date; [or
- 7The day after you complete your *[service] waiting period.]*

8**[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9[What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. **3** [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] **3**[The *[service] waiting period* is shown on the [Benefits Schedule].]

1[Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;
- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

12[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

13[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and
- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

14[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [weekly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

15[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] **1**[You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

16[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

16[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

1[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **16**[

- you enroll for coverage for the first time.
- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of insurability* is not satisfactory to us;
- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group short term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;

- you enroll on the effective date of this plan for an amount of short term disability coverage that is greater than the amount of coverage you had in effect under any group short term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your short term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

1[The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

1[If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

17[Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

17[Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

18 [Increases in Coverage Amounts [At Enrollment] [After Enrollment]

[You can become insured for additional coverage for an amount in excess of [$100-$20,000] [and] [or] [40%-90%] of your [predisability earnings] if you submit [evidence of insurability] to us, and such evidence is approved by us.]

[You can apply to increase your coverage by more than [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us. This applies even if we have previously approved your evidence of insurability.]

[If, on the effective date of this plan, you apply to increase your coverage that was in effect under

prior coverage [by more than] [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us.]

[After Coverage Begins]

19[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31-365] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

1[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

1[You may decrease your coverage **20**[anytime] during the plan year.]

You may increase your coverage **20**[anytime] during the plan year or] during any annual enrollment period.]

1[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

21When Will Changes To Your Coverage Take Effect?

[Effective Date for Benefit Changes Due to a Change in [Covered Weekly Earnings]
[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*covered weekly earnings*] will be effective [immediately] [.] [on] [the first of the month next following] [the date of the change] [the [January 1] next following] [the policy anniversary date] [when your [*evidence of insurability]* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

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

[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*eligible class*] will be effective [immediately] [.] [on] [the first of the month next following [the date of the change] [the [January 1] next following] [the policy anniversary date]

[when your *evidence of insurability* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

Effective Date for Benefit Changes by [Policy] Amendment
[Unless [*evidence of insurability*] is required, a] [A] change in your [*covered weekly benefit*] due to a change in the [*policy]* by an amendment elected by the [*policyholder*], will be effective on the

date of the change, if you are in *active employment* [.]**1**[,or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* on the date a benefit payable change would otherwise be effective, any increased or additional coverage will begin on the date you return to *active employment*. A change in your benefit payable because of a change made by the Company will normally be effective on the [policy] anniversary date, or as otherwise determined by state or federal law, or by us. However, if you are not in *active employment* on the date a benefit payable change would otherwise be effective, the benefit payable change will not be in force until you return to *active employment*.

22 [Effective Date for Benefit Changes [by Election]

[Once your coverage begins, any increased or additional coverage will take effect **20**[immediately] [the first of the month] [following the date] [when your *evidence of insurability* is approved by us] if

you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

23[An increase in your short term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **20**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

24[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **25**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before the first premium due date that occurs after you stop *active employment*].
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

26[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your short term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

27 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

27[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

28What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [e*mployer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within [31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]

How Can Statements Made In Your Application For This Coverage Be Used?

In the absence of fraud, we consider any statements you or your [*employer*] makes in a signed application for coverage **1**[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date **1**[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

In the absence of fraud, during the first [one, two] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [one-two] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, the validity of your [insurance] may not be contested by us unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

29[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.
- Serve as a constructive trustee for the benefits of this plan over any settlement or recovery funds received as a result of Third Party Injuries.

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. However, any Workers' Compensation benefits are considered a *deductible source of incom*e.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

1[Short Term] Disability 1[Income] Benefits

The 1[short term disability] plan provides you with a source of income if you should become disabled because of a *[sickness]* or *injury* related condition while covered under this plan.

1[Short term] [D][d]isability coverage will pay a *weekly benefit* if you are disabled and unable to work because of: a [*sickness*] 2[that is non-*occupational [sickness];* or an *injury* 2[that is a non-*occupational injury*.]

3[[Short term] [D][d]isability coverage will only cover a disability caused by a non-occupational [*sickness*] or injury except in the case of sole proprietors or partners who cannot be covered by workers' compensation.]

4[An *occupational [sickness] or injury* is any [*sickness*] or *injury* that:

- Arises out of (or in the course of) any activity in connection with employment or self-employment whether or not on a full-time basis; or
- Results in any way form an [*sickness*] or injury which does.]

5[However, if proof is provided to us that a claim has been made under any type of workers' compensation law and that no benefit, award, settlement or redemption has been or will be made under such law for that *[sickness]* or *injury*, then that *[sickness]* [or] [*injury*] will not be considered an *occupational [sickness]* or an *occupational injury]*.]

6How Do We Define a 1[Short Term] Disability?

You are considered to be disabled if, solely and directly because of a 2[non-occupational] [*sickness*] [or] [injury], if all of the following applies:

- You must be covered by this Plan at the time you become disabled;
- You must be under the *regular care* of a *physician* for your [sickness] or *injury*; and
- You must meet the definition of disability below:

Option A

7 [You are disabled when we determine that:

- you are [unable to perform] [limited from performing] [one or more of] the *material and substantial duties* of your *[own job]* [*regular occupation]* due [solely] to your [*sickness]* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]

8[After [13-104] weeks *benefits* have been payable,] [Y]you are disabled when we determine that due to the same [*sickness]* or *injury:*

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your [own job] [*regular occupation] [any gainful occupation]* due 1[solely] to your [*sickness]* or *injury*; and

- you are under the *regular care* of a *physician*;[[and] [or]
- **9**you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]
-]

Option B (Special)

10[Loss of License

You will be considered disabled, if solely because of *injury* or [*sickness]*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [20%-60% or less] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]
- of your *[covered weekly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [regular occupation] [*gainful occupation*] for which you may reasonably become qualified based on your education, training or experience.]

4[You must be under the *regular care* of a *physician* in order to be considered disabled.]

4[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.

11[How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?

You must be continuously disabled through your *[elimination] period*. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [0-30] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*. You must be under the care of a Physician during the elimination period.

[Your *[elimination] period* is [described in the Benefits Schedule].]

[Your *[elimination] period* for a [sickness] is [0-90 days].]

[Your *[elimination] period* for an injury is [0-90 days].]

4[If a disability due to [illness] [or] [injury] continues for [5-60] days or longer, benefits will start retroactively to the [1st -30th] [calendar] day.]

4[If you are a full-time inpatient in a hospital, no [elimination] period will apply to the day of confinement or any day thereafter for the disability. [In addition, if you undergo surgery which does not require a hospital confinement, no [elimination] period will apply to the day of surgery or any day thereafter for a disability.]]

4[Your *[elimination] period* is the longer of [0-90] days and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

12[Can You Satisfy Your [Elimination] Period If You Are Working?

Option A
[No, you may not satisfy this plans [*elimination period*] while working.]

Option B
[Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

The benefit payable is the [weekly] benefit shown in the [Benefits Schedule]. The weekly benefit is based on your [*covered weekly earnings].*

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled as defined in the plan. We will send you a

4[*weekly] benefit* for any period for which we are liable but not beyond the *maximum weekly benefit period* shown in the [Benefits Schedule]. No benefit is payable during the [elimination] period.

What Are Your [Covered Weekly Earnings]?

13[***"Covered Weekly Earnings"*]** means your gross weekly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

14[It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

14[*Covered weekly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

15[It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

16How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A Percentage

We will follow this process to calculate your benefit amount:

1) Multiply your *[covered weekly earnings]* by [30%-100%] [the weekly benefits percentage shown in the [Benefits Schedule].
2) The *maximum weekly benefit* is [$1–$25,000] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *weekly benefit*. The lesser of these two amounts is your [*gross disability benefit*].
4) Subtract from your *gross disability benefit any [deductible sources of income]*.

The amount figured in Item 4 is your *weekly benefit*. The *weekly benefit* will be recalculated when you receive any new *[deductible sources of income]*.

Weekly benefit means your benefit amount after any *[deductible sources of income]* and disability earnings have been subtracted from your *gross disability benefit*.

Maximum weekly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* [and] *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *weekly benefit* is [$50-$25,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *weekly benefit*.] [Your *weekly benefit* will [not] be reduced for any *[deductible sources of income]*.]

17How is Your Benefit Determined if You Are Disabled and Working?

Option A

18[For the first [0-104-] weeks of payable benefits:]

1. If you are disabled and return to work, we will not reduce your *weekly benefit* for ***disability earnings*** if:
   - your weekly *disability earnings,* if any, are less than [15%-20%] of your *[weekly covered earnings]* due to the same [sickness] or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your weekly *disability earnings* are [15%-20%] or more of your *[weekly covered earnings]*, due to the same [sickness] or *injury*, we will calculate your

   weekly benefit as follows: **[19**

   - During the first [4-unlimited] weeks of payable benefits, while working, your *weekly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [80-100%] of *[weekly covered earnings].*

     1) Add your weekly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[weekly covered earnings]*.

   If the answer from item 1) is less than or equal to [80%-100%] of your *[weekly covered earnings]*, we will not further reduce your *weekly benefit*.

If the answer from item 1 is more than [80%-100%] of your *[weekly covered earnings]*, we will subtract the amount over [80% - 100%] from your *weekly benefit*.

- After benefits have been payable for [6-unlimited] weeks, while working, the amount of your *weekly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *weekly benefit*.]

20 **Option B**

During the first [4-26] weeks that you have disability earnings, the weekly benefit will be reduced only to the extent the sum of the amount of that income and the [weekly] benefit payable [after] [without] any reduction for other income benefit,] exceeds 100% of your *covered weekly earnings*.]

[Thereafter][T][t]he [weekly] benefit will be reduced by [50%-100%] of such income from any employer, or from any occupation for compensation or profit. [However, only [50-100%] of any income earned as a participant in an approved Rehabiitation Program will be included as such income.]]

When Your are Disabled for Less Than One Week

After the *[elimination] period*, if you are disabled for less than 1 week, we will send you [1/5th – 1/7th of your *weekly benefit* for each day of disability.]

When Will Your Weekly Benefits End If Working While Disabled?

During the first [1 -104 weeks] of disability *benefits*, if your [*weekly disability earnings*] exceed [80% to 100%] of your [*covered weekly earnings*], we will stop your benefits and your claim will end.

Beyond [1 -104] weeks of disability *benefits*, if your weekly *disability earnings* exceed [40% to 100%] of your *[covered weekly earnings]*, we will stop your benefits and your claim will end.

Total Benefit: The total benefit payable to you on a weekly basis (including all benefits provided under this plan) will not exceed 100% of your *[covered weekly earnings]* unless otherwise stated in the Certificate under specific conditions.

21 [***Disability earnings*** means the earnings which you receive while you are disabled

---

4 [We will review your status periodically. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

22 [What Will We Use For [Covered Weekly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use your weekly earnings from your [employer] in effect just prior to the date your absence begins.]

23[How Can We Protect You If You're Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from week to week, we may average your *disability earnings* over the most recent [2-12] weeks to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [4-12] weeks exceeds [40%-100%] of *[covered weekly earnings]*. We will not pay you a benefit for any week during which *disability earnings* exceed [40-100%] of [covered *weekly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[:**24**

- During the first [4-52] weeks of disability benefits, the average of your *disability earnings* from the last [3-12] weeks exceeds [80%-100%] of *[covered weekly earnings]*; or
- Beyond [4-52] weeks] of disability *benefits*, the average of your *disability earnings* from the last [2-12] weeks exceeds [40%-100%] of covered *weekly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum weekly benefit* will not be paid when *disability earnings* exceed the above amounts.]

25 [[What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[***Deductible sources of income*** are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *weekly benefit* is calculated and may reduce your *weekly benefit.]*

We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **25a[**

1. The amount that you receive or are entitled to receive under:
    - a workers' compensation law
    - an occupational disease law
    - any other ***plan, act or law*** with similar intent.

2. **25b**The amount that you receive or are entitled to receive as disability income *benefits* under any:
    - state compulsory benefit act or law
    - automobile liability insurance policy
    - other group insurance plan
    - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **25c** [your spouse and children] receive or are entitled to receive as disability *benefits* because of your disability under:
    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan

- the Railroad Retirement Act
- any similar *plan, act or law* of any country, state or province.

[Amounts paid to your former spouse or to your children living with such spouse will not be included.] **25c**

4. The gross amount that you receive as retirement payments or the amount **25c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

   - the United States Social Security Act
   - the Canada Pension Plan
   - the Quebec Pension Plan
   - the Railroad Retirement Act
   - any similar *plan, act or law* of any country, state or province.

   This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

   [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

   [Benefits paid to your former spouse or your children living with such spouse will not be included.] **25c**

5. The amount that you:
   - receive as disability benefits under your [*employer*'s] ***retirement plan***;
   - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
   - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

   Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

   Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

   [Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

25d [Amounts received do not include amounts rolled over or transferred to any eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future amendments that affect the definition.]

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **25e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total weekly *benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross weekly earnings.] **25f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **25g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **25h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement payments.**]**

26 [What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [

- 401(k) plans
- profit sharing plans
- thrift plans
- tax sheltered annuities
- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance

- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

27[What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Weekly Benefit)?

If your *weekly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum weekly benefit*. [Your *minimum weekly benefit* is listed on the [Benefits Schedule].

We may apply your *minimum weekly benefit* toward any outstanding overpayment.

The *minimum weekly benefit* will not be paid in any week when *disability earnings* exceed [60-80%] of your covered *weekly earnings]*. This includes when we average your *disability earnings* as described above.]

28[What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *weekly benefit* due to a cost of living increase from that source.]

29[What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *weekly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

   Your *weekly benefit* may **NOT** be reduced by the estimated amount if you:

   - apply for the disability benefits in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
   - sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

   If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

   - of the amount awarded; or
   - that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

30[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a weekly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one. [If any part of the lump sum payment dates back to a prior date it may be allocated on a retroactive basis.] [We will prorate the lump sum payment over your remaining benefit period.]

31[What Is The Maximum Weekly Benefit Period?

You will receive a benefit for each week you remain disabled up to the *maximum benefit period.* Your *maximum benefit period* is [described in the Benefits Schedule] [4-104]weeks from the date of your disability begins, after you have satisfied the elimination period.]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**32**

- the end of the *maximum weekly benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- when you are able to work in your [*own job*] [regular occupation] on a part-time basis, or increase your hours, or increase the number or type of duties you perform in your own job but you choose not to;
- **33** after [26-104] weeks of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your weekly *disability earnings* exceed [80%-100%] of your *[covered weekly earnings]*,
- the date you fail to submit proof of continuing disability;
- after [26-104] weeks of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [1-6] month(s) or more during any [26-104] consecutive weeks of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [covered *weekly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 34[

- are not following a plan of *appropriate care* for your disability, or complications of your disability, this includes effective treatment for alcholism or drug abuse, if alcoholism or drug abuse is the cause (or part of the cause of your disability];
- are not receiving *appropriate care*;
- refuse to be examined by an independent physician or a licensed certified health care practitioner as requested by us when provided at our expense;
- refuse to participate in [our *Rehabilitation Program*, or refuse modification to your worksite or a job process designed to suit indentifed medical limitations]; or adaptive equipment or devices that would allow you to perform your own job., a transitional work arrangement or other modified work arrangement which may be for your [own job] [*regular occupation]* [or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due;or

- the date you refuse to interview with our representative about your disability.]

What Disabilities Are Not Covered Under Your Plan?

Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: [**35**

- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or [sickness] while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure
- normal pregnancy; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness;
- a *pre-existing condition]*

36[Your plan does not cover a disability while you are outside the United States or the territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37[What Is a Pre-Existing Condition?

You have a *pre-existing condition* if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -12 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a

health care provider in the [3 days -12 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pre-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

38[What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [5 days -24 months], thereafter you are covered 100%.
- Benefits are payable for first 2-4 weeks, after the elimination period has been satisfied, thereafter, no benefits are payable[.] [for the following 22-48 weeks. Thereafter you are covered 100%]

39[How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

40[What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a [sickness] or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *weekly benefit* will be limited to the amount that would have been paid by the prior carrier. We will reduce your *weekly benefit* by any amount for which your prior carrier is liable.]

41[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *weekly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *weekly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *weekly benefit* will be the lesser of:

- the *weekly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *weekly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

42[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this short term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing [sickness] or *injury* will not increase. Instead, the benefits are limited to the amount you had on the day before the plan change.]

43[What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you return to active work and you have a ***recurrent disability*** as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior

claim and your *recurrent disability*; and

- your recurrent disability occurs within [14-30] days from the end of your prior claim and your return to active work.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [14-30] continuous days from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group short term disability plan, you will not be eligible for benefits under this disability plan.

44[What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, after you are no longer covered under this plan, you will no longer be covered under this plan.

If you become entitled to benefits under any other group short term disability plan, you will not be eligible for *benefits* under this disability plan.]

1[Programs]

1[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.

2[Waiver of Premium

After you have been disabled for [30-90] days and benefits have been payable, your [short term] disability coverage will be continued without payment of premiums while you remain disabled up to the *maximum weekly benefit period* for the same [short term] disability. If your benefit period is extended due to a new cause of disability, your coverage will continue, without premium payment, while you remain disabled, subject to the terms of the [policy], but not beyond the end of the *maximum weekly benefit period* described in the [Benefits Schedule.]]

3[[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible colleges for a child, to helping to deal with the stress of the workplace. This program is available for everyday issues as well as crisis support.]

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Short Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [15-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [15-365 days] after your elimination period. If it is not possible to give proof within [15-365 days], it must be given no later than [1-5] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring *evidence of insurability*, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within 15 days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending *physician* for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your weekly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the *[elimination period]* for your Short Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5** [*own job*] [*regular occupation]* or any *gainful occupation*; and
7. The name and address of any inpatient or outpatient facility, *hospital*, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [15-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you [weekly] [biweekly]. Benefits are paid at the end of each benefit period for which we are liable while you remain disabled up to the *maximum benefit period*.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of *[deductible sources of income], during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [30-365] days of our written request. If you do not return the overpayment to us within [30-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

1[All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7[**Unpaid Premium Due:**

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim 60 days after proof of claim has been given to us and up to 3 years from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such

sources of income until any *benefit overpayments have been recovered in full.*

Delegation of Authority

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Administrator means **1** [Zurich American Life Insurance Company.] **1** [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].

[References to [the Company and] [Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and

- who has paid initial premium and fees.

Benefit Amount; Benefit Payable means the Disability Income payable to you according to the terms of the [policy].

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Weekly Earnings] means your gross weekly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability had not occurred. (If the payment does cause a reduction, it will be considered a retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working

1[Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [*eligible class*] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Elimination Period - means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] **1**[and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] **1**[Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. **1**[This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] – means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Full-Time means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within [26-104] weeks of your return to work, that exceeds:

- -[40%-100%] of your covered *weekly earnings*, if you are working; or
- -[40-100%] of your *covered weekly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the [*own job*] [*regular occupation]* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other causes. The injury must occur and the disability must begin while you are covered under this plan. **1**[Exception: any disability that occurs more than [60] days after the injury will be considered a [sickness] for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.
Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Material and Substantial Duties means duties that:

- are normally required for the performance of your [*own job*] [*regular occupation*] [any *gainful occupation*]; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Period of Payment means the longest period of time we will make payments to you

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

Own Job means the job you are routinely performing when your disability begins. We will look at your job as it is normally performed and how the work tasks are performed for your employer.

If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your own job.]

2[If you are a [physician], own job means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your covered weekly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group short term disability insurance to cover eligible employees.

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible employees.]

3**[Pre-Existing Condition** means a condition for which you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [covered *weekly earnings*].
- [or if less, the amount of the *maximum weekly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Short Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific employer or at a specific location.

4[For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

4[If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*weekly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*weekly benefit*].

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

[Sickness; Illness] means an illness or disease. The [sickness] must begin while you are covered under this plan. [Pregnancy and] [Childbirth and complications of pregnancy are considered a [sickness] under this policy.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means [Zurich American Life Insurance Company].

Weekly Benefit means your benefit amount after any *deductible sources of income* [and *disability earnings*] have been subtracted from your *gross disability benefit***.**

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]

1[Zurich American Life Insurance Company]

Certificate of [Coverage]

[Short Term Disability Plan]

This is your Certificate of [Coverage], hereinafter "Certificate", as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this Certificate carefully and keep it in a safe place. This Certificate may be delivered electronically when agreed to by the Policyholder and us.

1[This Short term disability plan provides financial protection for you by paying a portion of your income if you become disabled due to an *illness* or *injury* while covered under this *Plan*. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled.]

Throughout this document the words "we", "our', "us", and "the Company" means [Zurich American Life Insurance Company]. The words "you" and "your" mean the insured [employee] of the [***Policyholder***] sponsoring this plan. Some terms and provisions are written as required by insurance law. Important terms are defined in the Glossary section of the Certificate. Defined terms appear in italic print. If you should have any questions about the content or provisions, please consult us electronically through our website or at the toll free number provided below. We will assist you in any way to help you understand your benefits.

The benefits described in this Certificate are subject in every way to the entire Group Insurance [Policy]. If the terms and provisions of the Certificate are different, the Policy will govern. 1[The Group Insurance [Policy] includes this Certificate, the [Benefit Schedule(s)], and any riders or amendments issued with the Group Insurance [Policy]. The [Policyholder's] application and any application or evidence of insurability completed by you or on your behalf, when applying for coverage or an increase in coverage, are also considered part of the [Policy.]

Your coverage may be cancelled or changed in whole or in part under the terms and provisions of the [Policy]. The [Policy] is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.

For purposes of effective dates and ending dates under the Group [Policy], all days begin at 12:01 a.m. and end at 12:00 midnight at the [Policyholder's] address.

[Zurich American Life Insurance Company] is located at:

2[1400 American Lane, Schaumburg, IL 60916]

Our toll free number is: 2 [877-278-7556]

Our website address is: 2 [www.xxxx.com]]

[Table of Contents

Special Notices
General Provisions
Short Term Disability Benefits
Programs
Claim Information
Claim Procedures and Appeals
Glossary
Benefits Schedule]

[Special Notices

[Zurich American Life Insurance Company]

2[Toll Free Number:	[877-278-7556]
Social Security Advocacy Program	[877-278-7556]
Claim Information Toll Free Number	[877-278-7556]]

1[No benefits are covered under this Certificate in the absence of payment of current premiums subject to the grace period and the Premium Section of the Group Insurance Policy. Unless specifically provided for in any applicable termination or continuation of coverage provision, described in this Certificate or under the terms of the Group Insurance Policy, this Plan does not pay benefits for a disability incurred before coverage starts under this plan, This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.]

1[Benefits may be modified during the term of this Plan as specifically provided under the terms of the Group Insurance Policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the Plan modification. There are no vested rights to receive any benefits described in the Group Insurance Policy or in this Certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the Plan modification, but prior to your receipt of amended Plan documents.]

3[Fraud Notice
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]]

General Provisions

[Zurich American Life Insurance Company]
(also referred to as we, us, our, the Company)

1[Your Short Term Disability Plan]

2[This 1[short term disability] plan provides you with a source of [weekly] income if you should become disabled and unable to work because of an [*sickness*] or *injury* while covered under this *Plan*.]

What Is The Certificate?

This Certificate of [Coverage] ("Certificate") is a written document prepared by [Kemper Investors Life Insurance Company; Zurich American Life Insurance Company]. It tells you important information about your plan such as:

- the coverage to which you may be entitled;
- claim processing and administrative procedurees;
- to whom we will make a payment; and
- the limitations, exclusions and requirements that apply within the plan.

2[The Certificate may include attachments such as amendments and riders, which describe additional provisions about your plan. Please read the entire document carefully to fully understand your short term disability plan.]

[Eligibility]

Who Is Eligible For Coverage

To be eligible for coverage under this plan, the following requirements must be met:

- You must be [employed] by the *[Policyholder]*; and
- You must be in [*active employment*],
- You must be in an [*eligible class*] 3[; and
- You must be working inside the United States.]

Determining Your [Eligible Class]

4[Your [*employer*] determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this *Plan*. Your [*employer*] determines if you are in an [*eligible class*]. [Such criteria are based solely upon the conditions [related to your employment] [established by your [*employer*].] We will rely upon the representation of the [*employer*] as to your eligibility for coverage under this *Plan* and as to any fact concerning such eligibility.]

5[The criteria describing *[eligible classes]* of [*employees*] [is listed on the [Benefits Schedule] attached to this Certificate] [is listed below].] [Refer to the [Benefits Schedule] or] [C]ontact your [*employer*] to determine if you are in an *[eligible class*.]

6[You are in an [*eligible class*] if you are a: [

- regular full-time *[employee]* in *active employment*, as defined by your *[employer]* who is scheduled to work [35] hours per week on a regular basis.]

When Are You Eligible for Coverage?

If you are working for your [*employer*] in an [*eligible class*], the date you are eligible for coverage is the later of:

- The plan effective date; [or
- 7The day after you complete your *[service] waiting period.]*

8**[New Hires:**
If you are in an [*eligible class*] on the date of hire, your eligibility date is [the date you are hired] [the date you complete the *[service] waiting period]*.] [If you enter an [*eligible class]* after your date of hire, your *eligibility date* is the date you complete your *[service] waiting period*. If you have already satisfied the *[service] waiting period* with the [Policyholder] before you enter the *[eligible class]*, your *eligibility date* is the date you enter the *[eligible class]*.]

9[What is a [Service] Waiting Period?

Once you enter an *[eligible class],* you will need to complete the *[service] waiting period* before your coverage under the plan begins. The ***[service] waiting period*** is the continuous length of time that you must be in *active employment* and in an *[eligible class]* before you are eligible for coverage under this plan. **3** [The *[service] waiting period* will be extended by the number of days you are not in *active employment*.] **3**[The *[service] waiting period* is shown on the [Benefits Schedule].]

1[Except as noted in the "Reinstatement Provision", if you terminate this insurance and later wish to reapply, or if you are a former *[employee]* who is rehired, a new *[service] waiting period* must be satisfied.]]

[Effective Date of Coverage]

10When Does Your Coverage Begin?

[If you have met all your eligibility requirements[, you have enrolled in the plan] and you are in *active employment*], your coverage takes effect at 12:01 a.m. on the date you are eligible for coverage.]

[When your [*employer*] pays 100% of the cost of your coverage under a plan, your coverage will begin at 12:01 a.m. on [the first day] [of the following month] on which you are eligible for coverage.]

[When you and your [*employer*] share the cost of your coverage under a plan or when you pay 100% of the cost of your coverage, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you apply for insurance on or before that date;
- [the date you apply for insurance, if you apply within [31-365] days after your *eligibility date*; [or]
- [the date we approve your application, if *evidence of insurability* is required; [or
- the date your required premium payment is received by us.]

What If You Are Absent From Work On The Date Your Coverage Would Normally Begin?

If you are absent from work due to *injury*, *sickness*, a *mental illness*, **11**[temporary ***layoff*** or ***leave of absence***,] on the date your insurance would otherwise become effective, your coverage, increase in coverage or a new benefits will [be deferred] [begin] until the date you return to *active employment*.

12[[Enrollment]

12[How Do You Enroll For Coverage?

[You will be provided with plan design [and enrollment] information when you first become eligible [to enroll].] [If you are not required to contribute towards the cost of coverage, you are not required to request coverage or complete an enrollment form. Your enrollment will be handled by your [*employer*].]

[However, you are required to enroll for [optional] coverage.]

[You are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form satisfactory to us and deliver it to your [*employer*.]]

[If you must contribute towards the cost of [basic] coverage or you elect to purchase additional coverage at the time of enrollment you are required to enroll for coverage. To do so you must complete and sign a group insurance enrollment form, satisfactory to us, and deliver it to your [*employer*].

[To complete the enrollment process, you will need to provide all requested information[, including any *evidence of insurability* form].]

You must enroll on a group insurance enrollment form approved and provided by us. [If an *evidence of insurability* application is required, you must complete it in accordance with the instructions below.]

[You have the option to enroll by voice recording or electronically. Your [*employer*] will provide instructions.]]

13[When Do You Enroll?

[If you are required to [apply] [enroll] for your insurance, you will need to enroll within [10-365] days of your *eligibility date*. Otherwise, you may be considered a ***late applicant***. If you miss the enrollment period, you will not be able to participate in the Plan until: [

- you complete the requirements for a *late applicant* described below; and
- we approve you as a *late applicant[*; or
- until the next ***[annual] enrollment period***.]

14[If you do not enroll for coverage when you first become eligible:

- you may be denied coverage if your *evidence of insurability* is not satisfactory;
- your [weekly] benefits may be reduced; or
- your coverage may be deferred [up to [1-24] months] [until the next [*open*] [*annual*] *enrollment period*.]]

15[Late Applicant Enrollment Requirements

[If you do not enroll for coverage within [31-365] days after becoming eligible, but wish to do so later, your [*employer*] will provide you with information on when and how you can enroll as a *late applicant***.**

[IMPORTANT NOTE: As a late applicant, you may be denied coverage if your evidence of insurability is not satisfactory, your effective date of coverage may be delayed or your benefits may be reduced.]

You must complete an enrollment form [and submit *evidence of insurability*] to us. **1**[We will review the information and solely determine your *eligibility date*.] **1**[We will notify you and your [*employer*] of our decision.]

1[You may not enroll until the next annual enrollment period [or your [*employer*'s] ***Open Enrollment Period***.] **1**[You must return your completed enrollment form and submit it to your [*employer*] before the end of the next [annual] enrollment period.]

1[*Late applicants* are subject to the pre-existing condition limitation.]]

16[When Is Evidence of Your Insurability Required?

Evidence of Insurability means a statement of your medical history which we will use to determine if you are approved for coverage [or an increase in coverage.] This requirement will be met when we decide the *evidence of insurability* is satisfactory. An *evidence of insurability* form can be obtained from your *[employer].*

16[If you are required to submit *evidence of insurability*, you must:

- complete and sign a health and medical history form provided by us**;**
- submit to a medical examination, if requested;
- provide any additional information that we require including verification of earnings and attending physicians' statements, and
- furnish all such evidence at your own expense.]

1[*Evidence of insurability* is required for any amount of insurance.]

[***Evidence of Insurability***] (EOI) is required if: **16**[

- you enroll for coverage for the first time.
- you re-enroll for coverage after your coverage ends for any reason.
- you enroll for an increase in your coverage. You must complete new *evidence of insurability* each time you request an increase. This applies even if we have approved *evidence of your insurability* in the past. We may deny your increase if the *evidence of insurability* is not satisfactory to us;
- you are a *late applicant*, which means you apply for coverage more than [31-365] days after the date you are eligible for coverage;
- you voluntarily cancelled your coverage and are reapplying.
- your coverage was cancelled because you did not make the required contributions;
- you were eligible but not enrolled for any group short term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;

- you enroll on the effective date of this plan for an amount of short term disability coverage that is greater than the amount of coverage you had in effect under any group short term disability coverage sponsored by your *[employer]* on the day before the effective date of this plan;
- on the effective date of this plan, you elect to increase the amount of your short term disability coverage that was in effect under prior coverage. We may deny your increase if the *evidence of insurability* is not satisfactory to us;]
- you have not met a previous evidence requirement to become *insured* under any plan the [*employer*] has with us.]

1[The [Policyholder] may not waive the *evidence of insurability* requirement for any reason.]

1[If your *evidence of insurability* is not acceptable to us, [you will not be covered under this plan. This rule also applies to your request for an increase in coverage and] your increase will not be covered.]]

17[Annual Enrollment Period

During the ***annual enrollment period***, you will have the opportunity to review your coverage needs for the upcoming year. During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The choices you make during this *annual enrollment period* will become effective [the following plan year] as indicated on the [Benefits Schedule]. Any changes in the amount of your insurance during the *annual enrollment period* will be limited to [one- three] incremental increase(s) without *evidence of insurability* [excluding those [*employees*] whose *evidence of insurability* application was previously disapproved]. All other increases will be subject to *evidence of insurability* and our approval.] [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]

17[Open Enrollment Period

There will be an ***open enrollment period.*** Your [*employer*] will notify you of the time and place and provide you with enrollment forms, if any. [Evidence of insurability will not be required during this *open enrollment period*, excluding those [*employees*] whose *evidence of insurability* application was previously disapproved.] During this period, you have the option to apply for insurance, change your coverage or [apply for an] [increase in your] insurance. The effective date of insurance for [*employees*] who enroll in the plan during the *open enrollment period* will be [the next plan renewal date] [the next premium due date] [after your enrollment form has been received by us]. [You will be subject to any *pre-existing condition* limitation or exclusion as described in this Certificate.]]

18 [Increases in Coverage Amounts [At Enrollment] [After Enrollment]

[You can become insured for additional coverage for an amount in excess of [$100-$20,000] [and] [or] [40%-90%] of your [predisability earnings] if you submit [evidence of insurability] to us, and such evidence is approved by us.]

[You can apply to increase your coverage by more than [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us. This applies even if we have previously approved your evidence of insurability.]

[If, on the effective date of this plan, you apply to increase your coverage that was in effect under

prior coverage [by more than] [$25-$5000] [and] [or] [5%-70%] of your [predisability earnings] [and] [or] [one level]. You must submit [evidence of insurability] at your own expense and it must approved by us.]

[After Coverage Begins]

19[When May You Elect to Change Your Coverage?

[You will need to contact your [*employer*] to determine when you may increase or decrease your coverage.] Your [*employer*] will provide you with information and forms you need to initiate the process. Your [*employer*] will notify us of the date of the change.]

[You may elect or increase coverage within [31-365] days after a life status change. A ***life status change*** is an event that qualifies you to make changes in benefit selections at a time other than an Annual enrollment period. The following events are *life status changes*: [

- marriage;
- divorce, annulment or legal separation;
- birth or adoption of a child;
- death of a spouse [or domestic partner];
- termination of a spouse's employment;
- a change in the benefit plan available to your spouse [or domestic partner];
- a change in you or your spouse's employment status that affects either person's eligibility for benefits.]]

1[Once your coverage begins, you may elect to make changes to the options in your coverage. You must request the changes on a form approved by your [*employer*] and us and agree to pay the required premium contributions, if any.]

1[You may decrease your coverage **20**[anytime] during the plan year.]

You may increase your coverage **20**[anytime] during the plan year or] during any annual enrollment period.]

1[You are required to apply for the additional coverage by enrolling in the plan. To do so, you must complete and sign a group insurance enrollment form [with *evidence of insurability*], satisfactory to us, and deliver it to your [*employer*]. We will review the information and solely determine your eligibility to increase your coverage. We will notify you and your [*employer*] of our decision.]

21When Will Changes To Your Coverage Take Effect?

[Effective Date for Benefit Changes Due to a Change in [Covered Weekly Earnings]
[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*covered weekly earnings*] will be effective [immediately] [.] [on] [the first of the month next following] [the date of the change] [the [January 1] next following] [the policy anniversary date] [when your [*evidence of insurability]* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

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

[Unless [*evidence of insurability*] is required, a] [A] change in your [weekly benefit] due to a change in your [*eligible class*] will be effective [immediately] [.] [on] [the first of the month next following [the date of the change] [the [January 1] next following] [the policy anniversary date]

[when your *evidence of insurability* is approved by us], if you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

Effective Date for Benefit Changes by [Policy] Amendment
[Unless [*evidence of insurability*] is required, a] [A] change in your [*covered weekly benefit*] due to a change in the [*policy]* by an amendment elected by the [*policyholder*], will be effective on the

date of the change, if you are in *active employment* [.]**1**[,or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* on the date a benefit payable change would otherwise be effective, any increased or additional coverage will begin on the date you return to *active employment*. A change in your benefit payable because of a change made by the Company will normally be effective on the [policy] anniversary date, or as otherwise determined by state or federal law, or by us. However, if you are not in *active employment* on the date a benefit payable change would otherwise be effective, the benefit payable change will not be in force until you return to *active employment*.

22 [Effective Date for Benefit Changes [by Election]

[Once your coverage begins, any increased or additional coverage will take effect **20**[immediately] [the first of the month] [following the date] [when your *evidence of insurability* is approved by us] if

you are in *active employment* **1**[or if you are on a covered *layoff or leave of absence*]. If you are not in *active employment* due to *injury* or *sickness,* any increased or additional coverage will begin on the date you return to *active employment*.]

23[An increase in your short term disability coverage will be subject to a *pre-existing condition* limitation or exclusion as described in this Certificate.]

Any decrease in coverage will take effect **20**[immediately] upon [the effective date of the change] [following the date you provide notification to your [*employer*].

Neither an increase nor a decrease in coverage will affect a ***payable claim*** that occurs prior to the increase or decrease.

24[How Do You Pay For Your Coverage?

[We will bill your [*employer*] for the premium and any amount you owe. Your [*employer*] will pay the premium on your behalf.]

[Your [*employer*] [may] require[s] you to pay [a portion] [for] [or] [all] [of] the cost of your insurance. Your [*employer*] will determine the amount of your plan contributions, if any. Your [*employer*] will advise you of the required amount of your contributions [and inform you of any required payroll deductions.]

[When Coverage Ends]

When Does Your Coverage End?

Your coverage under this *Plan* ends on **25**[the earliest of:

- the date the [Policy] or a *Plan* is cancelled;
- you voluntarily stop your coverage;
- the date you are no longer in an *[eligible class];*
- the date you are no longer eligible for coverage;
- the date your [*eligible class*] is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in *active employment* except as provided under the covered *layoff* or *leave of absence* provision;
- your employment stops for any reason, including job elimination, or being placed on severance. This will be [either] the date you stop *active employment* [, or the day before the first premium due date that occurs after you stop *active employment*].
- the date on which you retire;
- the date on which you voluntarily or involuntarily lose your professional license; or
- the date on which you begin active duty in the armed forces of any country.]

26[When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on your behalf, we may deem your employment to continue for purposes of remaining eligible for coverage under this plan as described below:

If you are not in *active employment* due to illness or injury[, sabbatical] [or other authorized leave as agreed to by your [*employer*] and us, your coverage may continue [up to a maximum of [3-24] months from the start of your absence,] [until stopped by your [*employer*.]] [Your coverage will not continue beyond the end of the next [policy] month after the [policy] month in which your absence started.]

If you are on a temporary *layoff*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your temporary *layoff* begins.]

[If you are on an *[employer]* approved] *leave of absence*, and if premium is paid, you will be covered through the end of the month that immediately follows the month in which your *leave of absence* begins.]

Reinstatement of Coverage

If your short term disability coverage ends, you may apply to reinstate [coverage] [the coverage you previously had in effect] subject to the rules described in the "*When Does Your Coverage Begin*" Section. If we approve your request, **21** [the reinstatement will be effective on the first day of the month coinciding with or following the approval date] [we will notify you of your reinstatement date].

27 [If you return to *active employment* within [6-12] months of the date your coverage terminated and you request coverage from your *[employer]* within [31-120] days of your return, the *pre-existing condition* limitation and the *[service] waiting period* requirement will apply only to the extent they would have applied if your coverage had not ended.]

27[If you were previously *insured* under this [Policy] and your insurance terminated for a reason other than cancellation of your payroll deduction, and you later become employed in one of the classes of eligible [*employees*] within [3 months -24 months] after your insurance terminated under this [Policy], any *[service] waiting period* will be waived for you.]

28What Happens To My Coverage Under This Policy While I am on A Family and Medical Leave of Absence or a Military Leave of Absence?

{We will follow your [*employer*'s] policy. Contact your [e*mployer*] for a copy of their policy.]

[We will continue your coverage in accordance with the [*Policyholder*'s] policy on family medical and military leaves of absence if premium payments continue and the [*Policyholder*] approved your leave in writing.]

[If you were granted a *leave of absence* according to the "Family and Medical Leave Act of 1993", your coverage will continue under this provision for the balance of your leave.]

[Coverage will be continued until the end of the later of:

- the leave period required by the federal *Family and Medial Leave of Absence Act of 1993* and any amendments; or
- the leave period required by applicable national, state or local law, or any similar ***law***, ***plan*** or **act**.
- If the [*Policyholder*'s] policy does not provide for continuation of your coverage during a family and medical *leave of absence*, your coverage will be reinstated when you return to *active employment*.]

[If you return to work within [1-24] months. We will not:

- apply a new [service] waiting period;
- apply a new *pre-existing conditions* exclusion; [or
- require *evidence of insurability*.]

[For the above exceptions to apply, you must request to reinstate contributory coverage within [31-120] days of your return to active work.]

[If you are working less than [10-30] hours per week, for reasons other than disability, and if premium is paid, you will be covered to the end of the month, following the month, in which your reduced hours began.]

How Can Statements Made In Your Application For This Coverage Be Used?

In the absence of fraud, we consider any statements you or your [*employer*] makes in a signed application for coverage **1**[or an *evidence of insurability* form], or that your *[employer]* makes in the application process, a representation and not a warranty. If any of the statements you or your [*employer*] make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date **1**[or any the increase in coverage.

We will use only statements made by the [*employer*] in the application process and statements made by you in a signed application as a basis for doing this. If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

If the [*Policyholder*] gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

Our failure to implement or insist upon compliance with any provision of this policy at any given time or times shall not constitute a waiver of our right to implement or insist upon compliance with that provision at any other time or times. This applies whether or not the circumstances are the same.

Incontestability

In the absence of fraud, during the first [one, two] years that your [insurance] is in force, we may use any statement you have made in contesting the validity of that coverage. This also applies to any increase in your coverage for the [one-two] years that follow the effective date of that increase, if *evidence of insurability* was required in order for the increase to take effect.

Once coverage, including an increase in coverage has been continuously in effect for [1-2] years, the validity of your [insurance] may not be contested by us unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

29[Subrogation and Right of Reimbursement

As used herein, the term "***Third Party***," means any party that is, or may be, or is claimed to be responsible for *illness* or *injuries* to you that caused your disability. Such illness or injuries are referred to as "Third Party Injuries". "Third Party" includes any party responsible for payment of benefits for loss of time or wages as a result of Third Party Injuries.

By accepting benefits under this plan, you specifically acknowledge our right of subrogation. When this plan pays benefits for disabilities incurred due to Third Party Injuries, We shall be subrogated to your right of recovery against any party to the extent of all benefits provided by this plan. We may proceed against any party with or without your consent.

By accepting benefits under this plan, you or your representatives further agree to:

- Notify us within [30-60] days and in writing when notice is given to any party, including an insurance company or attorney, of the intention to investigate or pursue a claim to recover damages or obtain compensation due to Third Party Injuries sustained by you;
- Cooperate with us and do whatever is necessary to secure Our rights of subrogation and recovery under this Certificate;
- Give us a first-priority lien on any recovery, settlement, or judgment or other source of compensation which may be had from any party to the extent of the full cost of all benefits associated with Third Party Injuries provided by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment or compensation agreement);
- Pay, as the first priority, from any recovery, settlement judgment, or other source of compensation, any and all amounts due us as recovery of the full cost of all benefits associated with Third Party Injuries paid by this plan (regardless of whether specifically set forth in the recovery, settlement, judgment, or compensation agreement), unless otherwise agreed to by us in writing; and Do nothing to prejudice Our rights as set forth above. This includes, but is not limited to, refraining from making any settlement or recovery, which specifically attempts to reduce or exclude the full cost of all benefits paid by the plan.
- Serve as a constructive trustee for the benefits of this plan over any settlement or recovery funds received as a result of Third Party Injuries.

We may recover full cost of all benefits paid by this plan under this Certificate without regard to any claim of fault on your part, whether by comparative negligence or otherwise.]

Does the Coverage under a Plan Replace or Affect any Workers' Compensation?

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance. However, any Workers' Compensation benefits are considered a *deductible source of incom*e.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, We have the right to recover any overpayments. Refer to the *Claim Information Section* for the process we use to recover overpayments:

How Will We Handle Insurance Fraud?

We have the right and promise to use all means available to us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if you and/or your [*employer*] perpetrate insurance fraud.

Insurance fraud occurs when you or your [*Policyholder*] knowingly and with intent to defraud or deceive us, provide us with false information or file a claim for benefits that contains any false, incomplete or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if you or the [*Policyholder*] to commit insurance fraud and may subject such person to criminal and civil penalties. Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution and penalties.

Does the Policyholder Act as Our Agent?

No. For purposes of the [Policy], the [*Policyholder*] acts on their own behalf. Under no circumstances will the [*Policyholder*] be deemed our agent.

1[Short Term] Disability 1[Income] Benefits

The 1[short term disability] plan provides you with a source of income if you should become disabled because of a *[sickness]* or *injury* related condition while covered under this plan.

1[Short term] [D][d]isability coverage will pay a *weekly benefit* if you are disabled and unable to work because of: a [*sickness*] 2[that is non-*occupational [sickness];* or an *injury* 2[that is a non-*occupational injury*.]

3[[Short term] [D][d]isability coverage will only cover a disability caused by a non-occupational [*sickness*] or injury except in the case of sole proprietors or partners who cannot be covered by workers' compensation.]

4[An *occupational [sickness] or injury* is any [*sickness*] or *injury* that:

- Arises out of (or in the course of) any activity in connection with employment or self-employment whether or not on a full-time basis; or
- Results in any way form an [*sickness*] or injury which does.]

5[However, if proof is provided to us that a claim has been made under any type of workers' compensation law and that no benefit, award, settlement or redemption has been or will be made under such law for that *[sickness]* or *injury*, then that *[sickness]* [or] [*injury*] will not be considered an *occupational [sickness]* or an *occupational injury]*.]

6How Do We Define a 1[Short Term] Disability?

You are considered to be disabled if, solely and directly because of a 2[non-occupational] [*sickness*] [or] [injury], if all of the following applies:

- You must be covered by this Plan at the time you become disabled;
- You must be under the *regular care* of a *physician* for your [sickness] or *injury*; and
- You must meet the definition of disability below:

Option A

7 [You are disabled when we determine that:

- you are [unable to perform] [limited from performing] [one or more of] the *material and substantial duties* of your *[own job]* [*regular occupation]* due [solely] to your [*sickness]* or *injury*; [and] [or]
- you are under the *regular care* of a *physician*; [and] [or]
- [you are not working at any job for compensation or profit] [you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]

8[After [13-104] weeks *benefits* have been payable,] [Y]you are disabled when we determine that due to the same [*sickness]* or *injury:*

- you are [unable to perform] [limited from performing] the *material and substantial duties* of your [own job] [*regular occupation] [any gainful occupation]* due 1[solely] to your [*sickness]* or *injury*; and

- you are under the *regular care* of a *physician*;[[and] [or]
- **9**you have a [10%-50%] or more loss in your *[covered weekly earnings]* due to that [sickness] or *injury*.] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]
-]

Option B (Special)

10[Loss of License

You will be considered disabled, if solely because of *injury* or [*sickness]*, the following conditions are met.

- your license, permit or certification necessary to perform the duties of your [*regular occupation*] is revoked, restricted or involuntarily not renewed.
- you are earning [20%-60% or less] [You are unable to earn [50% -90%] in your [covered weekly earnings] due to the same sickness or injury].]
- of your *[covered weekly earnings]*.

After benefits are payable for [6-unlimited] months, you are disabled if, because of *injury* or *sickness*, you are unable to perform all the *material and substantial duties* of any [regular occupation] [*gainful occupation*] for which you may reasonably become qualified based on your education, training or experience.]

4[You must be under the *regular care* of a *physician* in order to be considered disabled.]

4[The loss of a professional or occupational license or certification does not, in itself, constitute disability]

We will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from your physicians and physicians and medical practitioners or vocational experts of our choice.

We may require *you* to be examined by a *physician*, other medical practitioner and/or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by our authorized representative. Refusal to be examined or interviewed may result in denial or termination of your claim.

11[How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?

You must be continuously disabled through your *[elimination] period*. The days that you are not disabled will not count toward your *[elimination] period*. [We will treat your disability as continuous if your disability stops for [0-30] days or less during the *[elimination] period*]. No benefit is payable for or during the *[elimination] period*. You must be under the care of a Physician during the elimination period.

[Your *[elimination] period* is [described in the Benefits Schedule].]

[Your *[elimination] period* for a [sickness] is [0-90 days].]

[Your *[elimination] period* for an injury is [0-90 days].]

4[If a disability due to [illness] [or] [injury] continues for [5-60] days or longer, benefits will start retroactively to the [1st -30th] [calendar] day.]

4[If you are a full-time inpatient in a hospital, no [elimination] period will apply to the day of confinement or any day thereafter for the disability. [In addition, if you undergo surgery which does not require a hospital confinement, no [elimination] period will apply to the day of surgery or any day thereafter for a disability.]]

4[Your *[elimination] period* is the longer of [0-90] days and the length of time for which you receive loss of time benefits, salary continuation or accumulated sick leave.]]

12[Can You Satisfy Your [Elimination] Period If You Are Working?

Option A
[No, you may not satisfy this plans [*elimination period*] while working.]

Option B
[Yes. If you are working while you are disabled, the days you are disabled will count toward your *[elimination] period*.]

When Will You Begin To Receive Benefits?

The benefit payable is the [weekly] benefit shown in the [Benefits Schedule]. The weekly benefit is based on your [*covered weekly earnings].*

You will begin to receive *benefits* when we approve your claim, providing the *[elimination] period* has been satisfied and you are disabled as defined in the plan. We will send you a

4[*weekly] benefit* for any period for which we are liable but not beyond the *maximum weekly benefit period* shown in the [Benefits Schedule]. No benefit is payable during the [elimination] period.

What Are Your [Covered Weekly Earnings]?

13[***"Covered Weekly Earnings"*]** means your gross weekly income from your [employer] in effect [just prior to your date of disability]. It includes your total income before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, section 125 plans, or flexible spending account.

14[It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your [employer].]

14[*Covered weekly earnings* include shift differential, commissions, bonuses and shared success payments. It does not include any expenses, allowances and other unusual and non-recurring compensation, such as relocation assistance and event awards.]

15[It includes a [1-5] year rolling average of any [extra earnings], each determined [just prior to the date the disability begins] [as of [August 31] of the previous plan year.]

16How is Your Benefit Determined if You Are Disabled and Not Working?

[Option A Percentage

We will follow this process to calculate your benefit amount:

1) Multiply your *[covered weekly earnings]* by [30%-100%] [the weekly benefits percentage shown in the [Benefits Schedule].
2) The *maximum weekly benefit* is [$1–$25,000] [listed in your [Benefits Schedule].
3) Compare the answer from Item 1 with the maximum *weekly benefit*. The lesser of these two amounts is your [*gross disability benefit*].
4) Subtract from your *gross disability benefit any [deductible sources of income]*.

The amount figured in Item 4 is your *weekly benefit*. The *weekly benefit* will be recalculated when you receive any new *[deductible sources of income]*.

Weekly benefit means your benefit amount after any *[deductible sources of income]* and disability earnings have been subtracted from your *gross disability benefit*.

Maximum weekly benefit means the maximum benefit amount for which you are insured under this plan as shown in the [Benefits Schedule].

Gross disability benefit means the benefit amount before we subtract *[deductible sources of income]* [and] *disability earnings.*

Deductible sources of income means other income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your *gross disability benefit*.]

[Option B (Flat Dollar)

[Your *weekly benefit* is [$50-$25,000] [a flat dollar amount.] [Your [Benefits Schedule] shows the amount of your *weekly benefit*.] [Your *weekly benefit* will [not] be reduced for any *[deductible sources of income]*.]

17How is Your Benefit Determined if You Are Disabled and Working?

Option A

18[For the first [0-104-] weeks of payable benefits:]

1. If you are disabled and return to work, we will not reduce your *weekly benefit* for ***disability earnings*** if:
   - your weekly *disability earnings,* if any, are less than [15%-20%] of your *[weekly covered earnings]* due to the same [sickness] or *injury*; and
   - you have satisfied the *[elimination] period*.

2. If you are disabled and your weekly *disability earnings* are [15%-20%] or more of your *[weekly covered earnings]*, due to the same [sickness] or *injury*, we will calculate your

   weekly benefit as follows: **[19**

   - During the first [4-unlimited] weeks of payable benefits, while working, your *weekly benefit* will not be reduced by your *disability earnings* as long as *disability earnings* plus the *gross disability benefit* does not exceed [80-100%] of *[weekly covered earnings].*

     1) Add your weekly *disability earnings* to your *gross disability benefit*.
     2) Compare the answer in item 1) to your *[weekly covered earnings]*.

   If the answer from item 1) is less than or equal to [80%-100%] of your *[weekly covered earnings]*, we will not further reduce your *weekly benefit*.

If the answer from item 1 is more than [80%-100%] of your *[weekly covered earnings]*, we will subtract the amount over [80% - 100%] from your *weekly benefit*.

- After benefits have been payable for [6-unlimited] weeks, while working, the amount of your *weekly benefit* will change and we will consider a portion of your *disability earnings* to be a *deductible source of income.* [50%-100%] of your *disability earnings* will be added to your other *[deductible sources of income]*, if any. The sum will be deducted from your *gross disability benefit.* This amount will be your *weekly benefit*.]

20 **Option B**

During the first [4-26] weeks that you have disability earnings, the weekly benefit will be reduced only to the extent the sum of the amount of that income and the [weekly] benefit payable [after] [without] any reduction for other income benefit,] exceeds 100% of your *covered weekly earnings*.]

[Thereafter][T][t]he [weekly] benefit will be reduced by [50%-100%] of such income from any employer, or from any occupation for compensation or profit. [However, only [50-100%] of any income earned as a participant in an approved Rehabiitation Program will be included as such income.]]

When Your are Disabled for Less Than One Week

After the *[elimination] period*, if you are disabled for less than 1 week, we will send you [1/5th – 1/7th of your *weekly benefit* for each day of disability.]

When Will Your Weekly Benefits End If Working While Disabled?

During the first [1 -104 weeks] of disability *benefits*, if your [*weekly disability earnings*] exceed [80% to 100%] of your [*covered weekly earnings*], we will stop your benefits and your claim will end.

Beyond [1 -104] weeks of disability *benefits*, if your weekly *disability earnings* exceed [40% to 100%] of your *[covered weekly earnings]*, we will stop your benefits and your claim will end.

Total Benefit: The total benefit payable to you on a weekly basis (including all benefits provided under this plan) will not exceed 100% of your *[covered weekly earnings]* unless otherwise stated in the Certificate under specific conditions.

21 [***Disability earnings*** means the earnings which you receive while you are disabled

---

4 [We will review your status periodically. We will require satisfactory proof of earnings and continued disability. [No disability benefits will be paid, and insurance will end if we determine you are able to work under a transitional work arrangement or other modified work arrangement and you refuse to do so without *good cause*.]]

22 [What Will We Use For [Covered Weekly Earnings] If You Become Disabled During a Covered Layoff or Leave of Absence?

If you become disabled while you are on a covered ***layoff or leave of absence***, we will use your weekly earnings from your [employer] in effect just prior to the date your absence begins.]

23[How Can We Protect You If You're Disability Earnings Fluctuate?

If your *disability earnings* routinely fluctuate widely from week to week, we may average your *disability earnings* over the most recent [2-12] weeks to determine if your claim should continue.

[If we average your *disability earnings*, we will not terminate your claim unless the average of your *disability earnings* from the last [4-12] weeks exceeds [40%-100%] of *[covered weekly earnings]*. We will not pay you a benefit for any week during which *disability earnings* exceed [40-100%] of [covered *weekly earnings*].]

[If we average your *disability earnings*, we will terminate your claim if[:**24**

- During the first [4-52] weeks of disability benefits, the average of your *disability earnings* from the last [3-12] weeks exceeds [80%-100%] of *[covered weekly earnings]*; or
- Beyond [4-52] weeks] of disability *benefits*, the average of your *disability earnings* from the last [2-12] weeks exceeds [40%-100%] of covered *weekly earnings*.

We will not pay you for any month during which *disability earnings* exceed the above amounts. The *minimum weekly benefit* will not be paid when *disability earnings* exceed the above amounts.]

25 [[What Are 'Deductible Sources Of Income" And How Do They Affect My Benefits]?

[***Deductible sources of income*** are other income benefits you[**20c**, your spouse or your dependents] may be entitled to receive because of your disability **7**[or retirement]. These benefits are taken into consideration when your *weekly benefit* is calculated and may reduce your *weekly benefit.]*

We will subtract from your *gross disability benefit* the following *[deductible sources of income]*: **25a[**

1. The amount that you receive or are entitled to receive under:
    - a workers' compensation law
    - an occupational disease law
    - any other ***plan, act or law*** with similar intent.

2. **25b**The amount that you receive or are entitled to receive as disability income *benefits* under any:
    - state compulsory benefit act or law
    - automobile liability insurance policy
    - other group insurance plan
    - governmental retirement system as a result of your job with your employer.

3. The gross amount that you, **25c** [your spouse and children] receive or are entitled to receive as disability *benefits* because of your disability under:
    - the United States Social Security Act
    - the Canada Pension Plan
    - the Quebec Pension Plan

- the Railroad Retirement Act
- any similar *plan, act or law* of any country, state or province.

[Amounts paid to your former spouse or to your children living with such spouse will not be included.] **25c**

4. The gross amount that you receive as retirement payments or the amount **25c** [your spouse and children] receive as retirement payments because you are receiving retirement payments under:

   - the United States Social Security Act
   - the Canada Pension Plan
   - the Quebec Pension Plan
   - the Railroad Retirement Act
   - any similar *plan, act or law* of any country, state or province.

   This does not include benefits for any month before you reach normal retirement age, as defined under the Social Security Act, unless you choose to receive these benefits.

   [We offer a Social Security Advocacy Program. Refer to the Additional Benefits and Program Section of this Certificate for more information.]

   [Benefits paid to your former spouse or your children living with such spouse will not be included.] **25c**

5. The amount that you:
   - receive as disability benefits under your [*employer*'s] ***retirement plan***;
   - voluntarily elect to receive as retirement *benefits* under your [*employer*'s] *retirement plan*;
   - receive as retirement benefits when you reach the later of age 62 or normal retirement age, as defined in your [*employer*'s] *retirement plan*;

   Disability payments under a *retirement plan* will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

   Retirement *benefits* will be those benefits that are paid based on your [*employer*'s] contribution to the *retirement plan*. Disability benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

   [Regardless of how the retirement funds from the *retirement plan* are distributed, we will consider your and your [*employer*'s] contributions to be distributed simultaneously throughout your lifetime.]

25d [Amounts received do not include amounts rolled over or transferred to any eligible *retirement plan*. We will use the definition of eligible *retirement plan* as defined in Section 402 of the Internal Revenue code including any future amendments that affect the definition.]

6. [50%-100% of] the amount you receive under Title 46, United States Code Section 688 (The Jones Act).

7. [Third party payments, damages, settlements or judgments received for your disability (after subtracting attorney's fees]

8. [50%-100% of] the amount you receive under the maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.]

9. [The amount of loss of time benefits that you receive or are entitled to receive under any ***salary continuation or accumulated sick leave***.] **25e**

10. [Individual disability income benefits [paid by your employer,] that you receive or are entitled to receive to the extent that your total weekly *benefit*s, including any other group and/or individual disability benefits, exceed or would exceed [50%-100%] of your gross weekly earnings.] **25f**

11. [The amount you receive or are entitled to receive under any unemployment income act or law due to the end of employment with your [employer] or payable by insured and uninsured plans or as a result of your membership or association in any group, union or other organization.]

12. [The amount that you receive from a partnership, proprietorship or any similar draws.] **25g**

13. [Disability benefits under any group mortgage or group credit disability plan.]

14. [[50%-100%] of your *disability earnings*.]

15. [The amount you receive from franchise disability income plans.]

[With the exception of retirement payments, or amounts that you receive from a partnership, proprietorship or any similar draws, we will only subtract *[deductible sources of income]* which are payable as a result of the same disability.] **25h**

[With the exception of retirement payments, we will only subtract *deductible sources of income* which are payable as a result of the same disability.]

We will not reduce your payment by your Social Security retirement income if your disability begins after age 65 and you were already receiving Social Security retirement payments.**]**

26 [What Are Not Deductible Sources of Income?

We will not subtract from your *gross disability benefit* income you receive from, but not limited to, the following: [

- 401(k) plans
- profit sharing plans
- thrift plans
- tax sheltered annuities
- stock ownership plans
- non-qualified plans of deferred compensation
- pension plans for partners
- military pension and disability income plans
- credit disability insurance

- franchise disability income plans
- individual retirement accounts (IRA)
- individual disability income plans
- a salary continuation or accumulated sick leave plan
- 457 deferred compensation plans
- 403(b) Tax sheltered annuity plans
- Retirement benefits from a former employer
- Auto liability insurance policies]]

27[What If Subtracting Deductible Sources of Income Results In A Zero Benefit (Minimum Weekly Benefit)?

If your *weekly benefit* is reduced to zero due to subtracting *[deductible sources of income]*, you will receive a *minimum weekly benefit*. [Your *minimum weekly benefit* is listed on the [Benefits Schedule].

We may apply your *minimum weekly benefit* toward any outstanding overpayment.

The *minimum weekly benefit* will not be paid in any week when *disability earnings* exceed [60-80%] of your covered *weekly earnings]*. This includes when we average your *disability earnings* as described above.]

28[What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once we have subtracted any *deductible source of income* from your *gross disability benefit*, we will not further reduce your *weekly benefit* due to a cost of living increase from that source.]

29[What If We Determine You May Qualify For Deductible Income Benefits?

1. When we determine that you may qualify for benefits in the [*deductible sources of income*] section, we will estimate your entitlement to these benefits. We can reduce your *weekly benefit* by the estimated amounts if such benefits:

   - have not been awarded or received; and
   - have not been denied; or
   - have been denied, and the denial is being appealed, if appeal rights are provided.

   Your *weekly benefit* may **NOT** be reduced by the estimated amount if you:

   - apply for the disability benefits in the *[deductible sources of income]* section, and appeal your denial to all administrative levels we feel are necessary; and
   - sign our reimbursement agreement form. This form states that you promise to pay us any overpayment caused by an award.

   If your benefit has been reduced by an estimated amount, your benefit will be adjusted when we receive proof:

   - of the amount awarded; or
   - that benefits have been denied and all appeals we feel are necessary have been completed. In this case, a lump sum refund of the estimated amount will be made to you.]

30[What Happens If You Receive A Lump Sum Payment?

If you receive a lump sum payment from any *deductible source of income*, the lump sum will be pro-rated on a weekly basis over the time period for which the sum was given. If no time period is stated, we will use a reasonable one. [If any part of the lump sum payment dates back to a prior date it may be allocated on a retroactive basis.] [We will prorate the lump sum payment over your remaining benefit period.]

31[What Is The Maximum Weekly Benefit Period?

You will receive a benefit for each week you remain disabled up to the *maximum benefit period.* Your *maximum benefit period* is [described in the Benefits Schedule] [4-104]weeks from the date of your disability begins, after you have satisfied the elimination period.]

When Will Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following: [**32**

- the end of the *maximum weekly benefit period*; or
- the date you are no longer *disabled* under the terms of the plan;
- when you are able to work in your [*own job*] [regular occupation] on a part-time basis, or increase your hours, or increase the number or type of duties you perform in your own job but you choose not to;
- **33** after [26-104] weeks of benefits, when you are able to work in any [*gainful occupation]* on a part-time basis but you choose not to;
- if you are working and your weekly *disability earnings* exceed [80%-100%] of your *[covered weekly earnings]*,
- the date you fail to submit proof of continuing disability;
- after [26-104] weeks of benefits if you are considered to reside outside [the United States or Canada]. You will be considered to reside outside these countries when you have been outside [the United States or Canada] for a total period of [1-6] month(s) or more during any [26-104] consecutive weeks of benefits;
- if you are incarcerated;
- the date you die; or
- the date your [employer] offers you another or modified job position, which *physicians* agree you are able to perform, at a pay rate that exceeds [70- 95%] of your [covered *weekly earnings*].]

[Disability Benefits will not be paid for any period of disability during which you: 34[

- are not following a plan of *appropriate care* for your disability, or complications of your disability, this includes effective treatment for alcholism or drug abuse, if alcoholism or drug abuse is the cause (or part of the cause of your disability];
- are not receiving *appropriate care*;
- refuse to be examined by an independent physician or a licensed certified health care practitioner as requested by us when provided at our expense;
- refuse to participate in [our *Rehabilitation Program*, or refuse modification to your worksite or a job process designed to suit indentifed medical limitations]; or adaptive equipment or devices that would allow you to perform your own job., a transitional work arrangement or other modified work arrangement which may be for your [own job] [*regular occupation]* [or *any reasonable occupation*].
- you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to provding any information or documents needed to determine whether benefits are payable or the actual benefit amount due;or

- the date you refuse to interview with our representative about your disability.]

What Disabilities Are Not Covered Under Your Plan?

Your plan does not cover any disabilities caused by, contributed to by, or resulting directly or indirectly from: [**35**

- *illness* or *injury* for which workers' compensation benefits are paid, or may be paid if duly claimed;
- intentionally self-inflicted injuries or attempted suicide;
- active participation in a riot or an act of insurection, rebellion or civil commotion;
- war, declared or undeclared, or any act of war;
- participation in an illegal activity or illegal act or to which a contributing cause was your being engaged in an illegal occupation;
- commission of a crime for which you have been convicted, this includes but is not limited to local, state, country, provincial or federal law, or the disability results from commison of, or attempting to commit a criminal act;
- intoxication, including driving a motor vehicle while intoxicated. ("intoxicated" means your blood alcohol or drug level meets or exceeds the level at which intoxiction would be presumed under the law of the [state][country][jurisdiction] in which the event, activity or accident occurred;
- *injury* or [sickness] while you are serving on full-time active duty in any armed forces
- occupational illness or occupational *injury*, [except in the case of sole proprietors or partners who [are not][can not] be covered by workers' compensation];
- influence of a controlled substance, unless administered by a physican, or taken according to a physician's instructions, and within clinical guidelines;
- *illness* or *injury* for which a benefit is payable under the Jones Act for which a Jones Act claim has been or will be filed;
- *injury* sustained as a result of doing any work for pay or profit for another employer.
- cosmetic, experimental or investigational surgery or surgical procedure that is not medically necessary, except if the disability is caused by your donation of an organ in a non-experimental organ transplant procedure
- normal pregnancy; this does not apply to a disabling pregnancy or to complications of pregnancy, which is covered as any other *sickness*.]
- the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to *injury* or illness;
- a *pre-existing condition]*

36[Your plan does not cover a disability while you are outside the United States or the territories and possessions of the United States, or Canada]. This applies whether or not you were outside such area when your disability began.]

37[What Is a Pre-Existing Condition?

You have a *pre-existing condition* if both 1 and 2 are true:

1. (a) you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the [3 days -12 months] (*look back period)* just prior to your effective date of coverage or the date an increase in benefits through amendment or your enrollment in another plan option, would otherwise be available;

   (b) or you had symptoms for which an ordinarily prudent person would have consulted a

health care provider in the [3 days -12 months] just prior to your effective date of coverage or the date an increase in benefits would otherwise be available; and

2. the disability begins in the first [0 days-24 months] after your effective date of coverage.]

[The pre-existing condition exclusion does not apply to a pre-existing condition for which you had a *treatment free period* for a disability which begins in the first [1-24] months of coverage.

- a *"treatment-free period"* is a period of time after the coverage effective date in which no charges were incurred or treatment was rendered for the pre-existing condition, and the insured had no symptoms for which an ordinarily prudent person would have consulted a health care provider. The treatment-free period is [5 days-12 months].]

38[What Limits Apply If You Are Disabled Due to a Pre-Existing Condition?

If you are disabled due to a *pre-existing condition*, these benefit limits apply [

- Benefits are not payable for [5 days -24 months], thereafter you are covered 100%.
- Benefits are payable for first 2-4 weeks, after the elimination period has been satisfied, thereafter, no benefits are payable[.] [for the following 22-48 weeks. Thereafter you are covered 100%]

39[How Does a Pre-Existing Condition Affect an Increase in Your Benefits?

If there is an increase in your benefits due to an amendment of the plan; or your enrollment in another plan option, a benefit limit will apply if your disability is due to a *pre-existing condition*. You will be limited to the benefits you had on the day before the increase if your disability begins during the [0 days – 24 months] period starting with the date the increase in benefits would have been effective. The increase will not take effect until your disability ends.]

40[What If Your Are Not In Active Employment When Your [Employer] Changes Insurance Carriers To Us? (Continuity of Coverage)

When the plan becomes effective, we will provide coverage for you if:

- you are not in active employment because of a [sickness] or *injury*; and
- you were covered by the prior policy.

Your coverage is subject to payment of premium.

Your *weekly benefit* will be limited to the amount that would have been paid by the prior carrier. We will reduce your *weekly benefit* by any amount for which your prior carrier is liable.]

41[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a *weekly benefit* if your disability results from a *pre-existing condition* if, you were:

- in active employment and insured under the plan on its effective date; and
- insured by the prior policy at the time of change.

In order to receive a *weekly benefit* you must satisfy the *pre-existing condition* provision under:

1. our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If you do not satisfy item one or two above, we will not pay benefits under our plan.
If you satisfy item one, we will determine your benefits according to our plan provisions.

If you only satisfy item 2, we will administer your claim according to the our plan provisions. However, your *weekly benefit* will be the lesser of:

- the *weekly benefit* that would have been payable under the terms of the prior plan if it had remained in force.
- the *weekly benefit* under our plan.

Your benefits will end on the earlier of the following dates:

- the end of the *maximum benefit period* under the plan; or
- the date benefits would have ended under the *prior plan* if it had remained in force.

42[How Does the Pre-Existing Condition Work If You Were Covered Under Your Employer's Prior Plan?

Special rules apply to pre-existing conditions, if this short term disability plan replaces your [*employer*'s] prior plan and

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within [31-180] days of its effective date.

The special rules are:

1. If the [*employer*'s] *prior plan* did not have a *pre-existing condition* exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.

2. If the [employer's] *prior plan* did have a *pre-existing condition* exclusion or limitation, then the limited time does not end after the first [5 days – 12 months] of coverage. Instead, it will end on the date any equivalent limit would have ended under the [*employer*'s] *prior plan.*

3. If the change from your [*employer's*] prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing [sickness] or *injury* will not increase. Instead, the benefits are limited to the amount you had on the day before the plan change.]

43[What Happens If You Return To Work Full Time With Your [Employer] And Your Disability Occurs Again?

If you return to active work and you have a ***recurrent disability*** as determined by us, we will treat your disability as part of your prior claim and you will not have to complete another benefit *[elimination] period* if:

- you were continuously insured under the plan for the period between the end of your prior

claim and your *recurrent disability*; and

- your recurrent disability occurs within [14-30] days from the end of your prior claim and your return to active work.

Your *recurrent disability* will be subject to the same terms of the plan as your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after [14-30] continuous days from the date your prior claim ended, will be treated as a new claim. The new claim will be subject to all of the [Policy] provisions, including the *[elimination] period*.

If you become covered under any other group short term disability plan, you will not be eligible for benefits under this disability plan.

44[What Happens If You Return To Work Full Time For An Employer Other Than The [Employer] And Your Disability Occurs Again?

If you have a ***recurrent disability***, after you are no longer covered under this plan, you will no longer be covered under this plan.

If you become entitled to benefits under any other group short term disability plan, you will not be eligible for *benefits* under this disability plan.]

1[Programs]

1[[*Rehabilitation Program*]

A program to help you return to work.

We have a vocational *[Rehabilitation Program]* available to assist you in returning to work. We will determine whether you are eligible for this program, at our sole discretion. In order to be eligible for rehabilitation services and benefits, you must be medically able to engage in a return to work program.

Your claim file will be reviewed by one of our rehabilitation professionals to determine if a *Rehabilitation Program* might help you return to *gainful employment*. As your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work program. We will make the final determination of your eligibility for participation in the program. We will provide you with a written rehabilitation plan developed specifically for you.

The *[Rehabilitation Program]* may include at our sole discretion, but is not limited to, the following services and benefits:

- coordination with your [*employer*] to assist you to return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
  resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.]

When Will The [Rehabilitation Program] Benefits End?

Benefits for the [*Rehabilitation Program*] will end on the earliest of the following dates:

- the date we determine that you are no longer eligible to participate in our [*Rehabilitation Program*s]; or
- any other date on which benefits would stop in accordance with this *Plan*.

2[Waiver of Premium

After you have been disabled for [30-90] days and benefits have been payable, your [short term] disability coverage will be continued without payment of premiums while you remain disabled up to the *maximum weekly benefit period* for the same [short term] disability. If your benefit period is extended due to a new cause of disability, your coverage will continue, without premium payment, while you remain disabled, subject to the terms of the [policy], but not beyond the end of the *maximum weekly benefit period* described in the [Benefits Schedule.]]

3[[Employee Assistance Program]

We provide you access to a[n [Employee Assistance Program] designed to assist you with questions and information about your disability and the problems of daily living.

You can call and request assistance for virtually any personal or professional issue, from helping find a day care or transportation for an elderly parent, to researching possible colleges for a child, to helping to deal with the stress of the workplace. This program is available for everyday issues as well as crisis support.]

Claim Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our)

1[Short Term Disability]

Reporting of Claims

You are required to submit a claim to us in writing by mail or fax. Claim forms may be obtained from 2[the Plan Administrator, your [employer] or] from us. Follow the procedure chosen by your [employer] to report a disability claim to us. 1[You may submit your initial claim electronically through our website at www.xxxx.com. Follow the instructions on the website and submit all requested documents and information.]

When Do You Notify Us of a Claim?

We encourage you to notify us of your disability claim as soon as possible, so that a claim decision will be made in a timely manner. 3[Written] notice of a claim should be sent within [15-365] days after the date your disability begins. Failure to give notice within the time prescribed does not invalidate or reduce any claim if it is shown that it was not reasonably possible to give the notice within that time, and notice was given as soon as was reasonably possible. However, you must send us written proof of your claim no later than [15-365 days] after your elimination period. If it is not possible to give proof within [15-365 days], it must be given no later than [1-5] year(s) after the time proof is otherwise required except in the absence of legal capacity.

1[If you submit a claim before you have been notified of our decision on any coverage amount requiring *evidence of insurability*, your amount of coverage will be determined as if our final underwriting decision had been made prior to the date of claim.]

The claim form is available from your [employer], or you can request a claim form from us. If you do not receive the form from us within 15 days of your request, send us written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

How Do You File A Claim?

4[You and your [employer] must fill out your own sections of the claim form. You must then give your claim form to your attending *physician* for your disability. Your *physician* should fill out his or her section of the form and send it directly to us.]

What Information Is Needed As Proof Of Your Claim?

Your proof of claim must be provided at your expense. It must include the following information:

1. That you are under the regular care of a licensed physician;
2. Appropriate documentation of your weekly covered income;

3. **1**[Appropriate documentation that you are not working at any job during the *[elimination period]* for your Short Term Disability claim;]
4. The date your disability began;
5. The cause of your disability;
6. The extent of your disability, including restrictions and limitations preventing you from performing your **5** [*own job*] [*regular occupation]* or any *gainful occupation*; and
7. The name and address of any inpatient or outpatient facility, *hospital*, institution where you received treatment, including all attending *physicians*.

We may request that you provide us with proof of continuing disability indicating that you are under the *regular care* of a *physician*. This proof shall be in writing and satisfactory to us.

You will be required to give us authorization to obtain additional medical information from your medical providers. You may also be required to provide us with non-medical information such as copies of your **6**[IRS Federal Income Tax return, W-2's and 1099's], as part of your proof of continuing disability.

This proof must be provided at your own expense and must be received within [15-180 days] of a request by us. We will deny your claim or stop sending you payments if the appropriate information is not submitted.

Who Will We Make Benefit Payment To?

Benefits will be paid to you [weekly] [biweekly]. Benefits are paid at the end of each benefit period for which we are liable while you remain disabled up to the *maximum benefit period*.

What Happens If We Overpay Your Claim?

We have the right to recover any overpayments for amounts paid greater than the benefits that you are entitled to receive. This includes but is not limited to our error, your receipt of deductible sources of income or fraud. We will not recover more money than the amount we paid you.

We have the right to do any one or all of the following:

- Require you to return the overpayment on request;
- Stop payment of benefits until the overpayment is recovered;
- Take any legal action needed to recover the overpayment; and
- Place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

7[If the overpayment occurred as a result of your receipt of *[deductible sources of income], during the* period for which you have received a benefit under this *Plan*, we will exclude from the amount to be recovered, any advocate or legal fees incurred by you to obtain such *[deductible sources of income],* provided you return the overpayment to us within [30-365] days of our written request. If you do not return the overpayment to us within [30-365] days, such fees will not be excluded. You will remain responsible for repayment of the total overpaid amount.]

1[All full list of *[deductible sources of income]* is located in the *Benefits Section* of the Certificate.]

7[**Unpaid Premium Due:**

Any unpaid premium due for your coverage under this [Policy] may be recovered by us by offsetting against amounts otherwise payable to you under this [Policy], or by other legally permitted means.]

When Will We Require You to Obtain Physical Examinations and Evaluations?

We will have the right and opportunity to have a *physician*, dentist, vocational expert or other medical or vocational professional of our choice examine you when you request benefits for new and ongoing claims under this *Plan*. Multiple exams, evaluations and functional capacity exams may be required during your disability for an ongoing claim. This will be done at all reasonable times while a claim for benefits is pending or under review. This will be done at our expense at no cost to you.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding your claim 60 days after proof of claim has been given to us and up to 3 years from the time proof of claim is required, unless otherwise provided under federal law.

Claim Procedures and Appeal Information

[Zurich American Life Insurance Company]
(also referred to as we, us, our, and "The Company")

Applicability of ERISA

If this [Policy] provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your [employer] may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the [Policy], including your Certificate of [Coverage], the [Benefits Schedule] and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the [Policy], your Certificate of [Coverage], and the information in this document.

How to File a Claim

If you wish to file a claim for benefits, you should follow the claim procedures described in your certificate of coverage. To complete your claim filing, we must receive the claim information it requests from you (or your authorized representative), your attending physician, and your [employer]. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact us directly.

Claims Procedures

We will give you notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if we determine that such an extension is necessary due to matters beyond the control of the Plan and we notify you of the circumstances requiring the extension of time and the date by which we expect to render a decision. If such an extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days within which to provide the specified information. If you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your claim without that information.

If your claim for benefits is wholly or partially denied, the notice of adverse benefit determination under the Plan will:

- state the specific reason(s) for the determination;
- reference specific Plan provision(s) on which the determination is based;
- describe additional material or information necessary to complete the claim and why such information is necessary;
- describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures and the right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Us on appeal; and
- disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request).

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

You have 180 days from the receipt of notice of an adverse benefit determination to file an appeal. Requests for appeals should be sent to the address specified in the claim denial. A decision on review will be made no later than 45 days following receipt of the written request for review. If we determine that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). We will notify you in writing if an additional 45 day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45 day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, we may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents as defined by, applicable U.S. Department of Labor regulations. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by us and will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, we will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, we will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;
- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- a statement describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the decision;
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that "You or your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency".

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

Other Rights

The Company, for itself and as claims fiduciary for the Plan, is entitled to legal and equitable relief to enforce its right to recover any benefit overpayments caused by your receipt of *deductible sources of income* from a third party. This right of recovery is enforceable even if the amount you receive from the third party is less than the actual loss suffered by you but will not exceed the benefits paid you under the policy. The Company and the Plan have an equitable lien over such

sources of income until any *benefit overpayments have been recovered in full.*

Delegation of Authority

The Plan, acting through the Plan Administrator, [Zurich American Life Insurance Company] delegates to and its affiliate's authority to make benefit determinations under the Plan. The Company may act directly or through their employees and agents or further delegate their authority through contracts, letters or other documentation or procedures to other affiliates, persons or entities. Benefit determinations include determining eligibility for benefits and the amount of any benefits, resolving factual disputes, and interpreting and enforcing the provisions of the Plan. All benefit determinations must be reasonable and based on the terms of the Plan and the facts and circumstances of each claim.

Once you are deemed to have exhausted your appeal rights under the Plan, you have the right to seek court review under Section 502(a) of ERISA of any benefit determinations with which you disagree. The court will determine the standard of review it will apply in evaluating those decisions.

GLOSSARY

General definitions used throughout this Certificate include: [

Accident means a sudden unforeseeable external event that caused bodily injury to an [insured] while coverage is in force under the [Policy].

Accumulation Period – means the period of time from the date disability begins during which you must satisfy the [*elimination*] *period*.

Active Employment - means you are working for your [employer] for earnings that are paid regularly and that you are performing the *material and substantial duties of your regular occupation.* You must be working at least the minimum number of hours as described under [*eligible class(es)*] in each *plan*.

Your work site must be:

- your [employer's] usual place of business;
- an alternative work site at the direction of your [employer], other than your home unless clear specific expectations and duties are documented;
- a location to which your job requires you to travel; [or
- at a location to which your [employer's] business requires you to [relocate] [live for an extended period of time].

Normal vacation is considered active employment.

If your [employment] status is being continued under a severance or termination agreement, you will not be considered in active employment.

Temporary and seasonal workers are excluded from coverage

Administrator means **1** [Zurich American Life Insurance Company.] **1** [the person(s) or organization(s) that are designated by the [Policyholder] to perform certain functions on behalf of the [Policyholder].]

References to the [policyholder] mean the administrator when the administrator is acting on behalf of the [policyholder].

[References to [the Company and] [Zurich American Life Insurance Company] mean the administrator when the administrator is acting on our behalf as specified in an agreement between the administrator and us.]

Annual Enrollment Period means the period in each calendar year agreed upon by the [employer] and Us when an eligible [employee] may enroll for or change benefit elections under the [Policy].

Appropriate Care means the determination of an accurate and medically supported diagnosis of the [insured's] disability, or ongoing medical treatment and care of the [insured's] disability by a physician that conforms to generally-accepted medical standards, including frequency of treatment and care.

[Association]- means an association:

- who as applied for coverage under the Group Insurance Policy for [eligible] [members];
- meets all the requirements as a Policyholder under the Group Insurance Policy; and

- who has paid initial premium and fees.

Benefit Amount; Benefit Payable means the Disability Income payable to you according to the terms of the [policy].

Confined or Confinement means a hospital stay of at least 8 hours per day.

[Covered Weekly Earnings] means your gross weekly income from your [employer] as defined in the plan.

Credible Coverage means you had prior coverage under a group disability benefit plan or a disability benefit plan.

[Deductible Sources of Income] means income from the deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your [*gross disability benefit*].

Disability Benefit when used with the term retirement plan, means money which:

- is payable under a retirement plan due to a disability, as defined in the plan, and
- does not reduce the amount of money, which would have been paid as retirement benefits which would have been paid as retirement benefits under the plan if the disability had not occurred. (If the payment does cause a reduction, it will be considered a retirement benefit as defined in this certificate.]

Disability Earnings are the earnings you receive while you are disabled and working

1[Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.]

Eligible Classes means the classes of employees that your employer has selected as being eligible to receive coverage under a plan. Your [*employer*] alone determines the criteria that is used to define the *[eligible class(es)]* for insurance coverage under this plan. Your [*employer*] alone also sets the criteria and determines if you are in an [*eligible class*] to receive coverage under this plan. We will rely on the representation(s) of the [*employer*] as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.]

Eligibility Date means the date you become eligible for insurance.

Elimination Period - means a period of continuous disability that must be satisfied before you are eligible to receive benefits from [this *plan*] [us].

[Employee] means a person who is in *active employment* [in the United States] [working and residing outside the United States] with the [Employer] **1**[and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the [Employer] and such affiliated corporations, proprietorships or partnerships is under common control.] **1**[Employee shall exclude in any case, *part-time* employees, temporary employees and employees who work for the employer less than the number of hours per week indicated in the Benefits Schedule]. **1**[This term does not include employees who normally work less than [30] hours a week for the [Employer].

[Employer] – means the [Policyholder] and subsidiaries or affiliates of the [Policyholder] that the [Policyholder] has requested in writing to have included under the [Policy], and we have approved such request.

Evidence of Insurability means a statement of you medical history that we will use to determine if you are approved for coverage. [Evidence of Insurability] will be at [our] [your] expense.

Full-Time means the number of hours set by the [Employer] as a regular work day for full-time employees in the *insured's [eligible class]*.

Gainful Occupation means an occupation [, including self-employment,] that is or can be expected to provide you with an income within [26-104] weeks of your return to work, that exceeds:

- -[40%-100%] of your covered *weekly earnings*, if you are working; or
- -[40-100%] of your *covered weekly earnings*, if you are not working.

Gainful occupation is used to determine your eligibility for benefits following the [*own job*] [*regular occupation]* period.

Good Cause means a medical reason preventing your participation in the Rehabilitation Program or in a Transitional Work Arrangement. Satisfactory proof of good cause must be provided to Us.

Gross Disability Benefit means the total benefit amount for which an [employee] is insured under this *plan* before we subtract *deductible sources of income* and *disability earnings* subject to the *maximum benefit*.

Home Office means [1400 American Lane, Schaumburg, IL 60196]

Hospital or Institution means an accredited facility licensed to provide care and treatment for the condition causing your disability.

Income means income you earn, while disabled and working, from your [employer] or any other employer. However, any income earned by working for another employer will be considered income [only to the extent that it exceeds the amount of income you were earning from such employer immediately before you became disabled.] [only if you]:

- [become employed after the date your disability started; or
- increase the number of hours you work, or the number or type of duties you perform for another employer after the date your disability started. In that event, only the amount of the income increase will be taken into consideration for the benefit adjustment.]

This item will be revised according to the length of the regular occupation period. If regular occupation determines disability for the entire length of the claim, the first paragraph will be omitted.

Injury means bodily injury that is a direct result of an accident and independent of all other causes. The injury must occur and the disability must begin while you are covered under this plan. **1**[Exception: any disability that occurs more than [60] days after the injury will be considered a [sickness] for the purpose of determining benefits under this [policy].]

Insured means any person covered under this *plan* for whom premium has been paid.
Law, Plan or **Act** means the original enactment of the law, plan or act and all amendments.

Layoff or **Leave of Absence** means you are temporarily absent from *active employment* for a period of time that has been agreed to in advance in writing by your [employer]. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Limited means what you cannot or are unable to do.

Material and Substantial Duties means duties that:

- are normally required for the performance of your [*own job*] [*regular occupation*] [any *gainful occupation*]; and
- cannot be reasonably omitted or modified, except [that if you are required to work an average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

Maximum Period of Payment means the longest period of time we will make payments to you

[Optional Plan] means the option to purchase additional insurance beyond the [Core Plan] [plan under which you are currently covered]. This insurance is elected and paid for by the [insured].

Own Job means the job you are routinely performing when your disability begins. We will look at your job as it is normally performed and how the work tasks are performed for your employer.

If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your own job.]

2[If you are a [physician], own job means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

Partial Disability or Partially Disabled means as a result of the illness or injury following a period of total disability for which benefits were payable, we will pay a partial disability benefit if you:

- are partially disabled within [31] days of the date your total disability benefits cease; and
- give us upon request and at your own expense, proof of continued disability.

Part-Time Basis means the ability to work and earn between 20% or more of your covered weekly earnings.

Payable Claim means a claim for which we are liable under the terms of the [policy].

Physician means a person performing tasks that are within the limits of his or her medical license; and

- a person who is licensed to practice medicine, and prescribe and administer drugs and medicines, or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

We will not recognize you or a person related to you as a physician for a claim that you send to us. This includes but not limited to your spouse, children, parents, siblings, brother-in-laws, sister-in-laws, or step children,

Plan means a line of coverage under the [Policy].

Policy means the group insurance policy obtained by the Policyholder under which your [Employer] participates and receives group short term disability insurance to cover eligible employees.

[Policyholder] means an Employer who as applied for coverage under the [Policy] for eligible employees.]

3**[Pre-Existing Condition** means a condition for which you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines for your condition during the given period of time as stated in the plan; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider during the given period of time as stated in the plan.]

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the [Policy] Effective Date.

Reasonable Occupation means any gainful activity for which you are, or may reasonably become fitted by education, training, or experience; [and
Which results in, or can be expected to result in an income of more than:]

- [50%] of your [covered *weekly earnings*].
- [or if less, the amount of the *maximum weekly benefit*].

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a disabled person to perform the material duties of their occupation without causing undo hardship to any employer. It must meet federal standards of Reasonable Accommodation as detailed in the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability, which is

- Caused by a worsening in your condition; and
- Due to the same cause(s) as your prior disability for which we made a Short Term Disability payment [, or you satisfied your elimination period].

Regular Care means:

- you personally visit a *physician* as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific employer or at a specific location.

4[For [employees in an own-specialty class: this is the occupation that you are routinely performing when your period of disability begins. If your occupation is limited to a recognized specialty within the scope of your degree or license, your specialty will be deemed your regular occupation [for your initial period of disability.]

4[If you are a [physician], regular occupation means the general or sub-specialty in which you are practicing when your disability begins, for which:

- there is a specialty or sub-specialty recognized by the [American Board of Medical Specialties];or
- you are a member of a board recognized by the [American Dental Association].]

[Rehabilitation Program] means a program, approved by us, designed to assist you to return to work.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans, which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes but is not limited to any plan that is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to you by your [employer] of all or part of your [*weekly earnings*], after you become disabled as defined by the [policy]. This continued payment must be part of an established plan maintained by your [employer] for the benefit of all [employees] covered under the [policy]. Salary continuation or accumulated sick leave does not included compensation paid to you by your [employer] for work you actually perform after your disability begins. Such compensation is considered [*disability earnings*], and would be taken into account in calculating your [*weekly benefit*].

[Service] Waiting Period means the continuous period of time that you must be in *active employment* in an [*eligible class*] before you are eligible for coverage under a *plan*.] The [employer] and we must agree upon the period.

[Sickness; Illness] means an illness or disease. The [sickness] must begin while you are covered under this plan. [Pregnancy and] [Childbirth and complications of pregnancy are considered a [sickness] under this policy.

Spouse means the insured's lawful spouse, (not including a spouse who is legally separated from the insured.

We, **Us** and **Our** means [Zurich American Life Insurance Company].

Weekly Benefit means your benefit amount after any *deductible sources of income* [and *disability earnings*] have been subtracted from your *gross disability benefit***.**

You means an [*insured*] [employee] who is eligible for our coverage under this *plan*.]