

SHORT TERM DISABILITY INCOME INSURANCE COVERAGE BENEFITS, HIGHLIGHTS & DEFINITIONS



SHORT TERM DISABILITY INCOME COVERAGE

A monthly disability benefit will be payable to you in the event of a Total Disability resulting from a covered accident or sickness.

“Total Disability” (or Totally Disabled) means during the first 12 months of Total Disability (depending on your plan) that you are unable to perform the material and substantial duties pertaining to your employment. After that, “Total Disability” means you are unable to perform the material and substantial duties of any occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

ELIGIBILITY

All active full-time members and employees of members working 25 hours or more per week, who are under age 70, and who have satisfied the waiting period are eligible to apply.

EFFECTIVE DATE OF COVERAGE

Certificates issued will take effect on the requested effective date or the date of approval, whichever is later, provided the first premium has been paid. The effective date of coverage will be the first of the month.

You must be on Active Service on the date your coverage would become effective, otherwise the insurance will become effective on the first day of the calendar month after the date you resume Active Service.

“Active Service” means that you are doing in the usual manner all of the substantial and material duties of your employment on a full-time basis on a scheduled work day or would be able to do so if it were a scheduled work day.

LIMITATIONS

The sum of the Disability Benefits payable to you plus the lump sum or periodic payments you and your dependents are entitled to receive from the sources listed below may not exceed 60% of your monthly salary being earned by you on the date of disability:

- ◆ group insurance coverage or like coverage for persons in a group;
- ◆ Federal Social Security Act (this includes benefits paid to you and your dependents on account of your disability);*
- ◆ State or Federal government disability or retirement plan or increases thereof which begin on or after the date of Total Disability;
- ◆ pension plan to which the policyholder or your employer contributes or makes payroll deductions;

- ◆ salary or wage continuance plans such as sick leave paid for by the policyholder or your employer which extend beyond 30 calendar days and;
- ◆ Federal Old Age Benefits, or increases which begin on or after the date of Total Disability, under the Federal Social Security Act on your own behalf.*

* Unless you show proof that payments under these acts have been applied for but will not be paid, the Company will assume you are covered under the Federal Social Security Act and are receiving such payments.

Federal Social Security increases which take effect after the monthly disability benefits become payable will not further reduce benefits under this plan.

The minimum Disability Benefit payable will be reduced to no less than \$100.00 (except as specified under the conditions of the Partial Disability Benefit).

EXCLUSIONS

The policy does not cover any loss, fatal or non-fatal, which results from:

- ◆ intentionally self-inflicted injury while sane or insane;
- ◆ an act of war, declared or undeclared;
- ◆ accident sustained or sickness contracted while in the service of the armed forces of any country;
- ◆ committing a felony;
- ◆ acting as a pilot or crew member or for performing any duty of your occupation connected with such flight;
- ◆ accident or sickness arising out of or in the course of any occupation for wage or profit;
- ◆ penal incarceration for a period of 30 consecutive days or longer;
- ◆ any period which you are not under the regular care and attendance of a physician.

MENTAL ILLNESS LIMITED BENEFIT

If you are Totally Disabled due to a mental illness, regardless of the cause, Disability Benefits are payable for 1/2 of the benefit period on 6-month, 12-month and 24-month plans. Benefits will be paid the same way as any other illness on 3 month plans.

ALCOHOL AND DRUG ADDICTION LIMITED BENEFIT

If you become Totally Disabled due to alcoholism or drug addiction, a limited benefit of up to 15 days in any 12-month period will be paid.

WAIVER OF PREMIUM

If you become Totally Disabled due to a covered accident or sickness, your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following the later of:

- ◆ satisfaction of the elimination period; or
- ◆ 90 days of continuous Total Disability

provided premium has been paid from the beginning of Total Disability to the date Waiver of Premium begins.

Waiver of Premium will continue until the earliest of:

- ◆ the end of your Total Disability;
- ◆ the end of the maximum disability benefit period;
- ◆ the end of the period for which benefits would otherwise be payable;
- ◆ the date the policy terminates; or
- ◆ the date your employment or membership with the policyholder ends, as determined by your employer.

The Company will require proof on an annual basis that you remain Totally Disabled during said period.

PARTIAL DISABILITY BENEFIT

A Partial Disability Benefit will be paid if you become Partially Disabled due to a covered accident or sickness.

Payment of the Partial Disability Benefit is subject to the following conditions:

- ◆ The elimination period for Total Disability must be satisfied.
- ◆ Partial Disability Benefits will be payable beginning the first day following cessation of Total Disability.
- ◆ The Partial Disability must be the result of the same accident or sickness which caused Total Disability.
- ◆ The Partial Disability Benefit will be payable for a maximum of three consecutive months; however, the combined period of time for which benefits are payable for Total Disability and Partial Disability may not exceed the maximum disability period.
- ◆ The Partial Disability Benefit will be equal to 50% of the Disability Benefit; however, the sum of the Partial Disability Benefit, the salary earned while receiving Partial Disability Benefits, and income from all other sources listed in Limitations may not exceed 100% of your pre-disability salary. In this event, the minimum disability benefit, if any, will not be payable.

“Partial Disability” (or Partially Disabled) means you must be able to perform one or more, but not all, of the material and substantial duties of your occupation on a full-time or part-time basis or able to perform some or all the duties of another occupation on a full-time or part-time basis.

PRE-EXISTING CONDITION LIMITATION

There will be no Disability Benefit payable for a Pre-Existing Condition during the first 12 months of coverage. This limitation will be waived after you have been continuously insured under the policy for one year.

“Pre-Existing Condition” means a disease, accident, sickness, or physical condition for which you:

- ◆ had treatment;
- ◆ incurred expense;
- ◆ took medication; or
- ◆ received a diagnosis or advice from a physician, during the 12 month period (depending on your plan) immediately before the Effective Date of your coverage. The term “Pre-Existing Condition” will also include conditions which are related to such disease, accident, sickness, or physical condition.

TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

- ◆ the date you do not qualify as an Insured;
- ◆ the date you retire;
- ◆ the date you are no longer a member in good standing of the policyholder;
- ◆ the date you cease to be on Active Service, or three months plus the partial month remaining, following the date you cease to be on Active Service;
- ◆ the end of the last period for which premium has been paid; or
- ◆ the date the policy is discontinued.

This is a brief description of the coverage. For actual benefits, limitations, exclusions, and other provisions, please refer to the policy or certificate.

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