

**YOUR  
BENEFIT  
PLAN**

City of Newport Beach



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**Maryland**

**The group insurance policy providing coverage under this certificate was issued in a jurisdiction other than Maryland and may not provide all of the benefits required by Maryland law.**

## State Notices

**IMPORTANT INFORMATION FOR RESIDENTS OF CERTAIN STATES:** There are state-specific requirements that may change the provisions described in the group insurance certificate. If you live in a state that has such requirements, those requirements will apply to your coverage. State-specific requirements that may apply to your coverage are summarized below. In addition, updated state-specific requirements are published on our website. You may access the website at <https://www.thehartford.com/>. If you are unable to access this website, want to receive a printed copy of these requirements, or have any questions or complaints regarding any of these requirements or any aspect of your coverage, please contact your Employee Benefits Manager; or you may contact us as follows:

**The Hartford**  
**Group Benefits Division, Customer Service**  
**P.O. Box 2999**  
**Hartford, CT 06104-2999**  
**1-800-523-2233**

If you have a complaint and contacts between you, us, your agent, or another representative have failed to produce a satisfactory solution to the problem, some states require we provide you with additional contact information. If your state requires such disclosure, the contact information is listed below with the other state requirements and notices.

We are providing notice that Hartford Life and Accident Insurance Company is subject to economic and trade sanctions laws and regulations. These laws and regulations, including the laws and regulations administered and enforced by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), prevent Hartford Life and Accident from providing coverage to, and from paying benefits to, entities and individuals where prohibited by applicable law. In addition, these laws and regulations prohibit certain activities with respect to certain countries.

We have included this information to make you aware of the existence and potential impact of these economic and trade sanctions programs on your benefit program.

The Hartford complies with applicable Federal civil rights laws and does not unlawfully discriminate on the basis of race, color, national origin, age, disability, or sex. The Hartford does not exclude or treat people differently for any reason prohibited by law with respect to their race, color, national origin, age, disability, or sex.

If your policy is governed under the laws of Maryland, any of the benefits, provisions or terms that apply to the state you reside in as shown below will apply only to the extent that such state requirements are more beneficial to you.

### **Alaska:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

### **Arizona:**

1. **NOTICE:** The Certificate may not provide all benefits and protections provided by law in Arizona. Please read the Certificate carefully.

### **Arkansas:**

1. **NOTICE:** You have the right to file a complaint with the Arkansas Insurance Department (AID). You may call AID to request a complaint form at (800) 852-5494 or (501) 371-2640 or write the Department at:  
Arkansas Insurance Department  
1 Commerce Way, Suite 102  
Little Rock, AR 72202
2. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

### **California:**

1. **NOTICE: READ YOUR CERTIFICATE CAREFULLY**  
You have a 30 day right from Your original Certificate Effective Date to examine Your certificate. If You are not satisfied, You may return it to Us within 30 days of Your original Certificate Effective Date. In that event, We will consider it void from its Effective Date and any premiums paid will be refunded. Any claims paid under The Policy during the initial 30 day period will be deducted from the refund.

PLEASE BE ADVISED THAT YOU RETAIN ALL RIGHTS WITH RESPECT TO YOUR POLICY/CERTIFICATE AGAINST YOUR ORIGINAL INSURER IN THE EVENT THE ASSUMING INSURER IS UNABLE TO FULFILL ITS OBLIGATIONS. IN SUCH EVENT YOUR ORIGINAL INSURER REMAINS LIABLE TO YOU NOTWITHSTANDING THE TERMS OF ITS ASSUMPTION AGREEMENT.

2. The **Policy Interpretation** provision, if shown in the General Provisions section of the Certificate, does not apply to you. The following requirement applies to you:

**Eligibility Determination:** *How will We determine Your eligibility for benefits?*

We, and not Your Employer or plan administrator, have the responsibility to fairly, thoroughly, objectively and timely investigate, evaluate and determine Your eligibility or Your beneficiaries for benefits for any claim You or Your beneficiaries make on The Policy. We will:

- 1) obtain with Your cooperation and authorization if required by law, only such information that is necessary to evaluate Your claim and decide whether to accept or deny Your claim for benefits. We may obtain this information from Your Notice of Claim, submitted proofs of loss, statements, or other materials provided by You or others on Your behalf; or, at Our expense We may obtain necessary information, or have You physically examined when and as often as We may reasonably require while the claim is pending. In addition, and at Your option and at Your expense, You may provide Us and We will consider any other information, including but not limited to, reports from a Physician or other expert of Your choice. You should provide Us with all information that You want Us to consider regarding Your claim;
- 2) as a part of Our routine operations, We will apply the terms of The Policy for making decisions, including decisions on eligibility, receipt of benefits and claims, or explaining policies, procedures and processes;
- 3) if We approve Your claim, We will review Our decision to approve Your claim for benefits as often as is reasonably necessary to determine Your continued eligibility for benefits;
- 4) if We deny Your claim, We will explain in writing to You or Your beneficiaries the basis for an adverse determination in accordance with The Policy as described in the provision entitled **Claim Denial**.

In the event We deny Your claim for benefits, in whole or in part, You can appeal the decision to Us. If You choose to appeal Our decision, the process You must follow is set forth in The Policy provision entitled **Claim Appeal**. If You do not appeal the decision to Us, then the decision will be Our final decision.

3. **For Your Questions and Complaints:**

State of California Insurance Department  
Consumer Communications Bureau  
300 South Spring Street, South Tower  
Los Angeles, CA 90013

**Toll Free:** 1(800) 927-HELP

**TDD Number:** 1(800) 482-4833

**Web Address:** [www.insurance.ca.gov](http://www.insurance.ca.gov)

**Colorado:**

1. The **Surviving Children** definition within the **Survivor Income Benefit** will always include children related to You by civil union.
2. The **Surviving Spouse** definition within the **Survivor Income Benefit** will always include civil unions.
3. Entering a civil union, terminating a civil union, the death of a party to a civil union or a party to a civil union losing employment, which results in a loss of group insurance, will all constitute as a **Change in Family Status**.
4. The **Complications of Pregnancy** provision, if shown in the **Definitions** section of the Certificate, is revised as follows:

**Complications of Pregnancy** means a condition whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy, such as:

- 1) acute nephritis or nephrosis;
- 2) cardiac decompensation;
- 3) missed abortion; and
- 4) similar medical and surgical conditions of comparable severity.

Complications of Pregnancy will also include:

- 1) pre-eclampsia;
- 2) placenta previa;
- 3) physician prescribed bed rest for intra-uterine growth retardation, funneling, incompetent cervix;
- 4) termination of ectopic pregnancy;
- 5) spontaneous termination of pregnancy, occurring during a period of gestation in which a viable birth is not possible;

- 6) non-elective Cesarean section; and
- 7) similar medical and surgical conditions of comparable severity.

However, the term Complications of Pregnancy will not include:

- 1) elective Cesarean section;
  - 2) false labor, occasional spotting, or morning sickness;
  - 3) hyperemesis gravidarum; or
  - 4) similar conditions associated with the management of a difficult pregnancy not consisting of a nosologically distinct Complication of Pregnancy.
5. The **Claim Appeal** provision will always include the following:

In addition, if a claim for benefits is wholly or partially denied and all administrative remedies have been exhausted, You are entitled to pursue such claim anew, from the beginning, in a court with jurisdiction and entitled to a trial by jury.

6. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

**Florida:**

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| <ol style="list-style-type: none"><li>1. <b>NOTICE: The benefits of the policy providing you coverage may be governed primarily by the laws of a state other than Florida.</b></li></ol> |
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**Georgia:**

1. **NOTICE:** The laws of the state of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family abuse.

**Idaho:**

1. **For Your Questions and Complaints:**  
Idaho Department of Insurance  
Consumer Affairs  
700 W State Street, 3rd Floor  
PO Box 83720  
Boise, ID 83720-0043  
**Toll Free:** 1-800-721-3272  
**Web Address:** [www.DOI.Idaho.gov](http://www.DOI.Idaho.gov)
2. **Notice to Buyer: This is a disability income protection policy.**
3. The **Elimination Period** provision, shown in the **Schedule of Insurance** section of the Certificate, cannot exceed:
  - 1) 90 days for plan designs with a **Maximum Duration of Benefits Payable** of 1 year or less;
  - 2) 180 days for plan designs with a **Maximum Duration of Benefits Payable** of more than 1 year but less than 2 years; or
  - 3) 365 days for plan designs with a **Maximum Duration of Benefits Payable** of 2 years or more.
4. The **Maximum Duration of Benefits Payable** provision, shown in the **Schedule of Insurance** section of the Certificate, cannot be less than 6 months.

**Illinois:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.
2. **For Your Questions and Complaints:**  
Illinois Department of Insurance  
Consumer Services Station  
Springfield, Illinois 62767  
**Consumer Assistance:** 1(866) 445-5364  
**Officer of Consumer Health Insurance:** 1(877) 527-9431
3. In accordance with Illinois law, insurers are required to provide the following **NOTICE** to applicants of insurance policies issued in Illinois.

**STATE OF ILLINOIS**  
**The Religious Freedom Protection and Civil Union Act**  
**Effective June 1, 2011**

The Religious Freedom Protection and Civil Union Act ("the Act") creates a legal relationship between two persons of the same or opposite sex who form a civil union. The Act provides that the parties to a civil union are

entitled to the same legal obligations, responsibilities, protections and benefits that are afforded or recognized by the laws of Illinois to spouses. The law further provides that a party to a civil union shall be included in any definition or use of the terms “spouse,” “family,” “immediate family,” “dependent,” “next of kin,” and other terms descriptive of spousal relationships as those terms are used throughout Illinois law. This includes the terms “marriage” or “married,” or variations thereon. Insurance policies are required to provide identical benefits and protections to both civil unions and marriages. If policies of insurance provide coverage for children, the children of civil unions must also be provided coverage. The Act also requires recognition of civil unions or same sex civil unions or marriages legally entered into in other jurisdictions.

For more information regarding the Act, refer to 750 ILCS 75/1 *et seq.* Examples of the interaction between the Act and existing law can be found in the Illinois Insurance Facts, Civil Unions and Insurance Benefits document available on the Illinois Department of Insurance’s website at <https://idoi.illinois.gov>.

#### **Indiana:**

1. **For Your Questions and Complaints:**

Public Information/Market Conduct  
Indiana Department of Insurance  
311 W. Washington St. Suite 300  
Indianapolis, IN 46204-2787  
1(317) 232-2395

#### **Kansas:**

1. The following requirement applies to you:

**Policy Interpretation:** *Who interprets Policy terms and conditions?*

Pursuant to the Employee Retirement Income Security Act of 1974, as amended (ERISA), Your Employer has delegated to Us the fiduciary responsibility to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy. Therefore, We are a fiduciary for The Policy and We have the continuing duty to act prudently and in the interest of You, Your beneficiaries and the other plan participants. If You have a claim for benefits which is denied or ignored, in whole or in part, then You may file suit in state or federal court for a review of Your eligibility or entitlement to benefits under The Policy. This provision only applies where the interpretation of The Policy is governed by ERISA.

#### **Louisiana:**

1. The following requirement is applicable to you:

**Reinstatement after Military Service:** *Can coverage be reinstated after return from active military service?*

If Your or Your Dependents’ coverage ends because You or Your Dependents enter active military service, coverage may be reinstated, provided You request such reinstatement upon Your or Your Dependents’ release from active military service.

The reinstated coverage will:

- 1) be the same coverage amounts in force on the date coverage ended;
- 2) not be subject to any Eligibility Waiting Period for Coverage or Evidence of Insurability; and
- 3) be subject to all the terms and provisions of The Policy.

#### **Maine:**

1. **NOTICE:** The benefits under the policy are subject to reduction due to other sources of income.

This means that your benefits will be reduced by the amount of any other benefits for loss of time provided to you or for which you are eligible as a result of the same period of disability for which you claim benefits under the policy.

Other sources of income are plans or arrangements of coverage that provide disability-related benefits such as Worker’s Compensation or other similar governmental programs or laws, or disability-related benefits received from your employer or as the result of your employment, membership or association with any group, union, association or other organization. Other sources of income include disability-related benefits under the United States Social Security Act or an alternate governmental plan, the Railroad Retirement Act, and other similar plans or acts. Other sources of income may also include certain disability-related or retirement benefits that you receive because of your retirement unless you were receiving them prior to becoming disabled.

What comprises other sources of income under the policy is determined by the nature of the policyholder. Therefore, we strongly urge you to **Read Your Certificate Carefully**. A full description of the plans and types of plans considered to be other sources of income under the policy will be found in the definition of "Other Income Benefits" located in the Definitions section of your certificate.

2. **NOTICE:** The laws of the State of Maine require notification of the right to designate a third party to receive notice of cancellation, to change such a designation and, to have the Policy reinstated if the insured suffers from cognitive impairment or functional incapacity and the ground for cancellation was the insured's nonpayment of premium or other lapse or default on the part of the insured.

Within 10 days after a request by an insured, a Third Party Notice Request Form shall be mailed or personally delivered to the insured.

3. The following **requirement is applicable to you:**

**Reinstatement:** *Can my coverage be reinstated after it ends?*

We will reinstate The Policy upon receipt of all current and late premiums if:

- 1) You, any person authorized to act on Your behalf, or any of Your dependents may request reinstatement of The Policy within 90 days following cancellation of The Policy for nonpayment of premium provided You suffered from cognitive impairment or functional incapacity at the time the contract cancelled; and
- 2) all current and late premium payments are received within 15 days of Our request.

We may request a medical demonstration, at Your expense, that You suffered from cognitive impairment or functional incapacity at the time of cancellation of The Policy.

#### **Massachusetts:**

1. The **Surviving Children** definition in the **Survivor Income Benefit** will also include a child in the process of adoption.
2. The following continuation requirement is applicable to you

In accordance with Massachusetts state law, if Your insurance terminates because Your employment terminates or You cease to be a member of an eligible class, Your insurance will automatically be continued until the end of a 31 day period from the date Your insurance terminates or the date You become eligible for similar benefits under another group plan, whichever occurs first. You must pay the required premium for continued coverage.

Additionally, if Your insurance terminates because Your employment is terminated as a result of a plant closing or covered partial closing, Your insurance may be continued. You must elect in writing to continue insurance and pay the required premium for continued coverage. Coverage will cease on the earliest to occur of the following dates:

- 1) 90 days from the date You were no longer eligible for coverage as an Active Employee;
- 2) the date You become eligible for similar benefits under another group plan;
- 3) the last day of the period for which required premium is made;
- 4) the date the group insurance policy terminates; or
- 5) the date Your Employer ceases to be a Participant Employer, if applicable.

#### **Michigan:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

#### **Minnesota:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

#### **Missouri:**

1. The **Exclusions** provision shall only exclude for intentionally self-inflicted Injury, suicide or attempted suicide, which occur while You are sane.

#### **Montana:**

1. **NOTICE:** Conformity with Montana statutes: The provisions of the certificate conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which the insured resides on or after the effective date of the certificate.



2. Pregnancy will be covered, the same as any other sickness, anything in The Policy to the contrary notwithstanding.
3. The definition of **Physician** in the **Definitions** section will include the following freedom of choice language: You have full freedom of choice in the selection of any health care provider for treatment within the scope and limitations of his or her practice, including a licensed physician, physician assistant, dentist, osteopath, chiropractor, optometrist, podiatrist, psychologist, licensed social worker, licensed professional counselor, licensed marriage and family therapist, acupuncturist, naturopathic physician, physical therapist or advanced practice registered nurse.

#### **New Hampshire:**

1. If Your claim is denied, You may appeal to Us within 180 days of receipt of the claim denial, subject to the other terms of the **Claim Appeal** provision.
2. The time period stated for legal action to start in the **Legal Actions** provision shown in the **General Provisions** section can not be less than 3 years after the time **Proof of Loss** is required to be given.
3. The time period for receipt of **Medical Care**, as described in the **Pre-existing Condition** definition of the **Exclusions and Limitations** section, is 3 consecutive months. No benefit or increase in benefits for a **Pre-existing Condition** will be payable until You have been treatment free or continuously insured for 9 consecutive months, or less respectively, if shown in the Certificate.
4. Termination of coverage will not affect benefits otherwise payable for a claim incurred while the Policy is in force.
5. **Notice:** This is an ancillary health certificate. This certificate provides limited benefits. Benefits provided are supplemental and are not intended to cover all medical expenses.
6. **Notice: READ YOUR CERTIFICATE CAREFULLY** - You have a 30 day right to examine Your certificate. If You are not satisfied, You may return it to Us within 30 days from the later of Your original Certificate Effective Date or the date The Policy was received by the Policyholder. In that event, We will consider it void from its Effective Date and any premiums paid will be refunded. Any claims paid under The Policy during the initial 30 day period will be deducted from the refund.
7. **Notice:** The Policy does not provide comprehensive health insurance coverage. It is not intended to satisfy the individual mandate of the Affordable Care Act (ACA) or provide the minimum essential coverage required by the ACA (often referred to as "Major Medical Coverage"). It does not provide coverage for hospital, medical, surgical, or major medical expenses.

#### **New Jersey:**

1. The **Surviving Children** definition within the **Survivor Income Benefit** will always include children related to You by civil union.
2. The **Surviving Spouse** definition within the **Survivor Income Benefit** will always include civil unions and domestic partners, provided You continue to meet the requirements described in the domestic partner affidavit, civil union license or civil union certificate or as required by law. Same sex relationships entered into under the laws of another State or Country, which closely approximate a civil union or a domestic partnership under New Jersey law, will be recognized as civil unions or domestic partners under New Jersey law.

#### **New Mexico:**

1. The **Surviving Children** definition within the **Survivor Income Benefit**, if included in Your Certificate, will include children up to age 26.

#### **New York:**

1. The **Other Income Benefits** definition will not include a portion of a settlement or judgment of a lawsuit that represents or compensates for Your loss of earnings.
2. The **Subrogation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.
3. The **Reimbursement** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.
4. If the definition of **Surviving Spouse** within the **Survivor Income Benefit** requires the completion of a domestic partner affidavit, the following requirement applies to you:

The domestic partner affidavit must be notarized and requires that You and Your domestic partner meet all of the following criteria:

- 1) you are both legally and mentally competent to consent to contract in the state in which you reside;
- 2) you are not related by blood in a manner that would bar marriage under laws of the state in which you reside;
- 3) you have been living together on a continuous basis prior to the date of the application;
- 4) neither of you have been registered as a member of another domestic partnership within the last six months; and
- 5) you provide proof of cohabitation (e.g., a driver's license, tax return or other sufficient proof).

The domestic partner affidavit further requires that You and Your domestic partner provide proof of financial interdependence in the form of at least two of the following:

- 1) a joint bank account;
- 2) a joint credit card or charge card;
- 3) joint obligation on a loan;
- 4) status as an authorized signatory on the partner's bank account, credit card or charge card;
- 5) joint ownership of holdings or investments, residence, real estate other than residence, major items of personal property (e.g., appliances, furniture), or a motor vehicle;
- 6) listing of both partners as tenants on the lease of the shared residence;
- 7) shared rental payments of residence (need not be shared 50/50)
- 8) listing of both partners as tenants on a lease, or shared rental payments, for property other than residence;
- 9) a common household and shared household expenses (e.g., grocery bills, utility bills, telephone bills, etc. and need not be shared 50/50);
- 10) shared household budget for purposes of receiving government benefits;
- 11) status of one as representative payee for the other's government benefits;
- 12) joint responsibility for child care (e.g., school documents, guardianship);
- 13) shared child-care expenses (e.g., babysitting, day care, school bills, etc. and need not be shared 50/50);
- 14) execution of wills naming each other as executor and/or beneficiary;
- 15) designation as beneficiary under the other's life insurance policy;
- 16) designation as beneficiary under the other's retirement benefits account;
- 17) mutual grant of durable power of attorney;
- 18) mutual grant of authority to make health care decisions (e.g., health care power of attorney);
- 19) affidavit by creditor or other individual able to testify to partners' financial interdependence;
- 20) other item(s) of proof sufficient to establish economic interdependency under the circumstances of the particular case.

#### North Carolina:

1. The **Subrogation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.
2. The **Other Income Benefits** definition will not include a mandatory "no-fault" automobile insurance plan.
3. You are not required to be under the **Regular Care of a Physician** if qualified medical professionals have determined that further medical care and treatment would be of no benefit to You.
4. The **Exclusions** provision shall only exclude for Workers' Compensation if the final adjudication of the Worker's Compensation claim determined that benefits are paid, or may be paid, if duly claimed.
5. Within the **Misstatements** provision reference to fraudulent misstatements will not apply to You.
6. The **Sending Proof of Loss** provision is amended to state that written **Proof of Loss** must be sent to Us within 180 days following the completion of the **Elimination Period**.
7. The **Claims to be Paid** provision is amended to state that We may pay up to \$3,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.
8. **Notice of Claim** may also be given to Our representative, if applicable.
9. **NOTICE:** UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, FINANCIAL AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP LIFE INSURANCE, GROUP HEALTH OR GROUP HEALTH PLAN PREMIUMS, SHALL:
  1. CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP LIFE INSURANCE, GROUP HEALTH INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSON INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT; AND
  2. WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

## IMPORTANT TERMINATION INFORMATION

**YOUR INSURANCE MAY BE CANCELLED BY THE COMPANY. PLEASE READ THE TERMINATION PROVISION IN THE CERTIFICATE.**

**THE CERTIFICATE OF INSURANCE PROVIDES COVERAGE UNDER A GROUP MASTER POLICY. THE CERTIFICATE PROVIDES ALL OF THE BENEFITS MANDATED BY THE NORTH CAROLINA INSURANCE CODE, BUT YOU MAY NOT RECEIVE ALL OF THE PROTECTIONS PROVIDED BY A POLICY ISSUED IN NORTH CAROLINA AND GOVERNED BY ALL OF THE LAWS OF NORTH CAROLINA.**

### **PRE-EXISTING LIMITATION READ CAREFULLY**

**NO BENEFITS WILL BE PAYABLE UNDER THIS PLAN FOR PRE-EXISTING CONDITIONS WHICH ARE NOT COVERED UNDER THE PRIOR PLAN. PLEASE READ THE LIMITATIONS IN THE CERTIFICATE.**

**READ YOUR CERTIFICATE CAREFULLY.**

#### **Oregon:**

1. The definition of **Surviving Spouse** within the **Survivor Income Benefit** will include Your domestic partner provided You have registered as domestic partners with a government agency or office where such registration is available. You will not be required to provide proof of such registration.
2. The **Surviving Children** definition within the **Survivor Income Benefit** will include children related to You by domestic partnership.
3. The following Jury Duty continuation applies for Employers with 10 or more employees:

Jury Duty: If You are scheduled to serve or are required to serve as a juror, Your coverage may be continued until the last day of Your Jury Duty, provided You:

- 1) elected to have Your coverage continued; and
- 2) provided notice of the election to Your Employer in accordance with Your Employer's notification policy.

#### **Rhode Island:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable.

#### **South Carolina:**

1. The **Physical Examinations and Autopsy** provision will state that such autopsy must be performed during the period of contestability and must take place in the state of South Carolina.
2. If You become insured under The Policy on the Policy Effective Date and were insured under the Prior Policy within 30 days of being covered under The Policy, the **Pre-existing Condition Limitation** will end on the earliest of:
  - 1) the Policy Effective date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
  - 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.

This is subject to the other terms and conditions of the **Continuity From a Prior Policy** provision.

#### **South Dakota:**

1. The definition of **Physician** can include You or a person Related to You by blood or marriage in the event that the Physician is the only one in the area and is acting within the scope of their normal employment.
2. The **Other Income Benefits** definition will not include the amount of any benefit for loss of income, provided to Your family, Your Spouse or Your Spouse's family.

#### **Texas:**

1. The **Policy Interpretation** provision, if shown in the **General Provisions** section of the Certificate, is not applicable
2. **NOTICE:**

**Have a complaint or need help?**

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

### **Hartford Life and Accident Insurance Company**

To get information or file a complaint with your insurance company:

**Call: Customer Service at 860-547-5000**

**Toll-free: 1-800-523-2233**

Online: <https://www.thehartford.com/contact-the-hartford>

Email: [gbdcustomerservice@thehartford.com](mailto:gbdcustomerservice@thehartford.com)

Mail: The Hartford, Group Benefits Division, P.O. Box 2999, Hartford, CT 06104-2999

### **The Texas Department of Insurance**

To get help with an insurance question or file a complaint with the state:

**Call with a question: 1-800-252-3439**

File a complaint: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Mail: MC 111-1A, P.O. Box 12030, Austin, TX 78711-2030

### **¿Tiene una queja o necesita ayuda?**

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros. Si no lo hace, podría perder su derecho para apelar.

### **Hartford Life and Accident Insurance Company**

Para obtener información o para presentar una queja ante su compañía de seguros:

**Llame a: servicio al cliente al 860-547-5000**

**Teléfono gratuito: 1-800-523-2233**

En línea: <https://www.thehartford.com/contact-the-hartford>

Correo electrónico: [gbdcustomerservice@thehartford.com](mailto:gbdcustomerservice@thehartford.com)

Dirección postal: The Hartford, Group Benefits Division, P.O. Box 2999, Hartford, CT 06104-2999

### **El Departamento de Seguros de Texas**

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

**Llame con sus preguntas al: 1-800-252-3439**

Presente una queja en: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Correo electrónico: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Dirección postal: MC 111-1A, P.O. Box 12030, Austin, TX 78711-2030

### **Utah:**

1. If the **Sending Proof of Loss** provision provides a timeframe in which proof must be submitted before it affects Your claim, this time limitation shall not apply to You.

### **Vermont:**

1. The following requirement applies:

**Purpose:** Vermont law requires that health insurers offer coverage to parties to a civil union that is equivalent to coverage provided to married persons.

**Definitions, Terms, Conditions and Provisions:** The definitions, terms, conditions or any other provisions of the policy, contract, certificate and/or riders and endorsements are hereby superseded as follows:

- 1) Terms that mean or refer to a marital relationship, or that may be construed to mean or refer to a marital relationship, such as "marriage", "spouse", "husband", "wife", "dependent", "next of kin", "relative", "beneficiary", "survivor", "immediate family" and any other such terms, include the relationship created by a civil union established according to Vermont law.
- 2) Terms that mean or refer to the inception or dissolution of a marriage, such as "date of marriage", "divorce decree", "termination of marriage" and any other such terms include the inception or dissolution of a civil union established according to Vermont law.
- 3) Terms that mean or refer to family relationships arising from a marriage, such as "family", "immediate family", "dependent", "children", "next of kin", "relative", "beneficiary", "survivor" and any other such terms include family relationships created by a civil union established according to Vermont law.
- 4) "Dependent" means a spouse, a party to a civil union established according to Vermont law, and a child or children (natural, stepchild, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.
- 5) "Child or covered child" means a child (natural, step-child, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.

**CAUTION: FEDERAL LAW RIGHTS MAY OR MAY NOT BE AVAILABLE**

Vermont law grants parties to a civil union the same benefits, protections and responsibilities that flow from marriage under state law. However, some or all of the benefits, protections and responsibilities related to health insurance that are available to married persons under federal law may not be available to parties to a civil union. For example, federal law, the Employee Income Retirement Security Act of 1974 known as "ERISA", controls the employer/employee relationship with regard to determining eligibility for enrollment in private employer health benefit plans. Because of ERISA, Act 91 does not state requirements pertaining to a private employer's enrollment of a party to a civil union in an ERISA employee welfare benefit plan. However, governmental employers (not federal government) are required to provide health benefits to the dependents of a party to a civil union if the public employer provides health benefits to the dependents of married persons. Federal law also controls group health insurance continuation rights under COBRA for employers with 20 or more employees as well as the Internal Revenue Code treatment of health insurance premiums. As a result, parties to a civil union and their families may or may not have access to certain benefits under the policy, contract, certificate, rider or endorsement that derive from federal law. You are advised to seek expert advice to determine your rights under this contract.

2. Vermont Mental Health and Substance Abuse Exclusion and Limitation Parity:  
If You become Disabled as a legal resident of Vermont and The Policy covers 25 or more legal residents of Vermont, the following applies:
  - a. Disability due to Mental Illness or Substance Abuse may not be excluded from coverage; and
  - b. the Maximum Duration of Benefits for Disability due to Mental Illness or Substance Abuse may not be limited. The Maximum Duration of Benefits shown in the Schedule of Insurance shall apply to You.

**Virginia:**

1. **For Your Questions and Complaints:**  
**State Corporation Commission**  
**Life and Health Division**  
**Bureau of Insurance**  
P.O. Box 1157  
Richmond, VA 23218  
1(804) 371-9691 (inside Virginia)  
1(877) 310-6560 (outside Virginia)

**Washington:**

1. The following continuation applies to you:

General Work Stoppage (including a strike or lockout): If Your employment terminates due to a cessation of active work as the result of a general work stoppage (including a strike or lockout), Your coverage shall be continued during the work stoppage for a period not exceeding 6 months. If the work stoppage ends, this continuation will cease immediately.

**Wisconsin:**

1. **For Your Questions and Complaints:**

To request a Complaint Form:

Office of the Commissioner of Insurance

Complaints Department

P.O. Box 7873

Madison, WI 53707-7873

1(800) 236-8517 (outside of Madison)

1(608) 266-0103 (in Madison)

**HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY  
DISABILITY INCOME PROTECTION COVERAGE  
OUTLINE OF COVERAGE**

**YOUR RIGHT TO RETURN THE CERTIFICATE: YOU HAVE THE RIGHT TO RETURN THE CERTIFICATE WITHIN 30 DAYS AFTER ITS RECEIPT VIA REGULAR MAIL OR OTHER DELIVERY METHOD AND TO HAVE THE FULL PREMIUM AND MEMBERSHIP FEES REFUNDED. THE RETURN VOIDS THE CERTIFICATE FROM THE BEGINNING. THE PARTIES SHALL BE IN THE SAME POSITION AS IF NO CONTRACT HAD BEEN ISSUED. ALL PREMIUMS PAID AND ANY POLICY FEE SHALL BE FULLY REFUNDED BY US, AND ANY MEMBERSHIP FEE SHALL BE FULLY REFUNDED BY THE ENTITY CHARGING THE FEE, WITHIN 30 DAYS OF OUR RECEIPT OF THE RETURNED CERTIFICATE.**

Read Your Certificate of Insurance Carefully. This outline of coverage provides a very brief description of some important features of Your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Certificate of Insurance itself sets forth, in detail, the rights and obligations of both you and Hartford Life and Accident Insurance Company. It is, therefore, important that you read Your Certificate of Insurance carefully!

- 1) Disability Income Protection Coverage: This category of coverage is designed to provide You income protection benefits for disabilities resulting from an injury or sickness, subject to any limitations set forth in The Policy. Benefits are not provided for basic hospital, basic medical-surgical, or major-medical expenses.
- 2) Benefits: If You meet the definition of Disability or Disabled found in the Definitions section of Your Certificate of Insurance, You may be eligible to receive benefits. You may meet the definition if Disability or Disabled if You are unable to perform one or more of the Essential Duties of Your Occupation. You may need to satisfy an Elimination Period before You are eligible to receive benefits. The Elimination Period may be found in the Schedule of Insurance in Your Certificate of Insurance. The benefits provided by Your coverage, including payment periods, are indicated in the Schedule of Insurance in Your Certificate of Insurance. Each benefit contained in the Schedule of Insurance is described in detail in the Benefits section of Your Certificate of Insurance.
- 3) Exceptions, Reductions, and Limitations: There may be exceptions, reductions, and limitations to Your benefits under The Policy. This may include, but is not limited to:
  - a) requiring You to submit Evidence of Insurability to determine eligibility for coverage and eligibility for increases in coverage;
  - b) terminating Your coverage and/or the entire insurance contract for non-payment of premium;
  - c) limiting the amount and duration of Your benefits or restricting coverage:
    - i) for certain conditions; or
    - ii) because You were not under the Regular Care of a Physician;
  - d) not covering Your Disability or Loss because of the circumstances which contributed to or caused the Disability or Loss;
  - e) reducing Your benefit based on their age;
  - f) ending Your coverage on the date You attain the policy age limit; and
  - g) limiting or restricting benefits for Pre-existing Conditions.
- 4) Continuation of Coverage: Your coverage may be continued or terminated under certain circumstances. These provisions are fully described in the Period of Coverage section of Your Certificate of Insurance. You may be subject to eligibility requirements. These provisions are fully described in the Eligibility and Enrollment section of Your Certificate of Insurance.
- 5) Premiums/Contributions: We have the right to change the rate of premiums and the factors, other than claims experiences, which affect changes in the rate. Premiums are established or may be changed based

on age, class, smoker or non-smoker status. We will give the Policyholder notice of any changes. You may or may not need to contribute toward the cost of Your coverage. The Schedule of Insurance section of Your Certificate of Insurance will provide information on whether or not You need to contribute toward the cost of Your coverage.





**HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY**

One Hartford Plaza

Hartford, Connecticut 06155

(A stock insurance company, herein called The Company)

**CERTIFICATE OF INSURANCE**

**Policyholder:** City of Newport Beach

**Policy Number:** GLT-921759

**Policy Effective Date:** January 1, 2024

**Policy Anniversary Date:** January 1

**Employee Name:** \_\_\_\_\_

**Employee Number:** \_\_\_\_\_

We have issued The Policy to the Policyholder. Our name, the Policyholder's name and the Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this certificate consisting of this form and any additional forms which have been made a part of this certificate. This certificate replaces any other certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. The Policy may be inspected at the office of the Policyholder.

Signed for The Company



Kevin Barnett, Secretary



Jonathan Bennett, President

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**YOUR RIGHT TO RETURN THE CERTIFICATE: YOU HAVE THE RIGHT TO RETURN THE CERTIFICATE WITHIN 30 DAYS AFTER ITS RECEIPT VIA REGULAR MAIL OR OTHER DELIVERY METHOD AND TO HAVE THE FULL PREMIUM AND MEMBERSHIP FEES REFUNDED. THE RETURN VOIDS THE CERTIFICATE FROM THE BEGINNING. THE PARTIES SHALL BE IN THE SAME POSITION AS IF NO CONTRACT HAD BEEN ISSUED. ALL PREMIUMS PAID AND ANY POLICY FEE SHALL BE FULLY REFUNDED BY US, AND ANY MEMBERSHIP FEE SHALL BE FULLY REFUNDED BY THE ENTITY CHARGING THE FEE, WITHIN 30 DAYS OF OUR RECEIPT OF THE RETURNED CERTIFICATE.**

*A note on capitalization in this certificate:*

Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision contained herein.

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## SCHEDULE OF INSURANCE

The Policy of long term Disability insurance provides You with long term income protection if You become Disabled from a covered injury, sickness, Mental Illness, Substance Abuse or pregnancy.

**Cost of Coverage:**

You must contribute toward the cost of coverage.

**Disclosure of Fees:**

We may reduce or adjust premiums, rates, fees and/or other expenses for programs under The Policy.

**Disclosure of Services:**

In addition to the insurance coverage, We may offer noninsurance benefits and services to Active Employees.

**Eligible Class(es) For Coverage:**

All Full-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates; excluding temporary, leased or seasonal employees.

Full-time Employment: at least 30 hours weekly

**Eligibility Waiting Period for Coverage:**

None

**Elimination Period:**

180 day(s)

**Maximum Monthly Benefit:** \$15,000

**Minimum Monthly Benefit:** \$100

**Initial Benefit Period:**

The first 24 months of Disability

**Initial Benefit Period Percentage:** 66 2/3%

**Continuing Benefit Period:**

That part of a period of Disability that extends beyond the Initial Benefit Period.

**Continuing Benefit Period Percentage:** 20%

The Initial Benefit Period Percentage is paid during the Initial Benefit Period and is the greater percentage. If You receive Social Security Disability or Social Security Retirement plans or an alternative plan for federal, state or municipal employees or are ineligible for Social Security Disability or Social Security Retirement plans or an alternative plan for federal, state or municipal employees because You have not paid enough into that system, then You will continue to be paid under the Initial Benefit Period Percentage. Similarly, if You have returned to work and are being paid under the Return to Work Incentive, then You would also be paid under the Initial Benefit Period Percentage. However, in no event will Your Monthly Benefit exceed the Maximum Amount shown in the Schedule of Insurance.

The Continuing Benefit Period Percentage is paid during the Continuing Benefit Period. The Continuing Benefit Period Percentage calculation does not factor in Other Income Benefits, while the Initial Benefit Period Percentage does. If You do not receive Social Security Disability or Social Security Retirement plans or an alternative plan for federal, state or municipal employees or the Return to Work Incentive, then Your Monthly Benefit may be payable under the Continuing Benefit Period Percentage calculation if that amount would be less than the Initial Benefit Period Percentage calculation.

### Maximum Duration of Benefits

#### Maximum Duration of Benefits Table

<b>Age When Disabled</b>	<b>Benefits Payable</b>
Prior to Age 63	To Normal Retirement Age or 42 months, if greater
Age 63	To Normal Retirement Age or 36 months, if greater
Age 64	30 months

Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

Normal Retirement Age means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by Your date of birth as follows:

<b>Year of Birth</b>	<b>Normal Retirement Age</b>
1937 or before	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 thru 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or after	67

**Additional Benefit:**

**Family Care Credit Benefit**  
see benefit

**Survivor Income Benefit**

The Survivor Income Benefit is calculated as 3 times the lesser of:

- 1) Your Monthly Benefit in effect the last full calendar month prior to the date of Your death; or
- 2) The Maximum Monthly Benefit.

If You died before receiving a full calendar month benefit, the Survivor Income Benefit will be 3 times Your Monthly Benefit as of Your date of death.

**ELIGIBILITY AND ENROLLMENT**

**Eligible Persons:** *Who is eligible for coverage?*

All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

**Eligibility for Coverage:** *When will I become eligible?*

You will become eligible for coverage on the later of:

- 1) the Policy Effective Date; or
- 2) the date on which You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Insurance, if applicable.

**Enrollment:** *How do I enroll for coverage?*

All eligible Active Employees will be enrolled automatically by the Employer.

**PERIOD OF COVERAGE**

**Effective Date:** *When does my coverage start?*

Your coverage will start on the date You become eligible.

**Deferred Effective Date:** *When will my effective date for coverage or a change in my coverage be deferred?*

If You are absent from work due to:

- 1) injury;

- 2) sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy;

on the date Your insurance, or increase in coverage, would otherwise have become effective, Your insurance, or increase in coverage will not become effective until You are Actively at Work one full day.

**Changes in Coverage:**

You may change Your benefit option at any time.

You may decrease coverage, or increase coverage to a higher option.

*Do coverage amounts change if there is a change in my class or my rate of pay?*

Your coverage may increase or decrease on the date there is a change in Your class or Pre-disability Earnings. However, no increase in coverage will be effective unless on that date You:

- 1) are an Active Employee; and
- 2) are not absent from work due to being Disabled. If You were so absent from work, the effective date of such increase will be deferred until You are Actively at Work for one full day.

No change in Your Pre-disability Earnings will become effective until the date We receive notice of the change.

*What happens if the Employer changes The Policy?*

Any increase or decrease in coverage because of a change in The Policy will become effective on the date of the change, subject to the following provisions:

- 1) the Deferred Effective Date provision; and
- 2) Pre-existing Conditions Limitations.

**Continuity From A Prior Policy:** *Is there continuity of coverage from a Prior Policy?*

If You were:

- 1) insured under the Prior Policy; and
- 2) not eligible to receive benefits under the Prior Policy;

on the day before the Policy Effective Date, the Deferred Effective Date provision will not apply.

*Is my coverage under The Policy subject to the Pre-existing Condition Limitation?*

If You become insured under The Policy on the Policy Effective Date and were covered under the Prior Policy on the day before the Policy Effective Date, the Pre-existing Conditions Limitation will end on the earliest of:

- 1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
- 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.

The amount of the Monthly Benefit payable for a Pre-existing Condition in accordance with the above paragraph will be the lesser of:

- 1) the Monthly Benefit which was paid by the Prior Policy; or
- 2) the Monthly Benefit provided by The Policy.

The Pre-existing Conditions Limitation will apply after the Policy Effective Date to the amount of a benefit increase which results from a change from the Prior Policy to The Policy, a change in benefit options, a change of class or a change in The Policy.

*Do I have to satisfy an Elimination Period under The Policy if I was Disabled under the Prior Policy?*

If You received monthly benefits for disability under the Prior Policy, and You returned to work as a Full-time Active Employee before the Policy Effective Date, then, if within 6 months of Your return to work:

- 1) You have a recurrence of the same disability while covered under The Policy; and
- 2) there are no benefits available for the recurrence under the Prior Policy;

the Elimination Period, which would otherwise apply, will be waived if the recurrence would have been covered without any further elimination period under the Prior Policy.

**Termination:** *When will my coverage end?*

Your coverage will end on the earliest of the following:

- 1) the date The Policy terminates;
- 2) the date The Policy no longer insures Your class;
- 3) the date premium payment is due but not paid;

- 4) the last day of the period for which You make any required premium contribution;
  - 5) the date Your Employer terminates Your employment; or
  - 6) the date You cease to be a Full-time Active Employee in an eligible class for any reason;
- unless continued in accordance with any of the Continuation Provisions.

**Continuation Provisions:** *Can my coverage be continued beyond the date it would otherwise terminate?*

Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

- 1) is subject to any reductions in The Policy;
- 2) is subject to payment of premium; and
- 3) terminates if:
  - a) The Policy terminates; or
  - b) coverage for Your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Leave of Absence: If You are on a documented leave of absence, other than Family and Medical Leave, or Military Leave of Absence, Your coverage may be continued until the last day of the month in which the leave of absence commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Military Leave of Absence: If You enter active military service and are granted a military leave of absence in writing, Your coverage may be continued for up to 12 weeks, or longer if required by other applicable law. If the leave ends prior to the agreed upon date, this continuation will cease immediately.

Family and Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

**Coverage while Disabled:** *Does my insurance continue while I am Disabled and no longer an Active Employee?*

If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:

- 1) during the Elimination Period while You remain Disabled by the same Disability; and
- 2) after the Elimination Period for as long as You are entitled to benefits under The Policy.

**Waiver of Premium:** *Am I required to pay premiums while I am Disabled?*

No premium will be due for You:

- 1) after the Elimination Period; and
- 2) for as long as benefits are payable.

**Extension of Benefits for Disability:** *Do benefits continue if The Policy terminates?*

If You are entitled to benefits while Disabled and The Policy terminates, benefits:

- 1) will continue as long as You remain Disabled by the same Disability; but
- 2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

## BENEFITS

**Disability Benefit:** *What are my Disability Benefits under The Policy?*

We will pay You a Monthly Benefit if You:

- 1) become Disabled while insured under The Policy;
- 2) are Disabled throughout the Elimination Period;
- 3) remain Disabled beyond the Elimination Period; and
- 4) submit Proof of Loss to Us.

Benefits accrue as of the first day after the Elimination Period and are paid monthly. However, benefits will not exceed the Maximum Duration of Benefits.

**Loss of License:** If You are in an occupation that requires You to maintain a license, Your failure to pass a physical examination required to maintain that license does not alone mean that You are Disabled from Your Occupation.

**Mental Illness and Substance Abuse Benefits:** *Are benefits limited for Mental Illness or Substance Abuse?*

If You are Disabled because of:

- 1) Mental Illness that results from any cause;
- 2) any condition that may result from Mental Illness;
- 3) alcoholism; or
- 4) the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance;

then, subject to all other provisions of The Policy, We will limit the Maximum Duration of Benefits.

Benefits will be payable for a total of 24 months, for all such disabilities during Your lifetime unless at the end of the 24 month period:

- 1) You are confined in a hospital or other place licensed to provide medical care for the disabling condition, in which case:
  - a) benefits will continue during the confinement; and
  - b) if You are still Disabled when discharged, benefits will continue for a recovery period of up to 90 days; and
  - c) if You become re-confined during the recovery period for at least 14 consecutive days, benefits will continue during the confinement and another recovery period of up to 90 days; or
- 2) You continue to be Disabled and, within 7 days become confined in a hospital, or other place licensed to provide medical care, for the disabling condition for at least 14 consecutive days, in which case benefits will be paid while You are so confined.

**Recurrent Disability:** *What happens if I Recover but become Disabled again?*

Periods of Recovery during the Elimination Period will not interrupt the Elimination Period, if the number of days You return to work as an Active Employee are less than one-half (1/2) the number of days of Your Elimination Period.

Any day within such period of Recovery, will not count toward the Elimination Period.

After the Elimination Period, if You return to work as an Active Employee and then become Disabled and such Disability is:

- 1) due to the same cause; or
- 2) due to a related cause; and
- 3) within 6 months of the return to work,

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 6 months or more, any recurrence of a Disability will be treated as a new Disability. The new Disability is subject to a new Elimination Period and a new Maximum Duration of Benefits.

**Period of Disability** means a continuous length of time during which You are Disabled under The Policy.

**Recover or Recovery** means that You are no longer Disabled and have returned to work with The Employer and premiums are being paid for You.

**Calculation of Monthly Benefit:**

**Return to Work Incentive:** *How are my Disability benefits calculated?*

If You remain Disabled after the Elimination Period, We will determine Your Monthly Benefit for a period of up to 12 consecutive months as follows:

- 1) multiply Your Indexed Pre-disability Earnings by the Initial Benefit Period Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit. For the first 12 months that benefits are payable while working, We will only reduce Your Monthly Benefit by that amount of Your Current Monthly Earnings, which when combined with Your Monthly Benefit amount exceeds 100% of Your Indexed Pre-disability Earnings.

If You are Disabled and not receiving benefits under the Return to Work Incentive, during the Initial Benefit Period, We will calculate Your Monthly Benefit as follows:

- 1) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

During the Continuing Benefit Period, if You are not receiving benefits under the Return to Work Incentive, but You are receiving benefits under Social Security Disability or Social Security Retirement plans, or an alternative plan for federal, state or municipal employees, We will determine Your Monthly Benefit as follows:

- 1) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

During the Continuing Benefit Period, if You are not receiving benefits under the Return to Work Incentive, or under Social Security Disability or Social Security Retirement plans or an alternative plan for federal, state or municipal employees, We will determine Your Monthly Benefit as follows:

- 1) multiply Your Indexed Pre-disability Earnings by the Continuing Benefit Period Percentage;
- 2) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage, and deduct all Other Income Benefits; and
- 3) deduct all Other Income Benefits from the Maximum Benefit.

The result of the calculation giving the least amount is Your Monthly Benefit.

**Calculation of Monthly Benefit:** *What happens if the sum of my Monthly Benefit, Current Monthly Earnings, and Other Income Benefits exceeds 100% of my Pre-disability Earnings?*

If the sum of Your Monthly Benefit, Current Monthly Earnings, and Other Income Benefits exceeds 100% of Your Indexed Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of the excess. However, Your Monthly Benefit will not be less than the Minimum Monthly Benefit.

If an overpayment occurs, We may recover all or any portion of the overpayment, in accordance with the Overpayment Recovery provision.

**Minimum Monthly Benefit:** *Is there a Minimum Monthly Benefit?*

Your Monthly Benefit will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

**Partial Month Payment:** *How is the benefit calculated for a period of less than a month?*

If a Monthly Benefit is payable for a period of less than a month, We will pay 1/30 of the Monthly Benefit for each day You were Disabled.

**Denial of Social Security Benefits:** *After the Initial Benefit Period expires, is there any allowance if I am ineligible for Social Security?*

If Your Disability prevents You from performing the Essential Duties of Any Occupation, but Your claim for disability benefits under The United States Social Security System, or an alternative plan for federal, state or municipal employees:

- 1) was denied because You have not worked under these systems long enough to be eligible for disability benefits, Your Monthly Benefit during the Continuing Benefit Period will be calculated using the Initial Benefit Period Percentage; or
- 2) is still pending at the time the Initial Benefit Period expires, benefits may be paid at the Initial Benefit Period Percentage until the earlier to occur of:
  - a) the 12th month following the expiration of the Initial Benefit Period; or
  - b) a decision on Your claim for Social Security disability benefits is rendered by a Social Security Administrative Law Judge.

**Termination of Payment:** *When will my benefit payments end?*

Benefit payments will stop on the earliest of:

- 1) the date You are no longer Disabled;
- 2) the date You fail to furnish Proof of Loss;
- 3) the date You are no longer under the Regular Care of a Physician;
- 4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
- 5) the date of Your death;
- 6) the date You refuse to receive recommended treatment by Your treating Physician that is generally acknowledged by Physicians to cure, correct or limit the disabling condition;
- 7) the last day benefits are payable according to the Maximum Duration of Benefits Table;
- 8) the date Your Current Monthly Earnings:
  - a) are greater than 100% of Your Pre-disability Earnings during the first 12 months that You are receiving benefits for being Disabled from Your Occupation;
  - b) are equal to or greater than 80% of Your Indexed Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation for a period exceeding 12 months; or



- c) exceed the product of your Pre-disability Earnings and the Benefit Percentage of Your Indexed Pre-disability Earnings if You are receiving benefits for being Disabled from Any Occupation;
- 9) the date no further benefits are payable under any provision in The Policy that limits benefit duration.

**Family Care Credit Benefit:** *What if I must incur expenses for Family Care Services in order to participate in a Rehabilitation program?*

If You are working as part of a program of Rehabilitation, We will, for the purpose of calculating Your benefit, deduct the cost of Family Care from earnings received from work as a part of a program of Rehabilitation, subject to the following limitations:

- 1) Family Care means the care or supervision of:
  - a) Your children under age 13; or
  - b) a member of Your household who is mentally or physically handicapped and dependent upon You for support and maintenance;
- 2) the maximum monthly deduction allowed for each qualifying child or family member is:
  - a) \$350 during the first 12 months of Rehabilitation; and
  - b) \$175 thereafter;but in no event may the deduction exceed the amount of Your monthly earnings;
- 3) Family Care Credits may not exceed a total of \$2,500 during a calendar year;
- 4) the deduction will be reduced proportionally for periods of less than a month;
- 5) the charges for Family Care must be documented by a receipt from the caregiver;
- 6) the credit will cease on the first to occur of the following:
  - a) You are no longer in a Rehabilitation program; or
  - b) Family Care Credits for 24 months have been deducted during Your Disability; and
- 7) no Family Care provided by someone Related to the family member receiving the care will be eligible as a deduction under this provision.

Your Current Monthly Earnings after the deduction of Your Family Care Credit will be used to determine Your Monthly Income Loss. For the first 12 months, in no event will You be eligible to receive a Monthly Benefit under The Policy if Your Current Monthly Earnings before the deduction of the Family Care Credit exceed 100% of Your Pre-disability Earnings. After 12 months, in no event will You be eligible to receive a Monthly Benefit under The Policy if Your Current Monthly Earnings before the deduction of the Family Care Credit exceed 80% of Your Indexed Pre-disability Earnings.

**Survivor Income Benefit:** *Will my survivors receive a benefit if I die while receiving Disability Benefits?*

If You were receiving a Monthly Benefit at the time of Your death, We will pay a Survivor Income Benefit, when We receive proof:

- 1) of Your death; and
- 2) that the person claiming the benefit is entitled to it.

We must receive the proof for Survivor Income Benefits within 1 year of the date of Your death.

The Survivor Income Benefit will only be paid:

- 1) to Your Surviving Spouse; or
- 2) if no Surviving Spouse, in equal shares to Your Surviving Children.

If there is no Surviving Spouse or Surviving Children, then no benefit will be paid.

However, We will first apply the Survivor Income Benefit to any overpayment which may exist on Your claim.

If a minor child is entitled to benefits, We may, at Our option, make benefit payments to the person caring for and supporting the child until a legal guardian is appointed.

The Survivor Income Benefit amount is shown on the Schedule of Insurance.

**Surviving Spouse** means Your spouse who was not legally separated or divorced from You when You died.

"Spouse" will include Your domestic partner provided You:

- 1) have executed a domestic partner affidavit, establishing that You and Your partner are domestic partners for purposes of The Policy; or
- 2) have registered as domestic partners with a government agency or office where such registration is available.

You will continue to be considered domestic partners provided You continue to meet the requirements described in the domestic partner affidavit or required by law.

**Surviving Children** means Your unmarried children, step children, legally adopted children who, on the date You die, are primarily dependent on You for support and maintenance and who are under age 21.

The term Surviving Children will also include any other children related to You by blood or marriage or domestic partnership and who:

- 1) lived with You in a regular parent-child relationship; and
- 2) were eligible to be claimed as dependents on Your federal income tax return for the last tax year prior to Your death.

## **EXCLUSIONS AND LIMITATIONS**

### **Exclusions:** *What Disabilities are not covered?*

The Policy does not cover, and We will not pay a benefit for, any Disability:

- 1) unless, after satisfying the Elimination Period, You are under the Regular Care of a Physician;
- 2) that is caused or contributed to by war or act of war, whether declared or not;
- 3) caused by Your commission of or attempt to commit a felony;
- 4) caused or contributed to by Your being engaged in an illegal occupation; or
- 5) caused or contributed to by an intentionally self-inflicted injury.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

- 1) was sponsored by Your Employer; and
- 2) was terminated before the Effective Date of The Policy;

no benefits will be payable for the Disability under The Policy.

### **Pre-existing Condition Limitation:** *Are benefits limited for Pre-existing Conditions?*

We will not pay a benefit for any loss or any period of Disability beginning within the first 12 months of the Effective Date of Your coverage under The Policy if the period of Disability is caused by or substantially contributed to by a Pre-existing Condition or the medical or surgical treatment of a Pre-existing Condition.

You have a Pre-existing Condition if:

- 1) You received medical treatment, care or services for a diagnosed condition or took prescribed medication for a diagnosed condition in the 3 months immediately prior to the Effective Date of Your coverage under The Policy; or
- 2) You suffered from a diagnosed condition, which was misrepresented or not disclosed in Your application and:
  - a) for which You received a Physician's diagnosis or treatment within 3 months before the Effective Date of Your coverage under The Policy; or
  - b) which caused symptoms within 3 months before the Effective Date of Your coverage under The Policy for which a prudent person would usually seek medical diagnosis or treatment.

## **GENERAL PROVISIONS**

### **Notice of Claim:** *When should I notify the Company of a claim?*

Written notice of claim must be given to Us within 20 days after the occurrence or commencement of any loss covered by The Policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the claimant to Us at Lexington, KY, with information sufficient to identify the insured Active Employee, shall be deemed notice to Us.

### **Claim Forms:** *Are special forms required to file a claim?*

We, upon receipt of a notice of claim, will furnish to You such forms as are usually furnished by Us for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice You shall be deemed to have complied with the requirements of The Policy as to proof of loss upon submitting, within the time fixed in The Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

### **Proof of Loss:** *What is Proof of Loss?*

Written Proof of Loss must be furnished to Us, in case of claim for loss for which The Policy provides any periodic payment contingent upon continuing loss, within 90 days after the termination of the period for which We are liable, and in case of claim for any other loss, within 90 days after the date of such loss. Failure to furnish such proof within the time required shall 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 of the employee, later than one year from the time proof is otherwise required.

### **Time of Payment of Claim:** *When are benefit payments issued?*

Indemnities payable under The Policy for any loss other than loss for which The Policy provides periodic payments will be paid as they accrue immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnity for loss for which The Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of the period of liability will be paid immediately upon receipt of due written proof.

**Payment of Claims:** *To whom will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any indemnity of The Policy shall be payable to the estate of the insured employee, or to an insured employee or beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the insured employee or beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision shall fully discharge Us to the extent of such payment.

**Change of Beneficiary:** *Who has the right to change the beneficiary?*

The right to change of beneficiary is reserved to the insured employee, and the consent of the beneficiary or beneficiaries shall not be requisite to any change in beneficiary.

**Physical Examinations and Autopsy:** *Will I be examined during the course of my claim?*

We at Our own expense shall have the right and opportunity to examine the person of the insured when and as often as We may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

**Claim Denial:** *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to The Policy provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

**Claim Appeal:** *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to Us for a full and fair review. To do so You:

- 1) must request a review upon written application within:
  - a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
  - b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
- 2) may request copies of all documents, records, and other information relevant to Your claim; and
- 3) may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim.

**Social Security and Other Income Benefits:** *When must I apply for Social Security Benefits?*

You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. You will be required to follow the process established by the Social Security Administration and pursue Your claim with reasonable diligence, provided We believe such action can reasonably be expected to result in an award. Social Security Assistance, through a vendor, is available to help You with the application process.

If You are eligible for benefits under The Canadian Pension Plan, The Quebec Pension Plan, Railroad Retirement Act, or other similar government plan You will be required to apply for such benefits if such action can reasonably be expected to result in such an award. You will be required to pursue those benefits You are eligible to receive with reasonable diligence, provided We believe such action can reasonably be expected to result in an award.

If Your Disability was caused by a work injury, You will be required to apply for Workers' Compensation benefits with Your employer if such action can reasonably be expected to result in such an award. You will be required to pursue those benefits with reasonable diligence, provided We believe such action can reasonably be expected to result in an award.

If You are eligible for benefits from California State Disability Insurance or disability insurance from another state, You will be required to apply for California State Disability Insurance or disability insurance from another state if such action can reasonably be expected to result in such an award. You will be required to pursue those benefits with reasonable diligence, provided We believe such action can reasonably be expected to result in an award.

**Benefit Estimates:** *When does the Company estimate for Social Security and Other Income Benefits?*

We will use any reasonable means to estimate the amount of Other Income Benefits payable under the Social Security Administration's Disability Income Program, the Canadian Pension Plan, The Quebec Pension Plan or any similar plan or act if We reasonably believe You and Your spouse and children are entitled to receive them but You and Your spouse and children have not applied; or failed to pursue them with reasonable diligence; or You have failed to provide Us with proof that You and Your spouse and children have applied for and reasonably pursued these benefits. We will deduct the estimated amount of this benefit from Your Monthly Benefit payable under this plan even if You and Your spouse and children are not receiving these benefits.

We will use any reasonable means to estimate the amount of temporary disability benefits payable to You under a workers compensation law or any other occupational disease law or similar act; or the amount of benefits payable to You under any statutory benefit law, plan or act if We reasonably believe You are entitled to receive them but You have not applied; or failed to pursue them with reasonable diligence; or failed to provide Us with proof that You have applied for and reasonably pursued these benefits. We will deduct the estimated amount of these benefits from Your Monthly Benefit payable under this plan even if You are not receiving these benefits.

**Overpayment:** *When does an overpayment occur?*

An overpayment occurs:

- 1) if the total amount We have paid in benefits is more than the amount that was due to You under The Policy; or
- 2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

- 1) retroactive awards received from sources listed in the Other Income Benefits definition;
- 2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
- 3) misstatement;
- 4) fraud; or
- 5) any error We may make.

**Overpayment Recovery:** *How does The Company exercise the right to recover overpayments?*

We have the right to recover from You any amount that is an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under The Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days or contact Us to establish a reasonable recovery plan.

If reimbursement is not made in a timely manner, We have the right to:

- 1) recover such overpayments from:
  - a) You;
  - b) any other organization;
  - c) any other insurance company;
  - d) any other person to or for whom payment was made; and
  - e) Your estate;
- 2) reduce or offset against any future benefits payable to You or Your survivors until full reimbursement is made. Payments may continue when the overpayment has been recovered;
- 3) refer Your unpaid balance to a collection agency; and
- 4) pursue and enforce all legal and equitable rights in court.

**Subrogation:** *What are The Company's subrogation rights?*

If You:

- 1) suffer a Disability because of the act or omission of a Third Party;
- 2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
- 3) initiate legal action for the recovery of such benefits from the Third Party;

then We will be subrogated to any rights You may have against the Third Party.

**Third Party** as used in this provision, means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

**Reimbursement:** *What are The Company's Reimbursement Rights?*

We have the right to request to be reimbursed for any benefit payments made or required to be made under The Policy for a Disability for which You recover payment from a Third Party.

If You recover payment from a Third Party as:

- 1) a legal judgment;
- 2) an arbitration award; or
- 3) a settlement or otherwise;

You must reimburse Us for the lesser of:

- 1) the amount of payment made or required to be made by Us; or
- 2) the amount recovered from the Third Party, attributable to loss of income, less any reasonable legal fees associated with the recovery.

**Third Party** as used in this provision, means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

**Legal Actions:** *When can legal action be taken against Us?*

No action at law or in equity shall be brought to recover on The Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of The Policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

**Insurance Fraud:** *How does the Company deal with fraud?*

Insurance Fraud occurs when You and/or Your Employer knowingly provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

The falsity of any statement in the application shall not prevent the right to recovery under The Policy unless such false statement was made with actual intent to deceive or unless it materially affects either the acceptance of the risk or the hazard assumed by Us.

**Time Limit on Certain Defenses:** *What happens if facts are misstated?*

After this Policy has been in force for a period of two years, no statements of the Employer contained in the application, and no statement relating to insurability made by any Active Employee eligible for coverage under The Policy shall be used to deny a claim or in contesting the validity of the insurance with respect to which such statement was made after the insurance has been in force prior to the contest for a period of two years during the lifetime of the person with respect to whom any such statement was made.

No claim for loss incurred or disability, as defined in The Policy, commencing after two years from the effective date of the insurance coverage with respect to which the claim is made shall be reduced or denied on the ground that a disease or physical condition, not excluded from coverage by name or specific description effective on the date of loss, had existed prior to the effective date of the coverage with respect to which the claim is made.

**Other Misstatements:** *What happens if other facts are misstated?*

If other material facts about You were not stated accurately:

- 1) Your premium may be adjusted; and
- 2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

**Eligibility Determination:** *How will We determine Your eligibility for benefits?*

We, and not Your Employer or plan administrator, have the responsibility to fairly, thoroughly, objectively and timely investigate, evaluate and determine Your eligibility or Your beneficiaries for benefits for any claim You or Your beneficiaries make on The Policy. We will:

- 1) obtain with Your cooperation and authorization if required by law, only such information that is necessary to evaluate Your claim and decide whether to accept or deny Your claim for benefits. We may obtain this information from Your Notice of Claim, submitted proofs of loss, statements, or other materials provided by You or others on Your behalf; or, at Our expense We may obtain necessary information, or have You physically examined when and as often as We may reasonably require while the claim is pending. In addition, and at Your option and at Your expense, You may provide Us and We will consider any other information, including but not limited to, reports from a Physician or other expert of Your choice. You should provide Us with all information that You want Us to consider regarding Your claim;
- 2) as a part of Our routine operations, We will apply the terms of The Policy for making decisions, including decisions on eligibility, receipt of benefits and claims, or explaining policies, procedures and processes;
- 3) if We approve Your claim, We will review Our decision to approve Your claim for benefits as often as is reasonably necessary to determine Your continued eligibility for benefits;

4) if We deny Your claim, We will explain in writing to You or Your beneficiaries the basis for an adverse determination in accordance with The Policy as described in the provision entitled **Claim Denial**. In the event We deny Your claim for benefits, in whole or in part, You can appeal the decision to Us. If You choose to appeal Our decision, the process You must follow is set forth in The Policy provision entitled **Claim Appeal**. If You do not appeal the decision to Us, then the decision will be Our final decision.

## DEFINITIONS

**Actively at Work** means at work with the Employer on a day that is one of the Employer's scheduled workdays. On that day, You must be performing for wage or profit all of the regular duties of Your Occupation:

- 1) in the usual way; and
- 2) for Your usual number of hours.

Provided You were not Disabled, We will consider You Actively at Work on a day that is not a scheduled work day if You were:

- 1) Actively at Work on the preceding scheduled work day; or
- 2) on a normal vacation day.

**Active Employee** means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

**Any Occupation** means any occupation for which You are qualified by station in life, physical and mental capacity, education, training or experience, and that has an earnings potential greater than the lesser of:

- 1) the product of your Pre-disability Earnings and the Benefit Percentage; or
- 2) the Maximum Monthly Benefit.

**Current Monthly Earnings** means monthly earnings You receive from:

- 1) Your Employer; and
  - 2) another employer with whom You became employed after Your Disability began;
- while You are Disabled.

**Disability or Disabled** means Total Disability or Partial Disability.

**Elimination Period** means the longer of the number of consecutive days at the beginning of any one period of Disability which must elapse before benefits are payable or the expiration of any Employer sponsored short term disability benefits or salary continuation program, excluding benefits required by state law.

**Employer** means the Policyholder.

**Essential Duties** means the substantial and material acts that are normally required for the performance of Your Usual Occupation, which cannot reasonably be omitted or modified.

**Indexed Pre-disability Earnings** means Your Pre-disability Earnings adjusted annually by adding the lesser of:

- 1) 10%; or
- 2) the percentage change in the Consumer Price Index (CPI-W).

The percentage change in the CPI-W means the difference between the current year's CPI-W as of July 31, and the prior year's CPI-W as of July 31, divided by the prior year's CPI-W. The adjustment is made January 1st each year after You have been Disabled for 12 consecutive month(s), provided You are receiving benefits at the time the adjustment is made.

The term Consumer Price Index (CPI-W) means the index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. It measures on a periodic (usually monthly) basis the change in the cost of typical urban wage earners' and clerical workers' purchase of certain goods and services. If the index is discontinued or changed, We may use another nationally published index that is comparable to the CPI-W.

**Mental Illness** means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Disability due to the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders are considered a sickness and not a Mental Illness:

- 1) Mental Retardation;
- 2) Pervasive Developmental Disorders;
- 3) Motor Skills Disorder;
- 4) Substance-Related Disorders;
- 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
- 6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

**Monthly Benefit** means a monthly sum payable to You while You are Disabled, subject to the terms of The Policy.

**Monthly Income Loss**, if You are performing work as described in the Current Monthly Earnings definition, means Your Indexed Pre-disability Earnings minus 50% Your Current Monthly Earnings. If You are not performing work as described in the Current Monthly Earnings definition, Monthly Income Loss means Your Indexed Pre-disability Earnings.

**Other Income Benefits** means the amount of any benefit for loss of income, provided to You, as a result of the Disability for which You are claiming benefits under The Policy. This includes any such benefits that are paid to You, or to a third party subject to a court ordered garnishment, guardianship or conservatorship, on Your behalf, pursuant to any:

- 1) temporary, disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 2) governmental law or program that provides disability or unemployment benefits as a result of Your job with Your Employer;
- 3) plan or arrangement of coverage, whether insured or not, which is received from Your Employer as a result of employment by or association with Your Employer or which is the result of membership in or association with any group, association, union or other organization;
- 4) disability benefits under:
  - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
  - b) the Railroad Retirement Act;
  - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
  - d) similar plan or act;that You, Your spouse and/or children, are eligible to receive because of Your Disability; or
- 5) disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency:
  - a) that begins after You become Disabled; or
  - b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Other Income Benefits also means the amount of any payments that are made to You, or to a third party subject to a court ordered garnishment, guardianship or conservatorship, on Your behalf, pursuant to any:

- 1) disability benefit under Your Employer's Retirement Plan;
- 2) temporary, disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 3) portion of a judgment or settlement of a claim or lawsuit that represents or compensates for Your loss of earnings, less Our pro rata share of any associated reasonable attorneys' fees and court costs;
- 4) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
  - a) You were receiving it prior to becoming Disabled; or
  - b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement;(Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by Your after-tax contributions.); or
- 5) retirement benefits under:
  - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
  - b) the Railroad Retirement Act;
  - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan;
  - d) similar plan or act;that You and Your spouse and children receive because of Your retirement, unless You were receiving them prior to becoming Disabled.

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof to Us of:

- 1) the amount attributed to loss of income; and

- 2) the period of time covered by the lump sum or settlement.

We will pro-rate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 24 month(s). We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

- 1) takes effect after the date benefits become payable under The Policy; and
- 2) is a general increase which applies to all persons who are entitled to such benefits.

You will not be required to claim any retirement benefits which You may only get on a reduced basis.

Any general increase in benefits required by law that You are entitled to receive under any Federal Law will not reduce Your Monthly Benefit payable for a period of Disability that began prior to the date of such increase.

We may require:

- 1) Your signed statement identifying all Other Income Benefits; and
- 2) proof that You and Your spouse and children have duly applied for all Other Income Benefits We reasonably believe You and Your spouse and children are entitled to or eligible to receive as a result of the Disability for which You are claiming benefits under this plan.

**Partial Disability or Partially Disabled** means You are not Totally Disabled, and while actually working in an occupation, as a result of sickness or injury, You are unable to engage with reasonable continuity in that or any other occupation in which You could reasonably be expected to perform satisfactorily in light of Your age, education, training, experience, station in life and physical and mental capacity.

**Physician** means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) practicing within the scope of that license; and
- 4) not You or Related to You by blood or marriage.

**Pre-disability Earnings** means Your regular monthly rate of pay, not counting commissions, bonuses, tips and tokens, overtime pay or any other fringe benefits or extra compensation, in effect on the last day You were Actively at Work before You became Totally Disabled.

However, if You were an hourly paid Active Employee before You became Totally Disabled, Pre-disability Earnings means the product of:

- 1) the average number of hours You worked per month, not including overtime, over the most recent 12 month period immediately prior to the last day You were Actively at Work before You became Totally Disabled, multiplied by:
- 2) Your hourly wage in effect immediately prior to the last day You were Actively at Work before You became Totally Disabled.

**Prior Policy** means the long term disability insurance carried by the Employer on the day before the Policy Effective Date.

**Regular Care of a Physician** means that You are being treated by a Physician:

- 1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
- 2) whose treatment is:
  - a) consistent with the diagnosis of the disabling condition;
  - b) according to guidelines established by medical, research, and rehabilitative organizations; and
  - c) administered as often as necessary to improve the disabling condition or until maximum recovery is achieved.

**Rehabilitation** means a process of Our working together with You, on a voluntary basis, in order for Us to plan, adapt, and put into use options and services to meet Your return to work needs. A Rehabilitation program may include any necessary and feasible:

- 1) vocational testing;
- 2) vocational training;
- 3) alternative treatment plans such as:
  - a) support groups;
  - b) physical therapy;



- c) occupational therapy; or
- d) speech therapy;
- 4) work-place modification to the extent not otherwise provided;
- 5) job placement;
- 6) transitional work; and
- 7) similar services.

**Related** means Your spouse, or someone in a similar relationship in law to You, or other adult living with You, or Your sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild.

**Retirement Plan** means a defined benefit or defined contribution plan that provides benefits for Your retirement and which is not funded wholly by Your contributions. It does not include:

- 1) a profit sharing plan;
- 2) thrift, savings or stock ownership plans;
- 3) a non-qualified deferred compensation plan; or
- 4) an individual retirement account (IRA), a tax sheltered annuity (TSA), Keogh Plan, 401(k) plan, 403(b) plan or 457 deferred compensation arrangement.

**Substance Abuse** means the pattern of pathological use of alcohol or other psychoactive drugs and substances, other than as prescribed and directed by a physician, characterized by:

- 1) impairments in social and/or occupational functioning;
- 2) debilitating physical condition;
- 3) inability to abstain from or reduce consumption of the substance; or
- 4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

**The Policy** means the Policy which We issued to the Policyholder under the Policy Number shown on the face page.

**Total Disability or Totally Disabled** means during the Elimination Period and for the next 24 months, as a result of injury or sickness, You are unable to perform with reasonable continuity the Essential Duties necessary to pursue Your Occupation in the usual or customary way.

After that, as a result of injury or sickness You are unable to engage with reasonable continuity in Any Occupation.

**We, Our, or Us** means the insurance company named on the face page of The Policy.

**Your Occupation or Your Usual Occupation** means any employment, business, trade or profession and the Essential Duties of the occupation You were regularly performing for the Employer when the Disability began. Your Occupation or Your Usual Occupation is not necessarily limited to the specific job You performed for the Employer.

**You or Your** means the person to whom this certificate is issued.

**NOTICE OF PROTECTION PROVIDED BY  
CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION**

This notice provides a brief summary regarding the protections provided to policyholders by the California Life and Health Insurance Guarantee Association ("the Association"). The purpose of the Association is to assure that policyholders will be protected, within certain limits, in the unlikely event that a member insurer of the Association becomes financially unable to meet its obligations. Insurance companies licensed in California to sell life insurance, health insurance, annuities and structured settlement annuities are members of the Association. The protection provided by the Association is not unlimited and is not a substitute for consumers' care in selecting insurers. This protection was created under California law, which determines who and what is covered and the amounts of coverage.

Below is a brief summary of the coverages, exclusions and limits provided by the Association. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations or the rights or obligations of the Association.

**COVERAGE**

**Persons Covered**

Generally, an individual is covered by the Association if the insurer was a member of the Association **and** the individual lives in California at the time the insurer is determined by a court to be insolvent. Coverage is also provided to policy beneficiaries, payees or assignees, whether or not they live in California.

**Amounts of Coverage**

The basic coverage protections provided by the Association are as follows.

▪ **Life Insurance, Annuities and Structured Settlement Annuities**

For life insurance policies, annuities and structured settlement annuities, the Association will provide the following:

- Life Insurance  
80% of death benefits but not to exceed \$300,000  
80% of cash surrender or withdrawal values but not to exceed \$100,000
- Annuities and Structured Settlement Annuities  
80% of the present value of annuity benefits, including net cash withdrawal and net cash surrender values but not to exceed \$250,000

The maximum amount of protection provided by the Association to an individual, for **all** life insurance, annuities and structured settlement annuities is \$300,000, regardless of the number of policies or contracts covering the individual.

▪ **Health Insurance**

The maximum amount of protection provided by the Association to an individual, as of July 1, 2016, is \$546,741. This amount will increase or decrease based upon changes in the health care cost component of the consumer price index to the date on which an insurer becomes an insolvent insurer. Changes to this amount will be posted on the Association's website [www.califega.org](http://www.califega.org).

(please turn to next page)

## **COVERAGE LIMITATIONS AND EXCLUSIONS FROM COVERAGE**

The Association may not provide coverage for this policy. Coverage by the Association generally requires residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

The following policies and persons are among those that are excluded from Association coverage:

- A policy or contract issued by an insurer that was not authorized to do business in California when it issued the policy or contract
- A policy issued by a health care service plan (HMO), a hospital or medical service organization, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society
- If the person is provided coverage by the guaranty association of another state
- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which do not guaranty annuity benefits to an individual
- Employer and association plans, to the extent they are self-funded or uninsured
- A policy or contract providing any health care benefits under Medicare Part C or Part D
- An annuity issued by an organization that is only licensed to issue charitable gift annuities
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as certain investment elements of a variable life insurance policy or a variable annuity contract
- Any policy of reinsurance unless an assumption certificate was issued
- Interest rate yields (including implied yields) that exceed limits that are specified in Insurance Code Section 1607.02(b)(2)(C).

## **NOTICES**

Insurance companies or their agents are required by law to give or send you this notice. Policyholders with additional questions should first contact their insurer or agent. To learn more about coverages provided by the Association, please visit the Association's website at [www.califega.org](http://www.califega.org), or contact either of the following:

California Life and Health Insurance  
Guarantee Association  
P.O. Box 16860  
Beverly Hills, CA 90209-3319  
(323) 782-0182

California Department of Insurance  
Consumer Communications Bureau  
300 South Spring Street  
Los Angeles, CA 90013  
(800) 927-4357

**Insurance companies and agents are not allowed by California law to use the existence of the Association or its coverage to solicit, induce or encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and California law, then California law will control.**

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