1019056

02/01/2021

**GROUP BOOKLET-CERTIFICATE FOR MEMBERS OF**

# KESSLER TOPAZ MELTZER & CHECK, LLP

**PARTNERS**

**Group Short Term Disability Insurance**

**Print Date: 03/25/2021**

This page left blank intentionally

Principal Life
Insurance Company
Des Moines, IA 50392

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

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

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

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

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

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

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

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY
Des Moines, IA 50392-0002

## TABLE OF CONTENTS

**SHORT TERM DISABILITY INSURANCE SUMMARY** GH 852

**HOW TO BE INSURED**

Eligibility and Individual Incontestability GH 854
Effective Dates GH 855
Termination, Continuation, and Reinstatement GH 856

**DESCRIPTION OF BENEFITS**

Benefit Qualification GH 857
Benefits Payable GH 858
Rehabilitation Services and Benefits GH 859
Weekly Payment Limit GH 862
Benefit Payment Period and Recurring Disability Limitations GH 863 GH 864

**CLAIM PROCEDURES** GH 866

**STATEMENT OF RIGHTS** GH 150

**DEFINITIONS** GH 867

Principal Life
Insurance Company
Des Moines, IA 50392

**SHORT TERM DISABILITY INSURANCE SUMMARY**
(Nonoccupational)

| | |
|---|---|
| Minimum Hours Requirement | Employees must be working at least 30 hours a week |
| Who Pays for Coverage | You are required to pay the entire premium for insurance under the Group Policy. |
| Elimination Period | A Benefit Payment Period will begin on the:<br><br>15th day for Disability Due to Injury<br><br>15th day for Disability Due to Sickness |
| Primary Benefit | 60% of Predisability Earnings |
| Maximum Weekly Benefit | $2,000 |
| Minimum Weekly Benefit | $15 |
| Maximum Benefit Payment Period | 11 weeks |
| Rehabilitation Services and Benefits | |
| Rehabilitation Services | Included |
| Predisability Intervention Services | Included |
| Rehabilitation Incentive Benefit | 5% |
| Reasonable Accommodation Benefit | $500 |
| Other Coverage Features | |
| Work Incentive Benefit | Included |

**NOTE:**

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

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

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

# HOW TO BE INSURED
# SHORT TERM DISABILITY INSURANCE

## Eligibility and Individual Incontestability

### Eligibility

You will be eligible for insurance on the first of the Insurance Month next following the date you become a Member as described in this booklet.

### Individual Incontestability

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

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

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

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

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

In addition, if a person's age is misstated, We may, at any time, adjust premiums and benefits to reflect the correct age. If the amount of the individual's insurance is based on age, the amount of the individual's insurance shall be the amount, if any, to which the individual would have been entitled at the individual's correct age and the adjustment in premiums shall be based on the corrected amount of insurance.

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

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

b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;

c. when a Member has submitted a claim which, in good faith judgement and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

# HOW TO BE INSURED
# SHORT TERM DISABILITY INSURANCE

## Effective Dates

### Actively at Work

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

### Effective Date for Noncontributory Insurance

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

### Effective Date for Contributory Insurance

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

a. the date you are eligible, if the request is made on or before that date; or

b. the first of the Insurance Month coinciding with or next following the date of your request, if the request is made within 31 days after the date you are eligible.

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

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

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

a. the date insurance would have been effective if Proof of Good Health had not been required; or

b. the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by Us.

### Proof of Good Health Requirements

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

a. If insurance for which you contribute a part of premium is requested more than 31 days after the date you are eligible.

b. If you have failed to provide required Proof of Good Health or have been refused insurance under the Group Policy at any prior time.

c. If you elect to terminate insurance and, more than 31 days later, request to be insured again.

d. If, on the date you become eligible for any increase or additional Benefit Payable amount, fewer than five Members are insured.

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

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

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

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

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

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

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

### Termination, Continuation, and Reinstatement

**Termination of Insurance**

Your insurance will terminate on the earliest of:

a. the date the Group Policy is terminated; or

b. the date the last premium is paid for your insurance; or

c. for contributory insurance, any date if requested by you before that date; or

d. the date you cease to be a Member as defined; or

e. the date you cease to be in a class for which Member Insurance is provided; or

f. the date you cease Active Work except as provided below.

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

**Continuation**

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

**Continuation and Reinstatement - Sickness, Injury, or Pregnancy**

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

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

b. the end of the Insurance Month in which you recover; or

c. the date 92 days after Active Work ends.

If a Benefit Payment Period is established, your insurance will be reinstated if you return to Active Work for the Policyholder within six months of the date the Benefit Payment Period ends. Your reinstated insurance will be in force on the date of return to Active Work.

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

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

**Continuation and Reinstatement - Layoff or Leave of Absence**

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

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

b. the end of the Insurance Month in which Active Work ends.

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

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

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

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

If you cease Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue your insurance, subject to premium payment, until the date either 12 weeks or 26 weeks, as determined by law, after Active Work ends.

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

## DESCRIPTION OF BENEFITS

### Benefit Qualification

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

a. You are Disabled under the terms of the Group Policy.

b. Your Disability begins while you are insured under the Group Policy.

c. Your Disability is not subject to any of the Limitations listed in this booklet.

d. An Elimination Period is completed.

e. A Benefit Payment Period is established.

f. You are under the Regular and Appropriate Care of a Physician.

g. The claim requirements listed in the CLAIM PROCEDURES Section are satisfied.

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

a. 15th day if the Disability is Due to Injury; or

b. 15th day if the Disability is Due to Sickness.

## DESCRIPTION OF BENEFITS

### Benefits Payable

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

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

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

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

a. 100% of Predisability Earnings less Other Income Sources, less Current Earnings from your Own Job or any job; or

b. The Primary Benefit less Other Income Sources.

**Minimum Weekly Benefit**

The weekly Benefit Payable will not be less than $15 for each full week of a Benefit Payment Period, except that We will have the right to reduce the Minimum Weekly Benefit by any prior benefit overpayment.

EXCEPTION: The Minimum Weekly Benefit will not be paid if the total of the Minimum Weekly Benefit and the benefits you receive under Workers' Compensation and/or wage loss replacement benefits under the Pennsylvania Motor Vehicle Financial Responsibility Law equals or exceeds 100% of your Predisability Earnings.

## DESCRIPTION OF BENEFITS

### Rehabilitation Services and Benefits

**Rehabilitation Services and Benefits**

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

**Rehabilitation Services**

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

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

a. coordination of medical services;

b. vocational and employment assessment;

c. purchasing adaptive equipment;

d. business/financial planning;

e. retraining for a new occupation;

f. education expenses.

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

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

**Predisability Intervention Services**

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

**Rehabilitation Incentive Benefit**

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

The Rehabilitation Incentive Benefit will terminate on the earliest of:

a. the date the time frame established in the Rehabilitation Plan has elapsed; or

b. the date you fail to meet the goals and objectives established in the Rehabilitation Plan; or

c. the date benefits would otherwise terminate as provided in this booklet.

**Reasonable Accommodation Benefit**

**Eligibility**

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

**Benefit**

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

## DESCRIPTION OF BENEFITS

### Weekly Payment Limit

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

a. Benefits Payable as described in this booklet; and

b. Rehabilitation Incentive Benefit; and

c. income from Other Income Sources; and

d. Current Earnings from your Own Job or any job;

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

## DESCRIPTION OF BENEFITS

### Benefit Payment Period and Recurring Disability

**Benefit Payment Period**

Benefits are payable for a period of 11 weeks after the date the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

a. the date of your death; or

b. the date your Disability ends, unless a Recurring Disability exists as explained in this booklet; or

c. the date you fail to provide any required proof of Disability; or

d. the date you fail to submit to any required medical examination or evaluation; or

e. the date you, with intent to fraud, fail to report any required Current Earnings information; or

f. the date you, with intent to fraud, fail to report income from Other Income Sources; or

g. the date ten days after receipt of notice from Us if you fail to pursue Social Security Benefits or benefits under a Workers' Compensation Act or similar law as described in this booklet; or

h. the date you cease to be under the Regular and Appropriate Care of a Physician; or

i. the date you refuse to participate in or do not comply with a Rehabilitation Plan.

**Recurring Disability**

A Recurring Disability will exist under the Group Policy if:

a. after you have completed an Elimination Period and during a Benefit Payment Period, you cease to be Disabled; and

b. you then return to Active Work; and

c. while insured under the Group Policy, but before completing 30 continuous days of Active Work, you are again Disabled; and

d. your current Disability and the Disability for which you completed the Elimination Period result from the same or a related cause.

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

## DESCRIPTION OF BENEFITS

### Limitations

No benefits will be paid for any Disability that:

a. results from willful self-injury or self-destruction, while sane or insane; or

b. results from war or act of war; or

c. results from commission of or attempted commission of a felony; or

d. is a new Disability that begins after a prior Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work; or

e. is a continuation of a Disability for which a Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work (except as provided for a Recurring Disability in this booklet); or

f. results from a sickness or injury arising out of or in the course of employment for wage or profit; or

g. results from a cosmetic surgery or other elective procedures that are not medically necessary.

## CLAIM PROCEDURES

### Notice of Claim

Written notice of claim must be given to Us within 20 calendar days after the date of loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

### Claim Forms

Claim forms and other information needed must be filed with Us in order to make a claim determination. The Policyholder will provide forms to assist you in filing claims. If notice is given and the completed forms are not provided within 15 days after We receive such notice, you will be considered to have complied with the requirements of the Group Policy upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character and extent of the loss.

### Proof of Disability

Completed claim forms and other information needed to prove Disability should be filed promptly. Written proof that Disability exists and has been continuous should be sent to Us within 90 days after the date you complete an Elimination Period. Proof required includes the date, nature, and extent of the loss. Further proof that Disability has not ended must be sent when requested by Us. We may request additional information to substantiate your loss or require a Signed unaltered authorization to obtain that information from the provider, Internal Revenue Service, Social Security Administration or any other entity required for Proof of Disability or Earnings Documentation. We reserve the right to determine when these conditions are met. Your failure to comply with such request could result in declination of the claim. Receipt of claim will be considered met when the Elimination Period has been completed and the appropriate completed claim form is received by Us.

Failure to furnish such proof within the time required will not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the date proof is otherwise required.

### Documentation of Loss

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

a. Any requested claim form including claim forms from you or your Physician.

b. Documentation that you are under Regular and Appropriate Care by a Physician.

c. Copies of medical records, test results and/or Physician's progress notes.

d. Occupation information, such as documentation of work duties and activities. This may include your job description or appointment calendar from the Policyholder or your current employer.

e. Independent medical examination(s) (see Examinations and Evaluations in this section).

f. Any Written authorizations necessary, signed by you, on a form supplied by Us, to obtain medical and financial records and information needed to determine your eligibility for benefits.

g. Earnings Documentation.

h. Other proof of loss as required by Us.

**Earnings Documentation**

We may require proof to determine your Predisability Earnings and Current Earnings. A company representative has the right to examine your financial and business records, including your individual and business Federal income tax returns and supporting documentation, as often as We may require. In addition, We reserve the right to request such documentation to verify benefits were paid appropriately during the year. In the event benefits have not been paid appropriately, any overpayment of benefits determined would be recovered as outlined in Right to Recover Overpayments.

**Investigation of Your Claim**

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

Any costs involved in submission of proof of loss or earnings documentation are your responsibility to pay, except for costs incurred by Us for copies of medical records, test results and/or Physician's progress notes and independent medical examination(s) as shown under Documentation of Loss above or personal interview or financial examination.

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

If you provide false, incomplete, or misleading information including omissions on any statement you make to obtain coverage, an increase in coverage, or when filing a claim, We will deny the claim. If you knowingly and with intent to injure, defraud, or deceive provided or omitted information, you will be subject to prosecution and punishment to the fullest extent under state and/or federal law.

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

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

a. You must provide proof that the Physician is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

b. You may be required to return to the United States at a frequency We deem necessary to substantiate your claim for Disability. All expenses incurred by you for returning to the United States will be your responsibility.

c. You must notify Us in advance of any return to the United States and your change of address.

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

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

**Payment, Denial, and Review**

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

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

The claimant may request an appeal of a claim denial by Written request to Us within 180 days of receipt of notice of the denial. We will make a full and fair review of the claim. We may require additional information to make the review. We will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because We did not receive the requested additional information, We will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed 45 days to provide all additional information requested. We are permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension.

For purposes of this section, "claimant" means Member.

**Proof of Payments from Other Income Sources**

When asked, you must give Us:

a. proof of all payments from Other Income Sources; and

b. proof of application for all such income for which you and your Dependents are eligible; and

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

d. authorizations for any entity from which you may be receiving income.

**Lump Sum Payments from Other Income Sources**

If any income from Other Income Sources are payable in a lump sum (except as described below), the lump sum will be deemed to be paid in weekly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated weekly over the remaining Benefit Payment Period. Lump Sum Payments under:

a. a retirement plan will be deemed to be paid in the weekly amount which:

   (1) is provided by the standard annuity option under the plan as identified by the Policyholder; or
   (2) is prorated under a standard annuity table over the remaining Benefit Payment Period (if the plan does not have a standard annuity option);

b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or a settlement) will be deemed to be paid weekly starting from the date of the last Workers' Compensation payment issued to you, or if no previous payments were issued, starting from the onset of the Benefit Payment Period:

   (1) at the rate stated in the award or settlement; or
   (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or
   (3) at the maximum rate set by the law (if no rate is stated and you did not receive a periodic award).

c. salary continuance or sick leave program for Members whose annual contract salary is issued on a 12 month basis will be deemed to be paid in a weekly amount which is equal to (1/52) of your annual contract salary in effect prior to the date Disability begins.

Any lump sum payment for Other Income Sources due prior to the date of the award will be treated as an overpayment. See Right to Recover Overpayments section below.

**Social Security Estimates**

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

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

a. apply for disability benefits within 10 days after receipt of Written notice from Us requesting you to apply for such benefits; and

b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the 10-day period; and

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

If you have reached Social Security Normal Retirement Age, We will:

a. request that you apply for retirement benefits within 10 days after receipt of Written notice from Us; or

b. if you prefer not to apply for retirement benefits, estimate the Social Security benefits for which you are eligible and include those estimates in your Other Income Sources.

**Other Disability Coverage Estimates**

Until exact amounts are known, We may estimate benefits from Workers' Compensation, any other occupational disease law or similar act, Canadian pension Plan, Quebec pension Plan, Railroad Retirement Act or other similar plan or act, Jones Act, or state compulsory/statutory benefit law for which you are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to benefits under the sources listed above, We will require that you:

a. apply for benefits within 10 days after receipt of Written notice from Us requesting you to apply for such benefits; and

b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the 10-day period.

**Payments for Less Than a Full Week**

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

**Right to Recover Overpayments**

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

a. reduce or withhold any future benefits We determine to be due, including the Minimum Weekly Benefit; or

b. recover the overpayment directly from you; or

c. take any other legal action.

**Facility of Payment**

Benefits under the Group Policy will be payable each week of a Benefit Payment Period, provided complete and proper proof of Disability has been received by Us.

We will have the right to issue Benefits Payable in a lump sum amount.

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

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

a. If payment amounts remain due upon your death, those amounts may, at Our option, be paid to your spouse, child, or parent.

b. If We believe a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, We may, at Our discretion, pay whoever has assumed the care and support of the person as directed by the court.

If you have no eligible survivors, payment will be made to your estate, unless there is none. In this case, no benefit will be payable.

**Examinations and Evaluations**

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

**Legal Action**

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

If your claim is subject to ERISA (Employee Retirement Income Security Act of 1974), before bringing a civil legal action under the federal labor law known as ERISA, you must exhaust available administrative remedies. Under the Group Policy, you must first exhaust the appeal procedures listed above. After the required reviews:

a. you or your beneficiary may bring legal action under Section 502(a) of ERISA; and

b. We will waive any right to assert that you failed to exhaust administrative remedies.

**Time Limits**

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

## STATEMENT OF RIGHTS

Federal law requires that this section be included in your booklet:

As a participant in this plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all plan participants shall be entitled to:

**Receive Information About Your Plan and Benefits**

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

**Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

**Enforce Your Rights**

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

**Assistance with Your Questions**

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## DEFINITIONS

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

**Active Work; Actively at Work**

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

**Benefit Payment Period**

The period of time during which benefits are payable.

**Current Earnings**

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

**Dependent**

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

**Disability; Disabled**

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

a. You cannot perform the majority of the Substantial and Material Duties of your Own Job.

b. You are performing the duties of your Own Job on a Modified Basis or any job and are unable to earn more than 80% of your Predisability Earnings.

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

**Disability Due to Injury**

A Disability that:

a. occurs solely and directly because of an accidental injury; and

b. begins within 180 days of the accident.

An accidental injury means an injury that results solely from external, violent, and unintentional means.

**Disability Due to Sickness**

A Disability that:

a. occurs directly or indirectly because of disease, a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or

b. is not a Disability Due to Injury as defined in this booklet.

**Elimination Period**

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

**Employee**

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

**Generally Accepted**

Treatment, service or medication that:

a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and

b. is in general use in the medical community; and

c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

**Group Policy**

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

**Hospital**

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

**Income Loss Percentage**

Your Income Loss Percentage is equal to:

a. your Predisability Earnings less any Current Earnings from your Own Job or any job; divided by

b. your Predisability Earnings.

**Insurance Month**

Calendar month.

**Maximum Weekly Benefit**

$2,000

**Member**

Any PARTNER, residing in the United States, who is a U.S. citizen or is legally working in the United States, who is a full-time Employee of the Policyholder and who regularly works at least 30 hours a week. Work must be at the Policyholder's usual place or places of business, at an alternative worksite at the direction of the Policyholder, or at another place to which the Employee must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the Policyholder on a seasonal, temporary, contracted, or part-time basis. A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.

**Mental Health Condition**

Any condition which is:

a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and

b. categorized in the current edition of American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders or its successor.

Conditions not considered a Mental Health Condition include:

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

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

b. organic brain syndrome; and

c. delirium; and

d. organic amnesia syndromes; and

e. organic delusional or organic hallucinogenic syndromes.

**Modified Basis**

You will be considered working on a Modified Basis if you are working on either a part-time basis or performing some but not all of the Substantial and Material Duties of the job on a full-time basis.

**Other Income Sources**

The Weekly equivalent of:

a. all disability payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and

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

c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that you and your Dependents receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and

d. all payments for the month that you receive from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and

e. all payments for the month that you receive (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the Policyholder pays a part of the cost or makes payroll deductions for that coverage; and

f. all payments for the month that you receive or are eligible to receive under another group disability insurance policy; and

g. all payments for the month that you receive under any state disability plan; and

h. all sick pay, salary continuance payments, personal time off, or severance pay, excluding any payments made to you as mandated by the Heart and Lung Act of Pennsylvania, for the month that you receive from the Policyholder; and

i. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that you receive under a pension plan sponsored by the Policyholder. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and

j. all payments for the month that you receive for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and

k. all renewal commissions for the month that you receive from the Policyholder; and

l. all payments for the month that you receive under state unemployment laws; and

m. all payments for the month that you receive under the first-party income replacement provisions of a motor vehicle policy obtained under the Pennsylvania Motor Vehicle Financial Responsibility Law.

**NOTE**:

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

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

Military or Veterans Administration disability or retirement payments will not be considered an Other Income Source.

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

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

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

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

**Own Job**

The job you are routinely performing for the Policyholder when your Disability begins.

**Physician**

a. a licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or

b. any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Policy.

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

**Policyholder**

KESSLER TOPAZ MELTZER & CHECK, LLP.

**Predisability Earnings**

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

**Primary Benefit**

60% of your Predisability Earnings. The Primary Benefit will not exceed the Maximum Weekly Benefit of $2,000.

**Proof of Good Health**

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

**Reasonable Accommodation**

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

**Regular and Appropriate Care**

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

a. are evaluated in person by a Physician; and

b. receive treatment appropriate for the condition causing the Disability; and

c. undergo evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and

d. undergo evaluations and treatment at a frequency intended to return you to full time work; and

e. pursue reasonable treatment options or recommendations to achieve maximum medical improvement.

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

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

**Rehabilitation Plan**

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

**Secondary Employment**

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

**Signed or Signature**

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

**Social Security Normal Retirement Age (SSNRA)**

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

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

**Substantial and Material Duties**

The essential tasks generally required by employers from those engaged in a particular job that cannot be modified or omitted.

**Weekly Earnings**

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

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

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

a. Your share (based on ownership or contractual agreement) of the gross revenue or income earned by the Policyholder, including income earned by you and others under your supervision or direction; less

b. Your share of expenses (based on ownership or contractual agreement) that is deductible for Federal Income Tax purposes, and does not exceed the expenses before Disability began to the extent that your share of letter b. does not exceed your share of letter a.; plus

c. The salary, benefits, and other forms of compensation which are payable to you, and any contributions to a pension or profit sharing plan made on your behalf by the Policyholder.

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

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

**We, Us, and Our**

Principal Life Insurance Company, Des Moines, Iowa.

**Written or Writing**

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

This page left blank intentionally




**Principal Life Insurance Company**
Des Moines, Iowa 50392-0002