STANDARD INSURANCE COMPANY

A Stock Life Insurance Company
900 SW Fifth Avenue
Portland, Oregon 97204-1282
(503) 321-7000

CERTIFICATE:

GROUP LONG TERM DISABILITY INSURANCE

Policyholder:	State of South Carolina
Policy Number:	621144-B
Effective Date:	September 1, 2000

A Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of the Group Policy. If your coverage is changed by an amendment to the Group Policy, we will provide the Policyholder with a revised Certificate or other notice to be given to you.
Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate.

"We", "us" and "our" mean Standard Insurance Company. "You" and "your" mean the Member. All other defined terms appear with the initial letter capitalized. Section headings, and references to them, appear in boldface type.

President

GC190-LTD/S399

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COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. 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 POLICY INFORMATION

Group Policy Number:	621144-B
Policyholder:	State of South Carolina
Employer(s):	State of South Carolina, school districts and local entities
Group Policy Effective Date:	September 1, 2000
Policy Issued In:	South Carolina

BECOMING INSURED

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

Definition of Member:

You are a Member if 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;
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;
4. An employee who is receiving retirement benefits from the State of South Carolina Retirement System and who has waived active coverage under a Health Plan offered as part of the State Insurance Program; or
5. An employee of the Employer who is covered under any other group long term disability insurance plan that insures any portion of your Predisability Earnings (other than the State self-funded long term disability plan).

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 Group Policy 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 Group Policy Effective Date.
Evidence Of Insurability	Required: a. For late application for Contributory insurance. b. For reinstatements if required. c. For Members eligible but not insured under the Prior Plan. d. A change from Plan 2 to Plan 1.

PREMIUM CONTRIBUTIONS

Insurance is:	Noncontributory or Contributory, as determined by the Employer.

SCHEDULE OF INSURANCE

LTD Benefit:	65% of the first $12,307 of your Predisability Earnings, reduced by Deductible Income.
Maximum:	$8,000 before reduction by Deductible Income.
Minimum:	$100
Benefit Waiting Period:	Plan 1: 90 days Plan 2: 180 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 first 24 months for which LTD Benefits are paid.
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 for Plan 1:	The 6 month period just before your insurance under Plan 1 becomes effective.
Exclusion Period for Plan 1:	12 months while insured under Plan 1
Treatment-Free Period for Plan 1:	At least 12 consecutive months during the period that begins at the start of the Preexisting Condition Period for Plan 1 and ends on the date you become Disabled.
Preexisting Condition Period for Plan 2:	The 6 month period just before your insurance under Plan 2 becomes effective.
Exclusion Period for Plan 2:	12 months while insured under Plan 2
Treatment-Free Period for Plan 2:	At least 12 consecutive months during the period that begins at the start of the Preexisting Condition Period for Plan 2 and ends on the date you become Disabled.

If you are insured under Plan 2 and then change to Plan 1, the Preexisting Condition exclusion will apply to your coverage under Plan 1. The Preexisting Condition Period, Treatment Free Period and Exclusion Period will be based on the effective date of your insurance under Plan 1. However, if you become Disabled during the new Exclusion Period and LTD Benefits are not payable because of the exclusion for Preexisting Conditions, we will process you claim under Plan 2 as if you had not changed plans.

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

DEDUCTIBLE INCOME

Social Security Offset:	Full 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 PROVISIONS

Survivors Benefit Amount:	A lump sum equal to 3 times your LTD Benefit without reduction by Deductible Income.
Estate Payment Allowed:	No
Conversion of Insurance:	Yes
COLA Benefit:	Yes
COLA Benefit Percentage:	4%
Maximum Adjusted Benefit:	$25,000
Leave of Absence Period:	30 days or less.
Continuity of Coverage:	Yes
Reasonable Accommodation Expense Benefit:	The expenses incurred for the reasonable accommodation or $5,000, 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.

INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of the Group Policy after we receive satisfactory Proof Of Loss.

LT.IC.01

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 in a., b. and c:
   a. Determine the amount of your LTD Benefit as if there were no Deductible Income, 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, 50% 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.

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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.

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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.

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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 unless LTD Benefits are continued by the Lifetime Security Benefit. See **Additional Benefits for the Severely Disabled**.
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 renewal commissions, overwriting renewal commissions, or service fees.
6. Any compensation from an Employer that is not participating in the South Carolina Public Employee Benefit Authority.
7. 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.

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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, your spouse, or your children under age 18 receive or are eligible to receive because of your disability or retirement under:

   a. The Federal Social Security Act;
   b. The Canada Pension Plan;
   c. The Quebec Pension Plan; or
   d. Any similar plan, act, or law.

   Benefits your spouse or children receive or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence.

   The **Coverage Features** states which one of the following options applies to your Social Security benefits.

   a. Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefits are Deductible Income.
   b. Primary offset: Primary benefits are Deductible Income, but dependents benefits are not.
   c. Partial dependents offset: Primary benefits are Deductible Income. Dependents benefits are Deductible Income as determined below:
      (1) Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your dependents benefits to that amount.
      (2) Multiply your Predisability Earnings by the dependents limit.
      (3) If (1) is greater than (2), the difference will be Deductible Income.
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 long term disability insurance plan that insures any portion of your Predisability Earnings.
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 because of your disability under the South Carolina self-funded long term disability plan before reduction by any amount received under the Subrogation provision of the South Carolina self-funded long term disability plan. If your Employer terminates participation under the South Carolina self-funded long term disability plan and becomes responsible to fund your benefits under that plan, you will be deemed eligible to receive such benefits even if your Employer fails to fund or pay them.

9. 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.

10. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

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 Systems) 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. California Workers' Compensation benefits for permanent total or permanent partial disability.

6. Early retirement benefits under the Federal Social Security Act which are not actually received.

7. Group credit or mortgage disability insurance benefits.

8. Accelerated death benefits paid under a life insurance policy.

9. Benefits from a through h below:

   a. Profit sharing plan.

   b. Thrift or savings plan.

   c. Deferred compensation plan.

   d. Plan under IRC Section 401(k), 408(k), or 457.

   e. Individual Retirement Account (IRA).

   f. Tax Sheltered Annuity (TSA) under IRC Section 403(b).

   g. Stock ownership plan.

   h. Keogh (HR-10) plan.

LT.ED.06

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 any group disability insurance policy issued by us or under the South Carolina self- funded long term disability plan. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit and any LTD Benefits paid under the South Carolina self-funded 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.

LT.RU.01X

CONVERSION OF INSURANCE

When your insurance ends, you may buy LTD conversion insurance if you meet 1 through 5 below.

1. Your insurance ends for a reason other than:
   a. Termination or amendment of the Group Policy;
   b. Your failure to make a required premium contribution; or
   c. Your retirement.
2. You were insured under your Employer's long term disability insurance plan for at least one year as of the date your insurance ended.
3. You are not Disabled on the date your insurance ends.
4. You are a citizen or resident of the United States or Canada.
5. You apply in writing and pay the first premium for LTD conversion insurance within 31 days after your insurance ends.

Your LTD conversion insurance becomes effective on the day after your insurance ends.

The maximum LTD conversion insurance benefit you may select is the smallest of:

1. $4,000 (however, if you provide satisfactory Evidence Of Insurability, this upper limit may be as high as $8,000);

2. 60% of your insured Predisability Earnings on the date your insurance ended; and
3. The LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.

The maximum LTD conversion insurance benefit is reduced by deductible income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

LT.CV.01

COST OF LIVING ADJUSTMENT BENEFIT

A. Eligibility

You are eligible for a COLA Benefit if, on each April 1, you have been Disabled for the preceding 12 months and are receiving LTD Benefits.

B. COLA Benefit Rules

1. The Minimum LTD Benefit is not adjusted by the COLA Factor.
2. All other of your LTD Benefits becoming payable after you are eligible for a COLA Benefit are increased by the COLA Factor in effect for the current year.
3. A new COLA Factor is determined each April 1.
4. Your first COLA Factor is equal to 1.00 plus the rate of increase in the CPI-W for the prior calendar year.
5. Each following COLA Factor is equal to 1.00 plus the rate of increase in the CPI-W for the prior calendar year, times the previous COLA Factor.
6. The maximum rate of increase in the CPI-W that we will use is the COLA Benefit Percentage shown in the **Coverage Features**.
7. The amount payable after adjustment by the COLA Factor will not exceed the Maximum Adjusted Benefit shown in the **Coverage Features**.
8. Your COLA Factor will not decrease, even if the CPI-W decreases.

LT.CA.02

ADDITIONAL BENEFITS FOR THE SEVERELY DISABLED

A. Lifetime Security Benefit

If you meet the requirements below on the date your Maximum Benefit Period ends, we will pay LTD Benefits beyond the end of your Maximum Benefit Period, according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

Requirements For Lifetime Security Benefit

1. LTD Benefits are scheduled to end solely because your Maximum Benefit Period is ending.
2. You are Disabled and in addition:
   a. You are unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance due to loss of functional capacity as a result of Physical Disease or Injury; or
   b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.

B. Effect Of Lifetime Security Benefit On Other Provisions Of The Group Policy

If your LTD Benefits are continued beyond the end of the Maximum Benefit Period by the Lifetime Security Benefit, the following will apply:

1. Your LTD Benefits will no longer be increased by the COLA Factor.
2. No Employer Income Protection Benefit will be paid.
3. No Pension Contribution Benefit will be paid.
4. No Survivors Benefit will be paid if you die.

Except as provided above, the terms of the Group Policy will continue to apply to your Disability as before.

C. When LTD Benefits End Under The Lifetime Security Benefit

LTD Benefits continued by the Lifetime Security Benefit will end automatically on the earlier of:

1. The date you no longer meet the requirements in item A. above.
2. The date LTD Benefits end under the terms of the Group Policy for any reason other than reaching the end of the Maximum Benefit Period.

D. Time Limits On Filing Proof Of Loss

Proof Of Loss for the Lifetime Security Benefit must be provided within 90 days after the date the Maximum Benefit Period ends. If that is not possible, it must be provided 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, the claim will be denied. These limits will not apply while the claimant lacks legal capacity.

E. Conversion

The Lifetime Security Benefit coverage may not be converted under the **Conversion Of Insurance** provision.

F. Lifetime Security Benefit Exclusions and Limitations

LTD Benefits will not be continued by the Lifetime Security Benefit for any period when you are confined for any reason in a penal or correctional institution.

LTD Benefits will not be continued by the Lifetime Security Benefit if you are unable to perform Activities Of Daily Living or the Severe Cognitive Impairment is caused or contributed to by:

1. 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.
2. Any intentionally self-inflicted Injury, while sane or insane.
3. A Mental Disorder.
4. Use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.
5. A Preexisting Condition.
   a. Definition: For purposes of the Lifetime Security Benefit, Preexisting Condition means a mental or physical condition for which you have done, or for which a reasonably prudent person would have done any of the following:
      i. consulted a physician or other licensed medical professional,
      ii. received medical treatment or services or advice,
      iii. undergone diagnostic procedures, including self-administered procedures, or

iv. taken prescribed drugs or medication

during the 6 months just before your Lifetime Security Benefit coverage is effective.

b. Period Of Exclusion: This exclusion will not apply after the Lifetime Security Benefit coverage has been continuously in effect for a period of 12 months, if after that period you have been Actively At Work for at least one full day.

6. Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot. (Active participation does not include being at the scene of a violent disorder or riot while performing official duties.)

F. Definitions

1. Activities Of Daily Living means Bathing, Continence, Dressing, Eating, Toileting, or Transferring.
2. Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.
3. Continence means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.
4. Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.
5. Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.
6. Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.
7. Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.
8. Hands-on Assistance means the physical assistance of another person without which the insured would be unable to perform the Activity Of Daily Living.
9. Standby Assistance means the presence of another person within arm's reach of the insured that is necessary to prevent, by physical intervention, injury to the insured while the insured is performing the Activity Of Daily Living (such as being ready to catch the insured if the insured falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the insured throat if the insured chokes while Eating).
10. Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) is measured by clinical evidence and standardized tests approved by us that reliably measure impairment in (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning. Severe Cognitive Impairment does not include loss or deterioration as a result of a Mental Disorder.
11. Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (such as may result from wandering).

LT2.XB.01

SURVIVORS BENEFIT

If you die while LTD Benefits are payable, we will pay a Survivors Benefit according to 1 through 4 below.

1. The amount of the Survivors Benefit is shown in the **Coverage Features**.
2. The Survivors Benefit will first be applied to reduce any overpayment of your claim.
3. The Survivors Benefit will be paid at our option to any one or more of the following:

a. Your surviving spouse;

b. Your surviving unmarried children under age 25; or

c. Any person providing the care and support of any of them.

4. If you are not survived by a spouse or an unmarried child under age 25, no Survivors Benefit will be paid unless payment to your estate is allowed as stated in the **Coverage Features.**

LT.SB.01

WAIVER OF PREMIUM

Your insurance will continue without payment of premiums while LTD Benefits are payable.

LT.WP.01

BENEFITS AFTER INSURANCE ENDS OR IS CHANGED

Your right to receive LTD Benefits for a period of Disability which begins while you are insured will not be affected by:

1. Termination of the Group Policy after you become Disabled;
2. Termination of your insurance while the Group Policy remains in force; or
3. Any amendment to the Group Policy approved after the date you become Disabled.

LT.BA.01

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 Maximum Benefit Period unless LTD Benefits are continued by the Lifetime Security Benefit. See **Additional Benefits for the Severely Disabled**.
2. All provisions of the Group Policy, including the **Exclusions** and **Limitations** sections, will apply to the new cause of Disability.

LT.ND.01

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 Features**.

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.05

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.

F. South Carolina Basic Disability Benefits

No LTD Benefits will be paid for any period of Disability when you are not also receiving disability benefits under the State of South Carolina self-funded basic long term disability income benefit plan. However, this limitation will not apply if you are not receiving benefits under that plan solely because:

1. You receive or are eligible to receive other income that is deductible under the basic long term disability plan and the amount of such income equals or exceeds the amount of the benefits that would otherwise be payable to you under that plan;

2. Benefits that would otherwise be payable to you under the basic long term disability plan are being applied to repay an overpayment of any claim; or

3. You were not insured under the basic long term disability plan when you became Disabled.

LT.LM.OT.1X

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 the person(s) receiving the Survivor Benefit. If no Survivor Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

G. 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 Group Policy on which our decision is based.

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

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

H. Review Procedure

If all or part of a claim is denied, you may request a review. You must request a review in writing within 180 days after receiving notice of the denial.

You may send us written comments or other items to support your claim. You may review and receive copies of any non-privileged information that is relevant to your request for review. There will be no charge for such copies. You may request the names of medical or vocational experts who provided advice to us about your claim.

The person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. Our review will include any written comments or other items you submit to support your claim.

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

If we extend the review period, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim on review; and (c) any additional information we need to decide your claim.

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 conclude our review of your claim based on the information we have received.

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

a. The reasons for our decision.

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

c. Information concerning your right to receive, free of charge, copies of non-privileged documents and records relevant to your claim.

I. Assignment

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

LT.CL.11

ALLOCATION OF AUTHORITY

Except for those functions which the Group Policy specifically reserves to the Policyholder, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

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 Group Policy and any claim under it;
3. The right to determine:
   a. Eligibility for insurance;
   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.

Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

LT.AL.01

SUBROGATION

If LTD Benefits are paid or payable to you under the Group Policy 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.01

TIME LIMITS ON LEGAL ACTIONS

No action at law or in equity may be brought until 60 days after you have given us Proof Of Loss. No such action may be brought more than six years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The end of the period within which Proof Of Loss is required to be given.

LT.TL.03

INCONTESTABILITY PROVISIONS

A. Incontestability Of Member's Insurance

Any statement you make to obtain insurance 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 insurance unless:

1. Your insurance 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 insurance 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.

B. Incontestability Of Group Policy

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

LT.IN.01

CONTINUITY OF COVERAGE

A. Members Insured Under Prior Plan

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

1. You were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy;
2. You became insured under the Group Policy when your insurance under the Prior Plan ceased;
3. You were continuously insured under the Group Policy from the effective date of your insurance under the Group Policy 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 Group Policy, 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 insured under a group long term disability insurance plan immediately prior to becoming a Member under the Group Policy and LTD Benefits will be payable if:

1. You provide satisfactory written proof that you were insured under a group long term disability insurance plan on the day before you became a Member under the Group Policy; and
2. You become insured under the Group Policy immediately upon serving the Eligibility Waiting Period and Active Work requirement; and

3. You are continuously insured under the Group Policy through the date you become Disabled; and
4. The time served under the prior group long term disability insurance plan added to the time served under the Group Policy equals or exceeds the Exclusion Period shown in **Coverage Features.**

Payment of your LTD Benefit will be under the terms of the Group Policy.

LT2.CC.07

WHEN YOUR INSURANCE BECOMES EFFECTIVE

The **Coverage Features** states whether your insurance is Contributory or Noncontributory.

A. Noncontributory Insurance

Subject to the **Active Work Provisions**, your Noncontributory insurance becomes effective on the first work day of the calendar month coinciding with or next following the date you become eligible.

B. Contributory Insurance

You must apply in writing for Contributory insurance and agree to pay premiums. Subject to the **Active Work Provisions**, your insurance becomes effective on:

1. The first work day of the calendar month coinciding with or next following the date you become eligible, if you apply within 31 days after you become eligible; or
2. The first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply more than 31 days after you become eligible (late application).

C. Insurance Subject To Evidence Of Insurability

Subject to the **Active Work Provisions**, insurance subject to Evidence Of Insurability becomes effective on the first day of the calendar month following the date we approve Evidence Of Insurability.

D. Takeover Provisions

1. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
2. You must submit satisfactory Evidence Of Insurability to become insured for insurance if you were eligible for insurance under the Prior Plan for more than 31 days but were not insured.

LT.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 insurance or your insurance 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 insurance, your insurance 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 Insurance

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

LT2.AW.01

WHEN YOUR INSURANCE ENDS

Your insurance ends automatically on the earliest of:

1. The date the last period ends for which you made a premium contribution, if your insurance is Contributory.
2. The date the Group Policy terminates.
3. The date your employment terminates.
4. 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 insurance will be continued during the following periods, unless it ends under 1 through 3 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 a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
   d. 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.28

REINSTATEMENT OF INSURANCE

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

1. If your insurance 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 insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
3. If your insurance ends because you are on a federal or state mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the 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 insured again within 90 days.
   b. If required by federal or state mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.

LT.RE.01

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**.

Contributory means you pay all or part of the premium for your insurance.

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

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

Providing Evidence Of Insurability means you must:

1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about your health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. At your expense, provide any additional information about your insurability that we may reasonably require.

Group Policy means the group long term disability insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

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 Group Policy.

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, unless LTD Benefits are continued by the Lifetime Security Benefit. See **Coverage Features** and **Additional Benefits for the Severely Disabled**.

Noncontributory means the Policyholder or Employer pays the entire premium for your insurance.

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

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

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

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