State of South Carolina
202 Arbor Lake Drive
Columbia, South Carolina 29223

CERTIFICATE:

AMENDED AND RESTATED

BASIC LONG TERM DISABILITY INCOME BENEFIT PLAN

Plan Sponsor has established a long term disability income benefit plan. Plan Sponsor is solely responsible for payment of LTD Benefits payable under the terms of the Plan.

Plan Sponsor has retained Standard Insurance Company as claims administrator for the Plan. Standard shall receive, process, investigate and evaluate claims for benefits and shall recommend to Plan Sponsor approval or denial of each claim. Standard shall also investigate and process appeals of denied claims and recommend to Plan Sponsor approval or denial of each appeal. In each case Plan Sponsor retains the right of final review and decision on all claims and appeals.

Standard has no authority or obligation with respect to management or investment of the assets of the Plan.

You will be covered as provided by the terms of the Plan. Possession of this Certificate does not necessarily mean you are covered. You are covered only if you meet the requirements set out in this Certificate.

Plan Sponsor has the right at anytime to amend or terminate the Plan or to require or change the amount of Member contributions. If your coverage is changed by an amendment to the Plan, Plan Sponsor will provide you with a revised Certificate or other notice. No agent has authority to change the Plan or to waive any of its provisions.

"You" and "your" mean the Member. "We", "us" and "our" mean Plan Sponsor. Other defined terms appear with the initial letter capitalized. Section headings, and references to them, appear in boldface type.

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COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) coverage. Other provisions, including exclusions, limitations, and Deductible Income, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

GENERAL PLAN INFORMATION

Plan Sponsor:	State of South Carolina
Employer(s):	State of South Carolina, school districts and local entities
Claims Administrator:	Standard Insurance Company
ASO Number:	627284-B
Plan Document Effective Date:	September 1, 2000

BECOMING COVERED

To become covered you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Active Work Provisions** and **When Your Coverage Becomes Effective**.

Definition Of Member:

You are a Member if you are enrolled in a Health Plan offered as part of the State Insurance Program and you are one of the following:

1. A person employed by an Employer on a full-time basis, and who receives compensation from a department, agency, board, commission or institution of the State, including clerical and administrative employees of the General Assembly, and judges in the State courts;
2. An employee that the General Assembly has made eligible for coverage by law, including employees of a public school district, county, municipality, or other State-Covered Entity that has qualified for, and is participating in, coverage under the Program;
3. A member of the South Carolina General Assembly or an elected member of a council of a participating county or municipality, whose council members are eligible to participate in the South Carolina Retirement Systems;
4. An active permanent full-time employee who is employed by an Employer participating in the State Insurance Program and that has elected, upon notification and acceptance by the South Carolina Public Employee Benefit Authority, the definition of full-time to mean working at least 20 hours per week on an annual basis; or
5. A member of the X22 Employer Group, regardless of whether the member's county participates in the State Insurance Program.

You are not a Member if you are:

1. A full-time member of the armed forces of any country;
2. A part-time teacher; or
3. A person employed by an Employer that elects to obtain other health insurance coverage for its persons employed on a nonpermanent, full-time basis.

The minimum hourly work requirement does not apply while a Member is on a furlough, provided the furlough is for 30 days or less.

Eligibility Waiting Period: You are eligible on the Plan Document Effective Date if you are a Member on that date.

You are eligible on the first day as a Member, if you become a Member after the Plan Document Effective Date.

SCHEDULE OF COVERAGE

LTD Benefit: The lesser of:

1. 62.5% of the first $1,280 of your Predisability Earnings; or
2. 62.5% of your Predisability Earnings, reduced by Deductible Income.

Maximum: $800.

Benefit Waiting Period: 90 days

Maximum Benefit Period: Determined by your age when Disability begins, as follows:

Age	Maximum Benefit Period
61 or younger	To age 65, or 3 years 6 months, if longer
62	3 years 6 months
63	3 years
64	2 years 6 months
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 or older	1 year

DISABILITY PROVISIONS

Own Occupation Period: The Benefit Waiting Period and the first 24 months of Disability.

Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

Partial Disability: Covered

Own Occupation Income Level: 80% of your Indexed Predisability Earnings

Any Occupation Income Level: 65% of your Indexed Predisability Earnings

See **Definition of Disability** for more information.

EXCLUSIONS AND LIMITATIONS

Preexisting Condition exclusion:	Yes
Preexisting Condition Period:	The 6 month period prior to the most recent effective date of your coverage under the Employer's self-funded long term disability coverage plan.
Exclusion Period:	12 months while covered under the Plan
Treatment-Free Period:	At least 12 consecutive months during the period that begins at the start of the Preexisting Condition Period and ends on the date you become Disabled.

See **Exclusions** and **Limitations** for this and other exclusions and limitations.

DEDUCTIBLE INCOME

Social Security Offset:	Primary Offset
Salary Continuation Offset:	Sick Pay or other salary continuation paid or payable to you by your Employer, but not including vacation pay.

See **Deductible Income** for this and other Deductible Income.

OTHER BENEFITS

Leave of Absence Period:	30 days or less
Continuity of Coverage:	Yes
Reasonable Accommodation Expense Benefit:	The expenses incurred for the reasonable accommodation or $1,000, whichever is less.
Predisability Earnings based on:	Earnings in effect on the January 1 preceding your last full day of Active Work*, or on the date you become a Member if you were not a Member on the preceding January 1. However, if you transfer from one Employer to another, until the January 1 next following the date of transfer, your Predisability Earnings will be based on your earnings in effect on the date of transfer, thereafter, the January 1 preceding your last full day of Active Work.

*For purposes of determining your Predisability Earnings under the Group Policy, earnings are not impacted by a reduction in work hours due to furlough.

MEMBER CONTRIBUTIONS

Coverage is:	Noncontributory

STATEMENT OF COVERAGE

If you become Disabled while covered under the Plan, we will pay LTD Benefits according to the terms of the Plan after we receive satisfactory Proof Of Loss. However, our obligation to pay LTD Benefits is subject to appropriation of funds by the Legislature.

AS.IC.01X

DEFINITION OF DISABILITY

You are Disabled if you meet one of the following definitions during the period it applies:

A. Own Occupation Definition of Disability;

B. Any Occupation Definition of Disability; or

C. Partial Disability Definition.

A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of your Own Occupation.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as your regular and ordinary employment with the Employer. Your Own Occupation is not limited to your job with your Employer.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license, or because you suffer a loss of Predisability Earnings as a result of disclosure of any Physical Disease, Injury, Pregnancy or Mental Disorder.

B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of Any Occupation.

Any Occupation means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 65% of your Indexed Predisability Earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

C. Partial Disability Definition

1. During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you work in your Own Occupation but, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to earn more than the Own Occupation Income Level.

2. During the Any Occupation Period, you are Partially Disabled when you work in an occupation but, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to earn more than the Any Occupation Income Level in that occupation and in all other occupations for which you are reasonably fitted under the Any Occupation Definition of Disability.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation.

You may work in another occupation while you meet the Own Occupation Definition of Disability. If you are Disabled from your Own Occupation, there is no limit on your Work Earnings in another occupation. Your Work Earnings may be Deductible Income. See **Return To Work Incentive** and **Deductible Income**.

Your Any Occupation Period, Any Occupation Income Level, Own Occupation Period, and Own Occupation Income Level are shown in the **Coverage Features**.

LT.DD.01

RETURN TO WORK PROVISIONS

A. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period no LTD Benefits will be payable for any period when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

B. Return To Work Incentive

You may serve your Benefit Waiting Period while working if you meet either the Own Occupation Definition Of Disability or the Partial Disability Definition.

You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined below:
   a. Determine 62.5% of your Predisability Earnings, and add your Work Earnings to that amount.
   b. Determine 100% of your Indexed Predisability Earnings.
   c. If a. is greater than b., the difference will be Deductible Income.
2. After those first 12 months, one half of your Work Earnings will be Deductible Income.

C. Work Earnings Definition

Work Earnings means your gross monthly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available:

a. In your Own Occupation during the Own Occupation Period; and

b. In Any Occupation during the Any Occupation Period.

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

Earnings from work you perform will be included in Work Earnings when you have the right to receive them. If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings we:

1. Will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis.

2. Will not be limited to the taxable income you report to the Internal Revenue Service.
3. May ignore expenses under section 179 of the IRC as a deduction from your gross earnings.
4. May ignore depreciation as a deduction from your gross earnings.
5. May adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine your Work Earnings by averaging your earnings over the most recent three-month period. During the Own Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 80% of your Indexed Predisability Earnings. During the Any Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 65% of your Indexed Predisability Earnings.

LT2.RW.01

REASONABLE ACCOMMODATION EXPENSE BENEFIT

If you are Disabled and return to work in any occupation for any employer, not including self employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit as shown in the **Coverage Features**.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

LT.RA.01

TEMPORARY RECOVERY

You may temporarily recover from your Disability, and then become Disabled again from the same cause or causes, without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable Allowable Period.

A. Allowable Periods

1. During the Benefit Waiting Period: a total of 30 days of recovery.
2. During the Maximum Benefit Period: 180 days for each period of recovery.

B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, 1 through 5 below will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of Temporary Recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other group long term disability insurance policy under which you become insured during your period of Temporary Recovery.
5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

LT.TR.08

WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of 1 through 4 below.

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other group long term disability insurance policy under which you become insured during a period of Temporary Recovery.

LT.BE.01

PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect as shown in the **Coverage Features**. Any subsequent change in your earnings will not affect your Predisability Earnings.

For members of the X22 Employer Group, Predisability Earnings means (a) your total monthly rate of earnings from your Employer if your county participates in the South Carolina Public Employee Benefit Authority, or (b) the portion of your monthly rate of earnings associated with your Aid to Subdivisions appropriation, if your county does not participate in the South Carolina Public Employee Benefit Authority.

For all other Members, Predisability Earnings means your monthly rate of earnings from your Employer.

Predisability Earnings include:

1. Contributions you make through a salary reduction agreement with your Employer to:
   a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), or 457 deferred compensation arrangement; or
   b. An executive nonqualified deferred compensation arrangement.
2. Longevity pay.
3. Shift differential pay.
4. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.
5. Compensation earned during regular summer sessions by university teaching staff.

Predisability Earnings does not include:

1. Bonuses.
2. Commissions
3. Overtime pay.
4. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
5. Any compensation from an Employer that is not participating in the South Carolina Public Employee Benefit Authority.
6. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings 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.

LT.PD.22X

DEDUCTIBLE INCOME

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay or other salary continuation as shown in the **Coverage Features**.
2. Your Work Earnings, as described in the **Return To Work Incentive**.
3. Any amount you receive or are eligible to receive because of your disability under any workers' compensation law or similar law, including amounts for partial or total disability, whether permanent, temporary, or vocational.
4. Any amount you receive or are eligible to receive because of your disability or retirement under:
   a. The Federal Social Security Act; primary benefits are Deductible Income, but dependents benefits are not.
   b. The Canada Pension Plan;
   c. The Quebec Pension Plan; or
   d. Any similar plan, act, or law.
5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under any other group insurance coverage through the Employer.
7. Your Deductible Income from your Employer's retirement plan, as described in **Retirement Plan Offset.**
8. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgement, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
9. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

LT.DI.02X

RETIREMENT PLAN OFFSET (RPO)

A. Deductible Income

Subject to the RPO Exceptions and in accordance with the RPO Rules below, your Deductible Income from your Employer's retirement plan will be the benefit determined below which provides the largest monthly reduction in your LTD Benefit even if you elect to receive a different benefit or no benefit. If you receive two or more of these benefits, the benefits will be combined for purposes of determining your Deductible Income.

Any disability benefit or retirement benefit, including service retirement benefit you (1) receive, (2) are eligible to receive, or (3) would have been eligible to receive from the Employer's retirement plan had timely application been made.

Your Employer's retirement plan includes any retirement plan established, maintained or participated in by your Employer and to which you or your Employer make contributions, including a public employee

retirement system, a state teacher retirement system or a plan arranged and maintained by a union or employee association for the benefit of its members.

B. RPO Exceptions

Deductible Income from your Employer's retirement plan does not include the amounts below:

1. That portion of any retirement plan benefit attributable to your contributions, determined as follows:

   a. Multiply the total of your accumulated retirement plan contributions and earnings (as reported by the South Carolina Retirement System) by the applicable conversion factor from the table below.

   b. Divide the product by 12.

   c. The result of a. and b. will not be Deductible Income from your Employer's retirement plan.

CONVERSION FACTORS

Age at Disability	Conversion Factor
44 and under	.041
45 through 53	.048
54 through 59	.054
60 through 63	.061
64 through 66	.068
67 through 68	.075
69 through 71	.082
72 through 73	.088
74 through 75	.095
76 and above	.102

2. Any lump sum refund, withdrawal or distribution of your contributions and earnings you receive because you are not vested under the plan.

C. RPO Rules

1. You will be considered eligible to receive disability benefits from your Employer's retirement plan unless you provide satisfactory written proof that you made timely application, including any appeals we deem appropriate, for such benefits and were denied or that a timely application would have been denied had you applied.

2. If a disability benefit or retirement benefit is your Deductible Income from your Employer's retirement plan because it provides the largest reduction in your LTD Benefit, but you choose not to receive that benefit, your Deductible Income will be the disability benefit or retirement benefit you could have received.

3. If we cannot determine from your Employer's retirement plan the amount of disability benefit or retirement benefit you are or would have been eligible to receive, we will determine your Deductible Income using a lifetime monthly annuity amount, with no survivor income. The annuity will be based on total plan contributions made by you or on your behalf, including your Employer's contributions and rollover contributions, plus earnings, and on the life expectancy of a person your age on the following dates:

   a. With respect to a disability benefit, the date you first become eligible for a disability benefit:

   b. With respect to a retirement benefit, the date you first become eligible for a retirement benefit; or

   c. The date LTD Benefits become payable, if we cannot determine the date in a. or b.

LT.RP.01X

EXCEPTIONS TO DEDUCTIBLE INCOME

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical, or surgical expense.
3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
4. Benefits from any individual disability insurance policy.
5. Early retirement benefits under the Federal Social Security Act which are not actually received.
6. Group credit or mortgage disability insurance benefits.
7. Accelerated death benefits paid under a life insurance policy.
8. Benefits from Standard group policies 621144-A or 621144-B.
9. Benefits from a. through e. below:
   a. Profit sharing plan.
   b. Thrift or savings plan.
   c. Plan under IRC Section 401(k), 408(k), or 457.
   d. Individual Retirement Account (IRA).
   e. Tax Sheltered Annuity (TSA) under IRC Section 403(b).

LT.ED.06X

RULES FOR DEDUCTIBLE INCOME

A. Monthly Equivalents

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

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.

B. Your Duty To Pursue Deductible Income

You must pursue Deductible Income for which you may be eligible, including any appeals we deem appropriate. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

C. Pending Deductible Income

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.

D. Overpayment Of Claim

We will notify you of the amount of any overpayment of your claim under the Plan or under Standard group policies 621144-A or 621144-B. You will not receive any LTD Benefits until the overpayment has been repaid in full. In the meantime, any LTD Benefits paid, including any LTD Benefits paid under the Employer's insured long term disability plan, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 30 days after we first mail you notice of the amount of the overpayment.

AS.RU.01X

BENEFITS AFTER COVERAGE ENDS OR IS CHANGED

During each period of continuous Disability, we will pay LTD Benefits according to the terms of the Plan in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:

1. Termination of the Plan after you become Disabled; or
2. Any amendment to the Plan that is effective after you become Disabled.
3. Termination of your Employer's participation under the Plan after you become Disabled. However, your Employer will be responsible to fund LTD Benefits payable after your Employer's participation under the Plan ends.

LT.BA.03X

EFFECT OF NEW DISABILITY

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1 and 2 apply.

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. All provisions of the Plan, including the **Exclusions** and **Limitations** sections, will apply to the new cause of Disability.

LT.ND.01X

EXCLUSIONS

A. War

You are not covered for a Disability caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

B. Intentionally Self-Inflicted Injury

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted Injury, while sane or insane.

C. Preexisting Condition

1. Definition

   Preexisting Condition means any injury, illness, or symptom (including secondary conditions and complications) which was medically documented as existing, or for which medical treatment, medical service, prescriptions, or other medical expense was incurred at any time during the Preexisting Condition Period shown in the **Coverage Feature**

2. Exclusion

   You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

   a. Have been continuously insured under the Group Policy for the entire Exclusion Period shown in the **Coverage Features**; or
   b. Have served the entire Treatment-Free Period shown in the **Coverage Features** without having received medical treatment, medical service, prescriptions, or having incurred any other medical expense in connection with the Preexisting Condition.

LT.EX.05X

DISABILITIES SUBJECT TO LIMITED PAY PERIODS

A. Limitation

No LTD Benefits are payable after you have been Disabled for 24 months during your entire lifetime (exclusive of any Benefit Waiting Periods), if your Disability is caused or contributed to by the following, or medical or surgical treatment of the following:

1. Mental Disorders. However, if you are confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, this limitation will not apply while you are continuously confined. Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

2. Substance Abuse. Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

3. Chronic Fatigue Conditions. Chronic Fatigue Conditions means conditions such as chronic fatigue syndrome, chronic fatigue immunodeficiency syndrome, post viral syndrome, limbic encephalopathy, Epstein-Barr virus infection, herpesvirus type 6 infection, or myalgic encephalomyelitis.

4. Chemical And Environmental Sensitivities. Chemical And Environmental Sensitivities means any allergy or sensitivity to chemicals or the environment such as environmental allergies, sick building syndrome, multiple chemical sensitivity syndrome or chronic toxic encephalopathy.

5. Chronic Pain, Musculoskeletal And Connective Tissue Conditions. Chronic Pain, Musculoskeletal And Connective Tissue Conditions means conditions such as fibromyalgia, reflex sympathetic dystrophy or myofascial pain, carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder, craniomandibular joint disorder, arthritis, diseases or disorders of the cervical, thoracic, or lumbosacral back and its surrounding soft tissue, and sprains or strains of joints or muscles.

However, Disabilities as a result of the following conditions are not limited: neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, or vascular malformations, demyelinating diseases, lupus, rheumatoid or psoriatic arthritis, herniated discs with neurological abnormalities that are documented by electromyogram and computerized tomography or magnetic resonance imaging, scoliosis, radiculopathies that are documented by electromyogram, spondylolisthesis, grade II or higher, myelopathies and myelitis, traumatic spinal cord necrosis, osteoporosis, discitis, Paget's disease.

B. Rules For Disabilities Subject To Limited Pay Periods

1. The 24 month limited pay period applies separately to items 1 through 5 above.

2. If you are Disabled as a result of more than one Mental Disorder, Physical Disease or Injury for which LTD Benefits are payable for a limited period of time, the limited pay periods will run concurrently for all limited conditions.

3. If you are Disabled as a result of a Mental Disorder or any Physical Disease or Injury for which payment of LTD Benefits is subject to a limited pay period, and at the same time are Disabled as a result of a Physical Disease, Injury, or Pregnancy that is not subject to such limitation, LTD Benefits will be payable first for conditions that are subject to the limitation.

4. No LTD Benefits will be payable after the end of a limited pay period, unless on that date you continue to be Disabled as a result of a limited condition for which the limited pay period has not ended or as a result of a Physical Disease, Injury, or Pregnancy for which payment of LTD Benefits is not limited, and you are otherwise eligible for LTD Benefits.

LT.LP.OT.1X

LIMITATIONS

A. Care Of A Physician

You may select the Physician of your choice. However, you must be receiving ongoing appropriate care and treatment from a Physician in the appropriate specialty during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not receiving ongoing appropriate care and treatment from a Physician in the appropriate specialty. We will determine the appropriateness of the care and treatment you are receiving and of the Physician treating you according to generally accepted medical standards.

B. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but elect not to work.

C. Rehabilitation Program

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating.

D. Foreign Residency

While living outside of the United States or Canada, payment of LTD Benefits is limited to 12 months for each period of continuous Disability

E. Imprisonment

No LTD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.

LT.LM.OT.1

CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If you do not receive our forms within 15 days after you ask for them, you may submit your claim in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

B. Time Limits On Filing Proof Of Loss

You must give us Proof Of Loss within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90 day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

C. Proof Of Loss

Proof Of Loss means written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 45 days after we mail our request, your claim may be denied.

E. Investigation Of Claim

We may investigate your claim at any time.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss.

LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to your estate.

G. Minimum Claim Payment and Claim Settlement

If your LTD Benefit under the Plan plus the amount of your long term disability benefit under Standard group policy 621144-B, if any, is equal to $50.00 or less, we may, at our sole discretion, settle your claim in a lump sum equal to the present value of your claim as determined by us.

If there is a subsequent reduction in the amount of your Deductible Income, you have the right to ask for a review of your settlement. When you request a review, you may send us written comments or other items to support your request.

H. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 45 days after we receive your claim we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for 30 days. Before the end of this extension period we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for an additional 30 days. If an extension is due to your failure to provide information necessary to decide the claim, the extended time period for deciding your claim will not begin until you provide the information or otherwise respond.

If we extend the period to decide your claim, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may decide your claim based on the information we have received.

If we deny any part of your claim, you will receive a written notice of denial containing:

a. The reasons for our decision.

b. Reference to the parts of the Plan on which our decision is based.

c. A description of any additional information needed to support your claim.

d. Information concerning your right to a review of our decision.

I. Review Procedure

You must request in writing a review of a denial of all or part of your claim within six months after you receive notice of the denial from the Claims Administrator.

When you request a review, you may send the Claims Administrator written comments or other items to support your claim. You may review any non-privileged information that relates to your request for review.

The Claims Administrator will review your claim promptly after receipt of your request. The Claims Administrator will send you a notice of its decision within 60 days after receipt of your request, or within 120 days if special circumstances require an extension. The Claims Administrator will state the reasons for its decision and refer you to the relevant parts of the Plan.

After you receive the Claims Administrator's decision, you may request a final review from the South Carolina Public Employee Benefit Authority by submitting written comments or other items to support your claim within 90 days of receiving the Claims Administrator's final determination. The South Carolina Public Employee Benefit Authority will consider your appeal within 30 days of its receipt of all requested documentation from the Claims Administrator. The South Carolina Public Employee Benefit Authority will contact you if special circumstances require an extension.

J. Assignment

The rights and benefits under the Plan are not assignable.

AS.CL.01X

SUBROGATION

If LTD Benefits are paid or payable to you under the Plan as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of LTD Benefits, and such notice shall constitute a lien on any judgement recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgement recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, shall be paid to you or as the court may direct.

LT2.SG.01X

ALLOCATION OF AUTHORITY

We have full and exclusive authority to control and manage the Plan, to administer claims, and to interpret the Plan and resolve all questions arising in the administration, interpretation, and application of the Plan.

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Plan and any claim under it;
3. The right to determine:
   a. Eligibility for coverage;
   b. Entitlement to benefits;
   c. Amount of benefits payable;
   d. Sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Any decision we make in the exercise of our authority is conclusive and binding, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380, Code of Laws of South Carolina.

AS.AL.01X

INCONTESTABILITY PROVISIONS

Any statement you make to obtain coverage is a representation and not a warranty.

No misrepresentation by you will be used to reduce or deny your claim or contest the validity of your coverage unless:

1. Your coverage would not have been approved if we had known the truth; and
2. We have given you a copy of a written instrument signed by you, which contains your misrepresentation.

After your coverage has been in effect for two years, we will not use a misrepresentation by you to reduce or deny your claim, unless it was a fraudulent misrepresentation.

AS.IN.01

CONTINUITY OF COVERAGE

A. Members Covered Under Prior Plan

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were covered under the Prior Plan on the day before the effective date of your Employer's coverage under the Plan;
2. You became covered under the Plan when your coverage under the Prior Plan ceased;
3. You were continuously covered under the Plan from the effective date of your coverage under the Plan through the date you became Disabled from the Preexisting Condition; and
4. Benefits would have been payable under the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

Payment of your LTD Benefit will be under the terms of the Prior Plan or the Plan, whichever pays less.

B. All Other Members

If your Disability is subject to the Preexisting Condition Exclusion, we will credit the Exclusion Period with the last continuous period you were covered under a group long term disability coverage plan immediately prior to becoming a Member under the Plan and LTD Benefits will be payable if:

1. You provide satisfactory written proof that you were covered under a group long term disability coverage plan on the day before you became a Member under the Plan; and
2. You become covered under the Plan immediately upon serving the Eligibility Waiting Period and Active Work requirement; and
3. You are continuously covered under the Plan through the date you become Disabled; and
4. The time served under the prior group long term disability coverage plan added to the time served under the Plan equals or exceeds the Exclusion Period shown in **Coverage Features.**

Payment of your LTD Benefit will be under the terms of the Plan.

LT2.CC.07X

WHEN YOUR COVERAGE BECOMES EFFECTIVE

A. Noncontributory Coverage

Subject to the **Active Work Provisions**, your Noncontributory coverage becomes effective on the date you become eligible.

B. Takeover Provisions

1. If you were covered under the Prior Plan on the day before the effective date of your Employer's coverage under the Plan, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Plan.

2. You must submit satisfactory Medical History to become covered if you were eligible for coverage under the Prior Plan for more than 31 days but were not covered.

AS.EF.01X

ACTIVE WORK PROVISIONS

A. Active Work Requirement

You must be capable of Active Work on the day before the scheduled effective date of your coverage or your coverage will not become effective as scheduled. If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before the scheduled effective date of your coverage, your coverage will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing with reasonable continuity the Material Duties of your Own Occupation at your Employer's usual place of business.

B. Changes In Coverage

This Active Work requirement also applies to any increase in your coverage.

LT2.AW.01X

WHEN YOUR COVERAGE ENDS

Your coverage ends automatically on the earliest of:

1. The date the Plan terminates.
2. The date your employment terminates.
3. The date you cease to be a Member. However, if you cease to be a Member because you are not working the required minimum number of hours, your coverage will be continued during the following periods, unless it ends under 1 or 2 above.
   a. While your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member.
   b. During the Benefit Waiting Period and while LTD Benefits are payable.
   c. During the first twelve months of an unpaid sabbatical approved by the Employer.
   d. During a leave of absence if continuation of your coverage under the Plan is required by a state-mandated family or medical leave act or law.
   e. During any other leave of absence approved by your Employer in advance and in writing and scheduled to last the Leave Of Absence Period shown in the **Coverage Features.**

LT.EN.28X

REINSTATEMENT OF COVERAGE

If your coverage ends, you may become covered again as a new Member. However, the following will apply.

1. If your coverage ends because you cease to be a Member, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
2. If your coverage ends because you fail to make a required Member contribution, you must provide a satisfactory Medical History to become covered again.
3. If your coverage ends because you are on federal or state mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your coverage will be reinstated pursuant to federal or state mandated family or medical leave act or law.

4. The Preexisting Conditions Exclusion will be applied as if there had been no break in coverage in the following instances:

   a. If you become covered again within 90 days.

   b. If required by federal or state mandated family or medical leave act or law and you become covered again immediately following the period allowed under the family or medical leave act or law.

AS.RE.01

CLERICAL ERROR AND MISSTATEMENT

A. Clerical Error

Clerical error by the Plan Sponsor, your Employer, or their respective employees or representatives will not:

1. Cause a person to become covered;
2. Invalidate coverage under the Plan otherwise validly in force; or
3. Continue coverage under the Plan otherwise validly terminated.

B. Misstatement Of Age

If a person's age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

1. The amount of coverage based on the correct age; and
2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

LT.CE.01X

TERMINATION OR AMENDMENT OF THE PLAN

Benefits under the Plan are limited to its terms, including any valid amendment. Your Employer and their respective employees or representatives have no right or authority to change or amend the Plan or to waive any of its terms or provisions without our signed written approval.

We may change the Plan in whole or in part when any change in law or governmental regulation affects our obligations under the Plan.

Any such change or amendment of the Plan may apply to current or future Members or to any separate classes or groups of Members.

LT.TA.01X

DEFINITIONS

Benefit Waiting Period means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

Eligibility Waiting Period means the period you must be a Member before you become eligible for coverage. See **Coverage Features**.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to your body.

LTD Benefit means the monthly benefit payable to you under the terms of the Plan.

Maximum Benefit Period means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See **Coverage Features**.

Noncontributory means the Plan Sponsor or Employer pays the entire cost for your coverage.

Physician means a licensed medical professional, other than yourself, acting within the scope of the license.

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

Plan means the long term disability income benefit plan established by Plan Sponsor and identified by the ASO Number.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

Prior Plan means your Employer's long term disability plan in effect on the day before the effective date of your Employer's coverage under the Plan and which is replaced by the Plan.

LT.DF.06X