

**Group Disability  
Insurance Certificate**

The Texas A&M University System

## IMPORTANT NOTICES

If you reside in one of the following states, please read the important notices below:

### Arizona, Florida and Maryland residents:

**The group policy is issued in the state of Texas and will be governed by its laws. If you reside in a state other than Texas, this certificate of insurance may not provide all of the benefits and protections provided by the laws of your state. PLEASE READ YOUR CERTIFICATE CAREFULLY.**

### Texas residents:

IMPORTANT NOTICE: To obtain information or make a complaint:

You may call the toll-free telephone number for information or to make a complaint at 1-800-547-5515.

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at 1-800-252-3439.

You may write the Texas Department of Insurance:  
P O Box 149091  
Austin, TX 78714-9104  
FAX # (512) 475-1771

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent or company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

AVISO IMPORTANTE: Para solicitar información o presentar una queja:

Usted puede llamar al número de teléfono gratis para información o para someter una queja al 1-800-547-5515.

Puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos o quejas llamando al 1-800-252-3439.

También puede escribir al Texas Department of Insurance (Departamento de Seguros de Texas):  
P O Box 149091  
Austin, TX 78714-9104  
FAX: (512) 475-1771

CONFLICTOS POR PRIMAS O RECLAMACIONES: En caso de tener un conflicto relacionado con su prima o una reclamación, debe comunicarse primero con el agente o la compañía. Si el conflicto no se resuelve, usted puede comunicarse con el Departamento de Seguros de Texas.

## **FOREWORD**

Disability insurance provides individuals and their families with financial protection. The Disability Insurance Benefit described in this booklet will help secure your family's financial security in the event of your disability.

The need for disability insurance protection depends on individual circumstances and financial situations. Your Employer is offering you the opportunity to purchase this insurance to make your benefit program more comprehensive and responsive to your needs.

The following pages describe the main provisions of the group disability insurance plan available to you.

Any insurance benefit described in the following pages will apply to you only if you have elected that benefit and have authorized payroll deduction for the required premium.

**LIFE INSURANCE COMPANY OF NORTH AMERICA**  
1601 CHESTNUT STREET  
PHILADELPHIA, PA 19192-2235  
(800) 732-1603 TDD (800) 336-2485  
**A STOCK INSURANCE COMPANY**

**GROUP INSURANCE  
CERTIFICATE**

We, the LIFE INSURANCE COMPANY OF NORTH AMERICA, certify that we have issued a Group Policy, VDT-980055, to The Texas A&M University System.

We certify that we insure all eligible persons, who are enrolled according to the terms of the Policy. Your coverage will begin and end according to the terms set forth in this certificate.

This certificate describes the benefits and basic provisions of your coverage. You should read it with care so you will understand your coverage.

This is not the insurance contract. It does not waive or alter any of the terms of the Policy. If questions arise, the Policy will govern. You may examine the Policy at the office of the Policyholder or the Administrator.

This certificate replaces any and all certificates which may have been issued to you in the past under the Policy.



Matthew G. Manders, President

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## SCHEDULE OF BENEFITS

**Policy Effective Date:** September 1, 2011

**Policy Anniversary Date:** September 1

**Policy Number:** VDT-980055

### **Eligible Class Definition:**

All active Employees eligible to participate in the Teacher Retirement System of Texas (TRS) or Optional Retirement Program (ORP), and Graduate student Employees working at least 50% of the time as indicated by the Employer for at least 4 1/2 months and all postdoctoral fellows.

### **Eligibility Waiting Period**

If you were hired on or before the Policy Effective Date: No Waiting Period

If you were hired after the Policy Effective Date: No Waiting Period

**Elimination Period** 90 days

### **Gross Disability Benefit**

The lesser of 65% of your monthly Covered Earnings rounded to the nearest dollar or your Maximum Disability Benefit.

**Maximum Disability Benefit** \$8,000 per month.

### **Minimum Disability Benefit**

The greater of \$100 or 10% of your Monthly Benefit prior to any reductions for Other Income Benefits.

### **Disability Benefit Calculation**

The Disability Benefit payable to you is figured using the Gross Disability Benefit, Other Income Benefits and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month you have no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits. During any month you have Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that you receive on your own behalf or for your dependents, or which your dependents receive because of your entitlement to Other Income Benefits.

#### *Return to Work Incentive*

During any month you have Disability Earnings, your benefits will be calculated as follows.

Your monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and you have Disability Earnings:

1. Add your Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to your Indexed Earnings.
3. If the sum from 1. exceeds 100% of your Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. Your Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits.

5. If the sum from 1. does not exceed 100% of your Indexed Earnings, your Gross Disability Benefit will be reduced by Other Income Benefits.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if we determine you are able to work under a modified work arrangement and you refuse to do so without Good Cause.

### **Additional Benefits**

#### *Family Care Expense Benefit*

Monthly Benefit	up to \$400 per Child or Family Member
Maximum Benefit Period	24 monthly benefit payments

### **Maximum Benefit Period**

The later of your SSNRA\* or the Maximum Benefit Period listed below.

#### Age When Disability Begins

Under Age 60

Age 60

Age 61

Age 62

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

#### Maximum Benefit Period

Your 65th birthday.

The date the 60th Monthly Benefit is payable.

The date the 48th Monthly Benefit is payable.

The date the 42nd Monthly Benefit is payable.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

\*SSNRA means the Social Security Normal Retirement Age in effect under the Social Security Normal Retirement Act on the Policy Effective Date.

TL-004774

## WHO IS ELIGIBLE

If you qualify under the Class Definition shown in the Schedule of Benefits you are eligible for coverage under the Policy on the Policy Effective Date, or the day after you complete the Eligibility Waiting Period, if later. The Eligibility Waiting Period is the period of time you must be in Active Service to be eligible for coverage. Your Eligibility Waiting Period will be extended by the number of days you are not in Active Service.

Except as noted in the Reinstatement Provision, if you terminate your coverage and later wish to reapply, or if you are a former Employee who is rehired, you must satisfy a new Eligibility Waiting Period. You are not required to satisfy a new Eligibility Waiting Period if your insurance ends because you no longer qualify under your Class Definition, but you continue to be employed, and within one year you qualify again.

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## WHEN COVERAGE BEGINS

If you are required to contribute to the cost of your insurance you may elect to be insured only by authorizing payroll deduction in a form approved by the Employer. The effective date of your insurance depends on the date coverage is elected.

If you elect coverage within 7 days after you become eligible, your insurance is effective on the latest of the following dates.

1. The Policy Effective Date.
2. The first day of employment.

If you elect coverage within 8 to 60 days after you become eligible, your insurance will be effective on the latest of the following dates.

1. The Policy Effective Date.
2. The first of the month following the date the Employer receives the completed enrollment form.

If you elect coverage during an Annual Enrollment Period, your insurance is effective on the latest of the following dates.

1. The Policy Effective Date.
2. September 1 or the first of the month following the date the Employer receives the completed enrollment form if submitted during the annual enrollment correction period.

If you elect coverage within 60 days after a Life Status Change, your insurance is effective on the latest of the following dates.

1. The Policy Effective Date.
2. The first of the month following the date the Employer receives the completed enrollment form.

If you are not in Active Service on the date your insurance would otherwise be effective, it will be effective on the date you return to any occupation for your Employer on a Full-time basis.

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## WHEN COVERAGE ENDS

Your coverage ends on the earliest of the following dates:

1. the date you are eligible for coverage under a plan intended to replace this coverage;
2. the date the Policy is terminated;
3. the date you are no longer in an eligible class;
4. the day after the end of the period for which premiums are paid;
5. the date you are no longer in Active Service;
6. the date benefits end because you did not comply with the terms and conditions of the insurance coverage.

If you are entitled to receive Disability Benefits when the Policy terminates, Disability Benefits will be payable to you if you remain disabled and meet the requirements for the insurance. Any later period of Disability, regardless of cause, that begins when you are eligible under another disability coverage provided by any employer, will not be covered.

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## WHEN COVERAGE CONTINUES

This provision modifies the When Coverage Ends provision to allow insurance to continue under certain circumstances if you are no longer in Active Service. Insurance that is continued under this provision is subject to all other terms of the When Coverage Ends provisions.

Your Disability Insurance will continue if your Active Service ends because of a Disability for which benefits under the Policy are or may become payable. Your premiums will be waived while Disability Benefits are payable. If you do not return to Active Service, this insurance ends when your Disability ends or when benefits are no longer payable, whichever occurs first.

If your Active Service ends due to an approved leave pursuant to the Family and Medical Leave Act (FMLA), insurance will continue up to the period of your approved FMLA leave or the leave period required by law in the state in which you are employed, whichever is later. Premiums are required for this coverage.

If your Active Service ends due to a reduction in work hours to less than 50% time, insurance will continue if you were insured under the Disability Plan sponsored by the Employer for at least 4.5 continuous months for up to 12 months. Premiums are required for this coverage.

If your Active Service ends due to any other leave of absence approved in writing by the Employer prior to the date you cease work, insurance will continue for you for up to 12 weeks. Premiums are required for this coverage. An approved leave of absence does not include Furlough, Temporary Layoff or termination of employment.

If your Active Service ends due to any other excused short term absence from work that is reported to the Employer timely in accordance with the Employer's reporting requirements for such short term absence, your insurance will continue until the earlier of:

- a. the date your employment relationship with the Employer terminates;
- b. the date premiums are not paid when due;
- c. the end of the 30 day period that begins with the first day of such excused absence;
- d. the end of the period for which such short term absence is excused by the Employer.

Notwithstanding any other provision of this policy, if your Active Service ends due to layoff, termination of employment or any other termination of the employment relationship, insurance will terminate and continuation of insurance under this provision will not apply.

If your insurance is continued pursuant to this When Coverage Continues provision, and you become Disabled during such period of continuation, Disability Benefits will not begin until the later of the date the Elimination Period is satisfied or the date you are scheduled to return to Active Service.

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### **TAKEOVER PROVISION**

This provision applies to you only if you are eligible under this Policy and were covered for long term disability coverage on the day prior to the effective date of this Policy under the Prior Plan provided by the Policyholder or by an entity that has been acquired by the Policyholder.

- A. This section A applies to you if you are not in Active Service on the day prior to the effective date of this Policy due to a reason for which the Prior Plan and this Policy both provide for continuation of insurance. If required premium is paid when due, we will insure an Employee to which this section applies against a disability that occurs after the effective date of this Policy for the affected employee group. This coverage will be provided until the earlier of the date: (a) you return to Active Service, (b) continuation of insurance under the Prior Plan would end but for termination of that plan; or (c) the date continuation of insurance under this Policy would end if computed from the first day you were not in Active Service. The Policy will provide this coverage as follows:
1. If benefits for a disability are covered under the Prior Plan, no benefits are payable under this Plan.
  2. If the disability is not a covered disability under the Prior Plan solely because the plan terminated, benefits payable under this Policy for that disability will be the lesser of: (a) the disability benefits that would have been payable under the Prior Plan; and (b) those provided by this Policy. Credit will be given for partial completion under the Prior Plan of Elimination Periods and partial satisfaction of pre-existing condition limitations.
- B. The Elimination Period under this Policy will be waived for a Disability which begins while you are insured under this Policy if all of the following conditions are met:
1. The Disability results from the same or related causes as a Disability for which monthly benefits were payable under the Prior Plan;
  2. Benefits are not payable for the Disability under the Prior Plan solely because it is not in effect;
  3. An Elimination Period would not apply to the Disability if the Prior Plan had not ended;
  4. The Disability begins within 6 months of your return to Active Service and your insurance under this Policy is continuous from this Policy's Effective Date.
- C. Except for any amount of benefit in excess of a Prior Plan's benefits, the Pre-existing Condition Limitation will not apply if you were covered under a Prior Plan and satisfied the pre-existing condition limitation, if any, under that plan. If you did not fully satisfy the pre-existing condition limitation of that plan, credit will be given for any time that was satisfied under the Prior Plan's pre-existing condition limitation.

Benefits will be determined based on the lesser of: (1) the amount of the gross disability benefit under the Prior Plan and any applicable maximums; and (2) those provided by this Policy.

If benefits are payable under the Prior Plan for the Disability, no benefits are payable under this Policy.

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## **DESCRIPTION OF BENEFITS WHAT IS COVERED**

### **Disability Benefits**

We will pay Disability Benefits if you become Disabled while covered under this Policy. You must satisfy the Elimination Period, be under the Appropriate Care of a Physician, and meet all the other terms and conditions of the Policy. You must provide to us, at your own expense, satisfactory proof of Disability before benefits will be paid. The Disability Benefit is shown in the Schedule of Benefits.

We will require continued proof of your Disability for benefits to continue.

### **Elimination Period**

The Elimination Period is the period of time you must be continuously Disabled before Disability Benefits are payable. The Elimination Period is shown in the Schedule of Benefits.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes.

### **Disability Benefit Calculation**

The Disability Benefit Calculation is shown in the Schedule of Benefits. Monthly Disability Benefits are based on a 30 day period. They will be prorated if payable for any period less than a month. If you are working while Disabled, the Disability Benefit Calculation will be the Return to Work Incentive.

### **Return to Work Incentive**

The Return to Work Incentive is shown in the Schedule of Benefits. You may work for wage or profit while Disabled. In any month in which you work and a Disability Benefit is payable, the Return to Work Incentive applies.

We will, from time to time, review your status and will require satisfactory proof of earnings and continued Disability.

### **Minimum Benefit**

We will pay the Minimum Benefit shown in the Schedule of Benefits despite any reductions made for Other Income Benefits. The Minimum Benefit will not apply if benefits are being withheld to recover an overpayment of benefits.

### **Other Income Benefits**

If Disability Benefits are payable to you under this Policy, you may be eligible for benefits from Other Income Benefits. If so, we may reduce the Disability Benefits by the amount of such Other Income Benefits.

Other Income Benefits include:

1. any amounts received (or assumed to be received\*) by you or your dependents under:
  - the Canada and Quebec Pension Plans;
  - the Railroad Retirement Act;
  - any local, state, provincial or federal government disability or retirement plan or law payable for Injury or Sickness provided as a result of employment with the Employer;
  - any sick leave or salary continuation plan of the Employer;
  - any work loss provision in mandatory "No-Fault" auto insurance.
2. any Social Security disability or retirement benefits you or any third party receive (or are assumed to receive\*) on your own behalf or for your dependents; or which your dependents receive (or are assumed to receive\*) because of your entitlement to such benefits.

3. any Retirement Plan benefits funded by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer. It does not include an individual deferred compensation agreement; a profit sharing or any other retirement or savings plan maintained in addition to a defined benefit or other defined contribution pension plan, or any employee savings plan including a thrift, stock option or stock bonus plan, individual retirement account or 401(k) plan.
4. any proceeds payable under any group insurance or similar plan. If other insurance applies to the same claim for Disability, and contains the same or similar provision for reduction because of other insurance, we will pay for our pro rata share of the total claim. "Pro rata share" means the proportion of the total benefit that the amount payable under one policy, without other insurance, bears to the total benefits under all such policies.
5. any amounts received (or assumed to be received\*) by you or your dependents under any workers' compensation, occupational disease, unemployment compensation law or similar state or federal law payable for Injury or Sickness arising out of work with the Employer, including all permanent and temporary disability benefits. This includes any damages, compromises or settlement paid in place of such benefits, whether or not liability is admitted.
6. any amounts paid because of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.

Dependents include any person who receives (or is assumed to receive\*) benefits under any applicable law because of your entitlement to benefits.

\*See the Assumed Receipt of Benefits provision.

#### *Increases in Other Income Benefits*

Any increase in Other Income Benefits during a period of Disability due to a cost of living adjustment will not be considered in calculating your Disability Benefits after the first reduction is made for any Other Income Benefits. This section does not apply to any cost of living adjustment for Disability Earnings.

#### *Lump Sum Payments*

Other Income Benefits or earnings paid in a lump sum will be prorated over the period for which the sum is given. If no time is stated, the lump sum will be prorated over five years.

If no specific allocation of a lump sum payment is made, then the total payment will be an Other Income Benefit.

#### *Assumed Receipt of Benefits*

We will assume you (and your dependents, if applicable) are receiving benefits for which you are eligible from Other Income Benefits. We will reduce your Disability Benefits by the amount from Other Income Benefits we estimate are payable to you and your dependents.

We will waive Assumed Receipt of Benefits, except for Disability Earnings for work you perform while Disability Benefits are payable, if you:

1. provide satisfactory proof of application for Other Income Benefits;
2. sign a Reimbursement Agreement;
3. provide satisfactory proof that all appeals for Other Income Benefits have been made unless we determine that further appeals are not likely to succeed; and
4. submit satisfactory proof that Other Income Benefits were denied.

We will not assume receipt of any pension or retirement benefits that are actuarially reduced according to applicable law, until you actually receive them.

### *Social Security Assistance*

We may help you in applying for Social Security Disability Income (SSDI) Benefits, and may require you to file an appeal if we believe a reversal of a prior decision is possible.

We will reduce Disability Benefits by the amount we estimate you will receive, if you refuse to cooperate with or participate in the Social Security Assistance Program.

### **Recovery of Overpayment**

We have the right to recover any benefits we have overpaid. We may use any or all of the following to recover an overpayment:

1. request a lump sum payment of the overpaid amount;
2. reduce any amounts payable under this Policy; and/or
3. take any appropriate collection activity available to us.

The Minimum Benefit amount will not apply when Disability Benefits are reduced in order to recover any overpayment.

If an overpayment is due when you die, any benefits payable under the Policy will be reduced to recover the overpayment.

### **Successive Periods of Disability**

A separate period of Disability will be considered continuous:

1. if it results from the same or related causes as a prior Disability for which benefits were payable; and
2. if, after receiving Disability Benefits, you return to work in your regular job for less than 6 consecutive months; and
3. if you earn less than the percentage of Indexed Earnings that would still qualify you to meet the definition of Disability/Disabled during at least one month.

Any later period of Disability, regardless of cause, that begins when you are eligible for coverage under another group disability plan provided by any employer will not be considered a continuous period of Disability.

For any separate period of disability which is not considered continuous, you must satisfy a new Elimination Period.

## **LIMITATIONS**

### **Limited Benefit Periods for Mental or Nervous Disorders**

We will pay Disability Benefits on a limited basis during your lifetime for a Disability caused by, or contributed to by, any one or more of the following conditions. Once 24 monthly Disability Benefits have been paid, no further benefits will be payable for any of the following conditions.

- 1) Anxiety disorders
- 2) Delusional (paranoid) disorders
- 3) Depressive disorders
- 4) Eating disorders
- 5) Mental illness
- 6) Somatoform disorders (psychosomatic illness)

If, before reaching your lifetime maximum benefit, you are confined in a hospital for more than 14 consecutive days, that period of confinement will not count against your lifetime limit. The confinement must be for the Appropriate Care of any of the conditions listed above.

### **Pre-Existing Condition Limitation**

We will not pay benefits for any period of Disability caused or contributed to by, or resulting from, a Pre-existing Condition. A "Pre-existing Condition" means any Injury or Sickness for which you incurred expenses, received medical treatment, care or services including diagnostic measures, or took prescribed drugs or medicines within 3 months before your most recent effective date of insurance.

The Pre-existing Condition Limitation will apply to any added benefits or increases in benefits. This limitation will not apply to a period of Disability that begins after you are covered for at least 12 months after your most recent effective date of insurance, or the effective date of any added or increased benefits.

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## **ADDITIONAL BENEFITS**

### **Rehabilitation During a Period of Disability**

If we determine that you are a suitable candidate for rehabilitation, we may require you to participate in a Rehabilitation Plan and assessment at our expense. We have the sole discretion to approve your participation in a Rehabilitation Plan and to approve a program as a Rehabilitation Plan. We will work with you, the Employer and your Physician and others, as appropriate, to perform the assessment, develop a Rehabilitation Plan, and discuss return to work opportunities.

The Rehabilitation Plan may, at our discretion, allow for payment of your medical expense, education expense, moving expense, accommodation expense or family care expense while you participate in the program.

If you fail to fully cooperate in all required phases of the Rehabilitation Plan and assessment without Good Cause, no Disability Benefits will be paid, and insurance will end.

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### **Family Care Expense Benefit**

We will pay a Family Care Expense Benefit, shown on the Schedule of Benefits, if you are Disabled and participating in a Rehabilitation Program approved by us.

1. You must be incurring expenses to provide care for a Child under the age of 13 who is living with and financially dependent upon you; and the child care must be provided by a licensed child care provider who may not be a member of your Immediate Family or living with you; or
2. You must be incurring expenses to provide care for a Family Member who is living with and financially dependent on you; and incapable of independent living, regardless of age, due to mental or physical handicap as defined by applicable law. You will not be reimbursed for such expenses if they were incurred for care services provided by a member of your Immediate Family or someone who is living in your residence.

The payment of the Family Care Expense Benefit will begin immediately after you start a Rehabilitation Program. Satisfactory proof must be provided that the Employee is incurring expenses eligible under this provision.

The Family Care Expense Benefit will end on the earliest of the following:

1. the date you are no longer incurring expenses for the Child or Family Member;
2. the date you are no longer participating in a Rehabilitation Program; or
3. the date Disability payments would end in accordance with this Policy.

## **Definitions**

For the purpose of this benefit:

**Child** means your unmarried child who is living with and financially dependent upon you. Child includes your:

1. natural child;
2. adopted child, beginning with any waiting period pending finalization of the child's adoption.

It also means the legally adopted child of your Spouse;

3. stepchild born to your Spouse;
4. child for whom you or your Spouse is legal guardian.

**Family Member** means your:

1. Spouse;
2. parents;
3. siblings;
4. grandparents; or
5. Child who is 13 or more years old.

**Immediate Family** means a person who is related to you in any of the following ways: Spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), child (includes legally adopted child or stepchild), grandparent, aunt, uncle, niece, nephew or grandchild.

**Spouse** means your current lawful Spouse who is living with you.

TL-010205.44

## **Catastrophic Disability Benefit**

### *Definitions*

The definitions that follow apply to this benefit provision. They are in addition to those definitions in the General Definitions section.

“Activities of Daily Living” are:

1. Bathing (i.e., washing oneself in a shower or tub, including getting into or out of the tub or shower, or washing oneself by sponge bath.)
2. Dressing oneself by putting on and taking off from one's own body all items of clothing and needed braces, fasteners and artificial limbs.
3. Continence (i.e., the ability to maintain control one's own bowel and bladder function; or when unable to maintain bowel or bladder function, the ability to perform associated hygiene, including caring for a catheter or colostomy bag).
4. Toileting oneself by getting to and from the toilet, getting on and off the toilet, and performing personal hygiene associated with toileting.
5. Feeding oneself by getting nourishment into the one's own body either from eating food that is made available to you in receptacle such as a plate, cup or table, or by feeding oneself by a feeding tube or intravenously.
6. Transferring (i.e., the ability to get oneself into or out of a bed, a chair or wheelchair; or the ability to move from place to place either by walking, use of a wheelchair, or some other means.

“Catastrophic Disability” means you are:

1. Unable to perform, without Substantial Assistance, at least two Activities of Daily Living, or
2. Have a severe Cognitive Impairment that requires Substantial Supervision to protect you or others from threats to health and safety.

“Cognitive Impairment” means the loss or deterioration in intellectual capacity that meets these requirements:

1. The loss or deterioration in intellectual capacity is comparable to and includes Alzheimer’s disease and similar forms of irreversible dementia;
2. The loss or deterioration in intellectual capacity is measured by clinical evidence and standardized tests that reliably measure impairment in the individual’s short-term and long-term memory, orientation as to person, place, or time and deductive or abstract reasoning.

“Substantial Assistance” means the physical assistance of another person without which you would not be able to perform an activity of daily living; or the constant presence of another person within arm’s reach that is necessary to prevent, by physical intervention, injury to you while you are performing an activity of daily living.

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

#### *Benefits Payable*

Catastrophic Disability Benefits are payable when the Insurer determines that you have a Catastrophic Disability that is due to the same sickness or injury for which Disability Benefits are payable under this Policy.

The benefits are payable only while these conditions are met:

1. You are receiving monthly Disability Benefits under the Policy.
2. Your Catastrophic Disability lasted for at least the Elimination Period duration shown in the Schedule of Benefits.
3. You submit, at your own expense, satisfactory proof of Catastrophic Disability to the Insurer, when required by the Insurer.

#### *Amount Payable*

Benefits are payable monthly at the Catastrophic Disability Rate. The Catastrophic Disability Rate is an amount equal to 10% of your monthly Covered Earnings to a maximum monthly benefit of \$1,333. This benefit will not be reduced by any other source of income.

For periods of less than one month, the Insurer will pay 1/30<sup>th</sup> of the monthly benefit for Catastrophic Disability for each day.

#### *Termination of Benefits*

Catastrophic Disability Benefits end on the earliest to occur of:

1. the date your Catastrophic Disability ends.;
2. the date you are no longer receiving monthly disability benefits under the Policy;
3. the date you fail to submit proof of continuing Catastrophic Disability; or
4. the date you die.
5. the end of the Maximum Benefit Period shown in the Schedule of Benefits.

No survivor benefits are payable for the Catastrophic Disability Benefit.

TL-008895-1

#### **Cost of Living Adjustment (COLA) Benefit**

Each year after you are continuously Disabled and 12 Disability Benefits are payable, we will increase your Monthly Benefit. The increase will be the lesser of the annual increase in the Consumer Price Index (CPI-W) during the preceding calendar year or 3%.



The increase will become effective on January 1 and will be payable for as long as Disability Benefits are payable to you up to 5 years. We will not apply this increase to the Disability Minimum or Maximum Benefit. Nor will we apply it to the formula used to determine your Work Incentive Benefit, if any.

TL-005101

### **Survivor Benefit**

We will pay a Survivor Benefit if you die while Disability Benefits are payable to you for a continuous period of Disability. The Survivor Benefit will equal 100% of the sum of the last full Disability Benefit payable to you plus the amount of any Disability Earnings by which the benefit had been reduced for that month. A single lump sum payment equal to 3 monthly Survivor Benefits will be payable.

We will pay the Survivor Benefit to your Spouse. If you do not have a Spouse, we will pay your surviving Children in equal shares. If you do not have a Spouse or any Children, we will pay your estate.

"Spouse" means your lawful spouse. "Children" means your unmarried children under age 21 who are chiefly dependent upon you for support and maintenance. The term includes a stepchild living with you at the time of your death.

TL-005107

## **TERMINATION OF DISABILITY BENEFITS**

Benefits will end on the earliest of the following dates:

1. the date you earn from any occupation, more than the percentage of Indexed Earnings set forth in the definition of Disability applicable to you at that time;
2. the date we determine you are not Disabled;
3. the end of the Maximum Benefit Period;
4. the date you die;
5. the date you refuse, without Good Cause, to fully cooperate in all required phases of the Rehabilitation Plan and assessment;
6. the date you are no longer receiving Appropriate Care;
7. the date you fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Benefits may be resumed if you begin to cooperate fully in the Rehabilitation Plan within 30 days of the date benefits terminated.

TL-007502.00

## **WHAT IS NOT COVERED**

We will not pay any Disability Benefits for a Disability that results, directly or indirectly, from:

1. suicide, attempted suicide, or self-inflicted injury while sane or insane.
2. war or any act of war, whether or not declared.
3. active participation in a riot.
4. commission of a felony.
5. the revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

In addition, we will not pay Disability Benefits for any period of Disability during which you are incarcerated in a penal or corrections institution.

TL-007503.00

## **CLAIM PROVISIONS**

### **Notice of Claim**

Written notice of claim, or notice by any other electronic/telephonic means authorized by us, must be given to us within 31 days after a covered loss occurs or begins or as soon as reasonably possible. If written notice, or notice by any other electronic/telephonic means authorized by us, is not given in that time, the claim will not be invalidated or reduced if it is shown that notice was given as soon as was reasonably possible. Notice can be given at our home office in Philadelphia, Pennsylvania or to our agent. Notice should include the Employer's name, the Policy Number and the claimant's name and address.

### **Claim Forms**

When we receive notice of claim, we will send claim forms for filing proof of loss. If we do not send claim forms within 15 days after notice is received by us, the proof requirements will be met by submitting, within the time required under the "Proof of Loss" section, written proof, or proof by any other electronic/telephonic means authorized by us, of the nature and extent of the loss.

### **Claimant Cooperation Provision**

If you fail to cooperate with us in our administration of your claim, we may terminate the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

### **Insurance Data**

The Employer is required to cooperate with us in the review of claims and applications for coverage. Any information we provide to the Employer in these areas is confidential and may not be used or released by the Employer if not permitted by applicable privacy laws.

### **Proof of Loss**

You must provide written proof of loss to us, or proof by any other electronic/telephonic means authorized by us, within 90 days after the date of the loss for which a claim is made. If written proof of loss, or proof by any other electronic/telephonic means authorized by us, is not given in that 90 day period, the claim will not be invalidated nor reduced if it is shown that it was given as soon as was reasonably possible. In any case, written proof of loss, or proof by any other electronic/telephonic means authorized by us, must be given not more than one year after the 90 day period. If written proof of loss, or proof by any other electronic/telephonic means authorized by us, is provided outside of these time limits, the claim will be denied. These time limits will not apply due to lack of legal capacity.

Written proof that the loss continues, or proof by any other electronic/telephonic means authorized by us, must be furnished to us at intervals we require. Within 30 days of a request, written proof of continued Disability and Appropriate Care by a Physician must be given to us.

### **Time of Payment**

Disability Benefits will be paid at regular intervals of not less frequently than once a month. Any balance, unpaid at the end of any period for which we are liable, will be paid at that time.

### **To Whom Payable**

Disability Benefits will be paid to you. If any person to whom benefits are payable is a minor or, in our opinion is not able to give a valid receipt, such payment will be made to his or her legal guardian. However, if no request for payment has been made by the legal guardian, we may, at our option, make payment to the person or institution appearing to have assumed custody and support.

If you die while any Disability Benefits remain unpaid, we may, at our option, make direct payment to any of your following living relatives: your spouse, your mother, your father, your children, your brothers or sisters; or to the executors or administrators of your estate. We may reduce the amount payable by any indebtedness due.

Payment in the manner described above will release us from all liability for any payment made.

### **Physical Examination and Autopsy**

We may, at our expense, exercise the right to examine any person for whom a claim is pending as often as we may reasonably require. Also, we may, at our expense, require an autopsy unless prohibited by law.

### **Legal Actions**

No action at law or in equity may be brought to recover benefits under the Policy less than 60 days after written proof of loss, or proof by any other electronic/telephonic means authorized by us, has been furnished as required by the Policy. No such action shall be brought more than 3 years after the time satisfactory proof of loss is required to be furnished.

### **Time Limitations**

If any time limit stated in the Policy for giving notice of claim or proof of loss, or for bringing any action at law or in equity, is less than that permitted by the law of the state in which you live when the Policy is issued, then the time limit provided in the Policy is extended to agree with the minimum permitted by the law of that state.

### **Physician/Patient Relationship**

You have the right to choose any Physician who is practicing legally. We will in no way disturb the Physician/patient relationship.

TL-004724a (TX)

## **ADMINISTRATIVE PROVISIONS**

### **Premiums**

The premiums for this Policy will be based on the rates currently in force, the plan and the amount of insurance in effect.

### **Your Grace Period**

If your required premium is not paid on the Premium Due Date, there is a 60 day grace period after each premium due date after the first. If the required premium is not paid during the grace period, insurance will end on the last day for which premium was paid.

### **Reinstatement of Insurance**

Your insurance may be reinstated if it ends because you are on an unpaid leave of absence. If your Active Service ended due to an approved leave pursuant to the Family and Medical Leave Act (FMLA) and Continuation of Insurance is not applicable, your insurance may be reinstated at the conclusion of the FMLA leave.

If your Active Service ends due to an Employer approved unpaid leave of absence, other than an approved FMLA leave, insurance may be reinstated only:

1. If the reinstatement occurs within 12 weeks from the date insurance ends, or
2. When returning from military service pursuant to the Uniformed Services Employment Act of 1994 (USERRA).

For insurance to be reinstated the following conditions must be met:

1. You must be in a Class of Eligible Employees.
2. The required premium must be paid.
3. We must receive a written request for reinstatement within 31 days from the date you return to Active Service.

Reinstated insurance will be effective on the date you return to Active Service. If you did not fully satisfy the Eligibility Waiting Period or the Pre-Existing Condition Limitation (if any) before insurance ended due to an unpaid leave of absence, credit will be given for any time that was satisfied.

TL-009960.00 (980055)

## GENERAL PROVISIONS

### **Incontestability**

All statements made by the Employer or by an Insured are representations not warranties. No statement will be used to deny or reduce benefits or as a defense to a claim, unless a copy of the instrument containing the statement is signed by and has been furnished to the claimant. In the event of death or legal incapacity, the beneficiary or representative must receive the copy.

After two years from an Insured's effective date of insurance, or from the effective date of any added or increased benefits, the validity of an Insured's coverage will not be contested using such statements.

### **Misstatement of Age**

If an Insured's age has been misstated, we will adjust all benefits to the amounts that would have been purchased for the correct age.

### **Workers' Compensation Insurance**

The Policy is not in lieu of and does not affect any requirements for insurance under any Workers' Compensation Insurance Law.

### **Assignment of Benefits**

We will not be affected by the assignment of your certificate until the original assignment or a certified copy of the assignment is filed with us. We will not be responsible for the validity or sufficiency of an assignment. An assignment of benefits will operate so long as the assignment remains in force provided insurance under the Policy is in effect. This insurance may not be levied on, attached, garnisheed, or otherwise taken for a person's debts. This prohibition does not apply where contrary to law.

### **Clerical Error**

A person's insurance will not be affected by error or delay in keeping records of insurance under the Policy. If such an error is found, the premium will be adjusted fairly.

TL-004728a (TX)

## DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout this document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the Schedule of Benefits.

### **Active Service**

If you are an Employee, you are in Active Service on a day which is one of the Employer's scheduled work days if either of the following conditions are met.

1. You are performing your regular job for the Employer on a full-time basis. You must be working at one of the Employer's usual places of business or at some location to which the Employer's business requires you to travel.
2. The day is a scheduled holiday or vacation day and you were performing your regular job on the preceding scheduled work day.

You are in Active Service on a day which is not one of the Employer's scheduled work days only if you were in Active Service on the preceding scheduled work day.

**Annual Enrollment Period**

The period in each calendar year agreed upon by your Employer and us when you may enroll for, or change your benefit elections, under the Policy.

**Appropriate Care**

Appropriate Care means you:

1. Have received treatment, care and advice from a Physician who is qualified and experienced in the diagnosis and treatment of the conditions causing Disability. If the condition is of a nature or severity that it is customarily treated by a recognized medical specialty, the Physician is a practitioner in that specialty.
2. Continue to receive such treatment, care or advice as often as is required for treatment of the conditions causing Disability.
3. Adhere to the treatment plan prescribed by the Physician, including the taking of medications.

**Consumer Price Index (CPI-W)**

The Consumer Price Index for Urban Wage Earners and Clerical Workers published by the U.S. Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.

**Covered Earnings**

Covered Earnings means your wage or salary as reported by the Employer for work performed for the Employer as in effect just prior to the date your Disability begins. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective on the date of the change, if the Employer gives us written notice of the change and the required premium is paid.

It does not include any amounts received as bonus, commissions, overtime pay or other extra compensation.

Any increase in your Covered Earnings will not be effective during a period of continuous Disability.

**Disability/Disabled**

You are considered Disabled if, solely because of Injury or Sickness, you are:

1. unable to perform the material duties of your regular job; and
2. unable to earn 80% or more of your Indexed Earnings from working in your regular job.

After Disability Benefits have been payable for 60 months, you are considered Disabled if, solely due to Injury or Sickness, you are:

1. unable to perform the material duties of any occupation for which you are, or may reasonably become, qualified based on education, training or experience; and
2. unable to earn 65% or more of your Indexed Earnings.

We will require proof of earnings and continued Disability.

**Disability Earnings**

Any wage or salary for any work performed for any employer during your Disability, including commissions, bonus, overtime pay or other extra compensation.

**Employee**

For eligibility purposes, you are an Employee if you work for the Employer and are in one of the "Classes of Eligible Employees." Otherwise, you are an Employee if you are an employee of the Employer who is insured under the Policy.

**Employer**

The Policyholder and any affiliates or subsidiaries covered under the Policy. The Employer is acting as your agent for transactions relating to this insurance. You shall not consider any actions of the Employer as actions of the Insurance Company.

**Full-time**

Full-time means the number of hours set by the Employer as a regular work day for Employees in your eligibility class.

**Furlough**

Furlough means a temporary suspension or alteration of Active Service initiated by the Employer, for a period of time specified in advance not to exceed 30 days at a time.

**Good Cause**

A medical reason preventing participation in the Rehabilitation Plan. Satisfactory proof of Good Cause must be provided to us.

**Indexed Earnings**

For the first 12 months Monthly Benefits are payable, your Indexed Earnings are equal to your Covered Earnings. After 12 Monthly Benefits are payable, your Indexed Earnings are your Covered Earnings plus an increase applied on each anniversary of the date Monthly Benefits became payable. The amount of each increase will be the lesser of:

1. 10% of your Indexed Earnings during your preceding year of Disability; or
2. the rate of increase in the Consumer Price Index (CPI-W) during the preceding calendar year.

**Injury**

Any accidental loss or bodily harm that results directly and independently from all other causes from an Accident.

**Insurability Requirement**

An eligible person satisfies the Insurability Requirement for an amount of coverage on the day we agree in writing to accept you as insured for that amount. To determine a person's acceptability for coverage, we will require you to provide evidence of good health and may require it be provided at your expense.

**Insurance Company**

The Insurance Company underwriting the Policy is named on your certificate cover page. References to the Insurance Company have been changed to "we", "our", "ours", and "us" throughout the certificate.

**Insured**

You are an Insured if you are eligible for insurance under the Policy, insurance is elected for you, the required premium is paid and your coverage is in force under the Policy.

**Life Status Change**

A Life Status Change is an event recognized by the Employer's Flexible Benefits Plan as qualifying you to make changes in benefit selections at a time other than an Annual Enrollment Period.

If the Employer does not sponsor a Flexible Benefits Plan or if it is no longer in effect, the following events are Life Status Changes.

1. Marriage
2. Divorce, annulment or legal separation
3. Birth or adoption of a child
4. Death of your spouse
5. Termination of your spouse's employment
6. A change in the benefit plan available to your spouse
7. A change in employment status for you or your spouse that affects your eligibility for benefits

**Physician**

Physician means a licensed doctor practicing within the scope of his or her license and rendering care and treatment to an Insured that is appropriate for the condition and locality. The term does not include you, your spouse, your immediate family (including parents, children, siblings, or spouses of any of the foregoing, whether the relationship derives from blood or marriage), or a person living in your household.

**Prior Plan**

The Prior Plan refers to the plan of insurance providing similar benefits to you, sponsored by the Employer and in effect directly prior to the Policy Effective Date. A Prior Plan will include the plan of a company in effect on the day prior to that company's addition to this Policy after the Policy Effective Date.

**Rehabilitation Plan**

A written plan designed to enable you to return to work. The Rehabilitation Plan will consist of one or more of the following phases:

1. rehabilitation, under which we may provide, arrange or authorize education, vocational or physical rehabilitation or other appropriate services;
2. work, which may include modified work and work on a part-time basis.

**Sickness**

The term Sickness means a physical or mental illness.

**Temporary Layoff**

Temporary Layoff means a temporary suspension of Active Service for a period of time determined in advance by the Employer, other than a Furlough as defined. Temporary Layoff does not include the permanent termination of Active Service (including but not limited to a job elimination), which shall be treated as termination of employment.

TL-007500.44 as modified by TL-009980

## **IMPORTANT CHANGES FOR STATE REQUIREMENTS**

If you reside in one of the following states, please read the important changes below. The provisions of your certificate are modified for residents of the following states. The modifications listed apply only to residents of that state, and only when the underlying provision is included in the certificate.

### **Louisiana residents:**

The percentage of Indexed Earnings, if any, that qualifies an insured to meet the definition of Disability/Disabled may not be less than 80%.

### **Minnesota residents:**

The Pre-existing Condition Limitation, if any, may not be longer than 24 months from the insured's most recent effective date of insurance.



**UNDERWRITTEN BY:  
LIFE INSURANCE COMPANY OF NORTH AMERICA  
a CIGNA company**

Class 1  
09/2011

