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GROUP BOOKLET-CERTIFICATE FOR MEMBERS OF

**KESSLER TOPAZ MELTZER &
CHECK, LLP**

OWNERS

Group Long Term Disability Insurance

Print Date: 07/29/2020

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Your Group Long 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 the 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 persons covered by this group insurance, subject to the Claim Procedures shown on page GH 823 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

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LONG TERM DISABILITY INSURANCE SUMMARY

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	90 days		
Own Occupation Period	to Social Security Normal Retirement Age		
Primary Monthly Benefit	60% of your Predisability Earnings.		
Maximum Monthly Benefit	\$15,000		
Minimum Monthly Benefit	\$50		
Maximum Benefit Payment Period	Member's Age on The Date Disability <u>Begins</u> Before age 65	Months of the Benefit Payment <u>Period</u> greater of 36 Months or to Social Security Normal Retirement Age	
	65-67	24 months	
	68-69	18 months	
	70-71	15 months	
	72 and over	12 months	
Rehabilitation Services and Benefits			
Rehabilitation Services	Included		
Predisability Intervention Services	Included		
Rehabilitation Incentive Benefit	5%		
Return to Work Child Care Benefit	\$250		
Reasonable Accommodation Benefit	\$2,000		
Other Coverage Features			
Work Incentive Benefit	12 months		
Survivor Benefit	three times Benefit Payable		
Activities of Daily Living Benefit	20%		
NOTE:			
No premiums are required during a Long Term Disability Benefit Payment Period.			
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 LONG TERM DISABILITY INSURANCE

Eligibility and Individual Incontestability

Eligibility

You will be eligible for insurance on the later of:

- a. June 1, 2020; or
- b. 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 judgment and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

HOW TO BE INSURED LONG TERM DISABILITY INSURANCE

Effective Dates

Actively at Work

Your effective date for Long 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 Monthly Earnings

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your Monthly Earnings will normally be effective on the January 1 that next follows 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 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 LONG 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 90 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 benefits, 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 of 90 days 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.

A Benefit Payment Period will be established on the latest of:

- a. the date you complete an Elimination Period; or
- b. the date six months before We receive Written proof of your Disability.

NOTE: No premiums are required during a Long Term Disability Benefit Payment Period.

No benefits will be payable for any Disability during your incarceration in a penal or correctional institution for a period greater than six months. Benefits will be terminated effective on the day immediately following six months of such incarceration and will be reinstated, without retroactive payment of benefits, upon your release, provided:

- a. you continue to qualify for benefits as provided in this section; and
- b. your current Disability and the Disability for which the Elimination Period was completed are from the same or related cause; and
- c. you have not exceeded the Benefit Payment Period as outlined on GH 819.

Reinstated benefits are not paid retroactively during the period of your incarceration.

DESCRIPTION OF BENEFITS

Benefits Payable

If you are not working during a period of Disability

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

If you are working during a period of Disability

Your work incentive Benefit Payable for each full month of a Benefit Payment Period will be:

- a. For the first 12 months, the lesser of:
 - (1) 100% of Indexed Predisability Earnings less Other Income Sources, less Current Earnings from your Own Occupation or any occupation; or
 - (2) the Primary Monthly Benefit less Other Income Sources; and
- b. Thereafter, your Primary Monthly Benefit less Other Income Sources, multiplied by your Income Loss Percentage.

On each March 1, following the date you become Disabled, your Predisability Earnings will be increased by the average rate of increase in the Consumer Price Index during the preceding calendar year, subject to an annual maximum of 10%.

If you have been Disabled for less than one year as of March 1, the amount of the increase will be multiplied by the ratio of:

- a. the number of completed months of Disability as of March 1;
- b. divided by 12 months.

Consumer Price Index means the U.S. City Average for Urban Consumers, All Items, as published in the Consumer Price Index by the United States Department of Labor for the preceding calendar year.

Minimum Monthly Benefit

In no event will the Monthly Benefit Payable be less than \$50 for each full month of a Benefit Payment Period, except that We will have the right to reduce the Minimum Monthly Benefit by any prior benefit overpayment. The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full month will be the monthly benefit divided by 30. EXCEPTION: The Minimum Monthly Benefit will not be paid if the total of the Minimum Monthly 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 Occupation.

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 Monthly 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 Monthly 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 you have received a total of 12 months of Rehabilitation Incentive Benefits; or
- d. the date benefits would otherwise terminate as described 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 \$2,000 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).

Return to Work Child Care Benefit

Eligibility

If you are working during a Benefit Payment Period, you will be eligible for the Return to Work Child Care Benefit after you have received a work incentive Benefit Payable for 12 months.

Benefit

You will be reimbursed for 100% of actual charges which you incur for the child care of an eligible child up to a maximum benefit of \$250 per month.

An eligible child means your natural, legally adopted, or stepchild, provided the child:

- a. is less than 13 years of age; and
- b. lives with you.

An eligible child will also include a child who is developmentally disabled or physically handicapped and is incapable of staying alone regardless of age.

Developmentally disabled means substantial handicap as determined by Us, which results from mental retardation, cerebral palsy, epilepsy or other neurological disorder and is diagnosed by a Physician as a permanent or long term continuing condition.

Physically handicapped means substantial physical or mental impairment as determined by Us which results from injury, accident, congenital defect or sickness and is diagnosed by a Physician as a permanent or long term dysfunction or malformation of the body.

Termination

This benefit will be paid during your Benefit Payment Period and will terminate on the earliest of:

- a. the date you are no longer Disabled; or
- b. the date you are no longer working in any capacity; or
- c. the date benefits would otherwise terminate as described in this booklet; or
- d. the date you have received a total of 12 months of Return to Work Child Care Benefits; or
- e. the date the child is no longer an eligible child.

DESCRIPTION OF BENEFITS

Survivor Benefit

Survivor Benefit

In the event a Benefit Payment Period ends because of your death, a Survivor Benefit will be payable. This Survivor Benefit will be three times your Benefit Payable as described on GH 808 that would have been payable had you not died.

We will pay the Survivor Benefit to your spouse, child, parent, or estate as described in the CLAIM PROCEDURES Section on GH 823.

DESCRIPTION OF BENEFITS

Activities of Daily Living (ADL) Benefit

Definitions

a. Activities of Daily Living (ADL) Disabled; Activities of Daily Living (ADL) Disability

You will be considered Disabled under this provision if, as a result of a sickness or injury, you have lost the ability to safely and completely perform two or more Activities of Daily Living without another person's assistance or verbal cueing or you have a deterioration or loss in intellectual capacity and need another person's assistance or verbal cueing for your protection or for the protection of others.

b. Activities of Daily Living mean:

- (1) Bathing - the ability to wash oneself in the tub or shower or by sponge with or without equipment or adaptive devices.
- (2) Dressing - the ability to put on and take off garments and medically necessary braces or artificial limbs usually worn and to fasten or unfasten them.
- (3) Eating/Feeding - the ability to get nourishment into the body by any means once it has been prepared and made available.
- (4) Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene and to care for clothing.
- (5) Transferring - the ability to move in and out of a chair or bed with or without equipment such as canes, quad canes, walkers, crutches, grab bars, or other support devices including mechanical or motorized devices.
- (6) Continence - the ability to voluntarily control bowel and bladder function, or in the event of incontinence, the ability to maintain a reasonable level of personal hygiene.

Eligibility

You will be eligible for ADL Benefits if you:

- a. have satisfied the Benefit Qualifications listed in this booklet on GH 807; and
- b. are ADL Disabled for a period of at least 12 consecutive months; and
- c. provide proof of your ADL Disability by submitting to Us:
 - (1) a statement from your Physician; and
 - (2) any other medical information that We believe necessary to confirm your status; and
- d. are receiving Disability benefits under the Group Policy.

Benefit

If you are ADL Disabled, the ADL benefit will equal 20% of your Predisability Earnings to a Maximum Monthly Benefit of \$5,000. Payment will be made with the Benefit Payable that next follows the satisfaction of the eligibility requirements listed above.

Termination

This benefit will be paid during your Benefit Payment Period and will terminate on the earlier of:

- a. the date the ADL Disability ends; or
- b. the date benefits would otherwise terminate as described in this booklet on GH 819.

DESCRIPTION OF BENEFITS

Monthly Payment Limit

In no event will the sum of amounts payable for:

- a. Benefits Payable as described in this booklet;
- b. Rehabilitation Incentive Benefit;
- c. Return to Work Child Care Benefit;
- d. Activities of Daily Living (ADL) Benefit;
- e. income from Other Income Sources;
- f. Current Earnings from your Own Occupation or any occupation;

exceed 100% of Predisability Earnings. If you are eligible for a work incentive Benefit Payable, the Monthly Payment Limit will be increased to 100% of Indexed Predisability Earnings for the first 12 months.

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:

- a. if your Disability begins before you are age 65, until the later of the date 36 months after your Benefit Payment Period begins, or the date you attain Social Security Normal Retirement Age; or
- b. if your Disability begins on or after you are age 65, until the later of the date of Social Security Normal Retirement Age, or the date of completion of the number of months shown below after your Benefit Payment Period begins:

<u>Your Age on the Date Disability Begins</u>	<u>Months of the Benefit Payment Period (Beginning with the date the Benefit Payment Period begins)</u>
65, 66, 67	24
68, 69	18
70, 71	15
72 and over	12

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. if Disability results from alcohol, drug or chemical abuse, dependency, or addiction, or a Mental Health Condition, the date 24 months after the Benefit Payment Period begins; or
- i. the date you cease to be under the Regular and Appropriate Care of a Physician; or
- j. 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 six continuous months 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. 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 your return to Active Work as stated in this booklet on GH 805 which would otherwise be effective, will not apply to any benefit payable under this Recurring Disability provision.

DESCRIPTION OF BENEFITS

Treatment of Alcohol, Drug or Chemical Abuse, Dependency, or Addiction, or a Mental Health Condition

Your period of Disability will be considered due to alcohol, drug or chemical abuse, dependency, or addiction, or a Mental Health Condition if:

- a. you are limited by one or more of the stated conditions; and
- b. you do not have other conditions which, in the absence of the above stated conditions, would continue to exist, limit activities and lead Us to conclude that you are Disabled for another condition in and of itself.

When Disability results from alcohol, drug or chemical abuse, dependency, or addiction, or a Mental Health Condition, the maximum number of Benefits Payable for all such periods of Disability is limited to 24 months. This is not a separate maximum for each such condition, or for each period of Disability, but a combined lifetime maximum for all periods of Disability and for all of these conditions, either separate or combined.

However, if at the end of that 24 months, you are confined in a Hospital or other facility qualified to provide necessary care and treatment for alcohol, drug or chemical abuse, dependency, or addiction, or a Mental Health Condition, then the Benefit Payment Period may be extended to include the time during which you remain confined.

Benefits will be payable for the length of the confinement and for up to 60 days following the end of the confinement. If you are Hospital confined again during the 60-day period for at least ten consecutive days, benefits will be payable for the length of the second confinement and for up to 60 days following the end of the second confinement.

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. is caused by, a complication of, or resulting from a Preexisting Condition as described in this booklet.

Preexisting Conditions Exclusion for Initial Insurance

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications;

in the three month period before you became insured under the Group Policy.

No benefits will be paid for a Disability that results from a Preexisting Condition unless, on the date you become Disabled, you have been Actively at Work for one full day after completing 12 consecutive months during which you were insured under the Group Policy.

Preexisting Conditions Exclusion for Benefit Increases

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications;

in the three month period prior to an increase in benefits or change in the Group Policy, including increases in benefits due to a change in Monthly Earnings of 25% or greater.

The benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable for the duration of a Disability that:

- a. results from a Preexisting Condition; and
- b. begins within 12 months after the effective date of the increase in benefits or change in the Group Policy provisions.

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 six months 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 monthly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated monthly over the lesser of:

- a. 60 months; or
- b. the expected remaining number of months for which you would be entitled to benefits from the Group Policy based on the proof of loss submitted to Us.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the monthly 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 lesser of the Benefit Payment Period or your expected life span (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 monthly 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 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 monthly amount which is equal to 1/12 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 Month

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full month will be the monthly benefit divided by 30.

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 Monthly 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 month of a Benefit Payment Period, provided complete and proper proof of Disability has been received by Us.

We reserve the right to make a lump sum payment in lieu of continued monthly payments where liability has been established for a Benefit Payment Period.

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, or personal time off, or an approved FMLA leave of absence for the care of a qualified family member is considered Actively at 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 your absence.

Benefit Payment Period

The period of time during which benefits are payable.

Current Earnings

Your Monthly Earnings for each month that 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 Monthly 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:

During the Elimination Period and Benefit Payment Period, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of your Own Occupation.
- b. You are performing the duties of your Own Occupation on a Modified Basis or any occupation and are unable to earn more than 80% of your Indexed Predisability Earnings.

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

Disability; Disabled (for Pilots)

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

During the Elimination Period and the Benefit Payment Period, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of any occupation for which you are or may reasonably become qualified based on education, training, or experience.

- b. You are performing the Substantial and Material Duties of your Own Occupation or any occupation on a Modified Basis and are unable to earn more than 80% of your Indexed Predisability Earnings.

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

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. If you are in the process of satisfying the Elimination Period, you may recover from the Disability for a period of time and then again become Disabled from the same or a different cause. A recovery will not require you to start a new Elimination Period as long as the Elimination Period is satisfied by the required number of days of Disability during a period that is twice as long as the Elimination Period. The periods of Disability will be combined to satisfy the Elimination Period. 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 Indexed Predisability Earnings less any Current Earnings from your Own Occupation or any occupation; divided by
- b. your Indexed Predisability Earnings.

Indexed Predisability Earnings

Your Predisability Earnings adjusted for increases in the Consumer Price Index.

Insurance Month

Calendar month.

Maximum Monthly Benefit

\$15,000

Member

Any OWNER, 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 the 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 occupation on a full-time basis.

Monthly Earnings

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

On any date, your monthly (or monthly equivalent) wage, as established by the Policyholder, that:

- a. if you have been employed for at least one calendar year(s), was paid to you during the last calendar year(s) and reported on your W-2 Wage & Tax Statement including qualified deferred compensation, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements including any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan or Health Savings Account, excluding housing and/or car allowance; or
- b. if you have been employed for less than one calendar year(s), was paid to you during the completed months of employment divided by the number of such completed months of employment.

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, Monthly 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 years. We will use the amounts of a., b., and c. as described above during the completed months of direct ownership divided by the number of such completed months of direct ownership.

Monthly 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.

Other Income Sources

- 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. if you have 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. if you are 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, 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 non-qualified 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 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 Monthly 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.

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

Any commissions earned prior to your date of Disability will not be considered Other Income Sources.

Own Occupation

The occupation you are routinely performing when Disability begins. Your occupation as it is performed in the national economy when Disability begins. Own Occupation does not mean the specific tasks or job you are performing for the Policyholder or at a specific location.

Own Occupation (for attorneys)

The specialty in the practice of law 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 Monthly Earnings in effect prior to the date Disability begins.

Primary Monthly Benefit

60% of your Predisability Earnings. The Primary Monthly Benefit will not exceed the Maximum Monthly Benefit of \$15,000.

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 Us with 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 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 Occupation or any occupation 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 monthly earnings over the six calendar months just prior to the date of Disability. Any post disability increase above the average monthly 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.

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
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 occupation that cannot be modified or omitted.

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.

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Principal Life Insurance Company
Des Moines, Iowa 50392-0002