

**Academic Long Term Disability  
Plan Certificate**

Regents of the University of Minnesota



## IMPORTANT NOTICES

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

### Arizona, Florida and Maryland residents:

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

### Texas residents:

IMPORTANT NOTICE: To obtain information or make a complaint:

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

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

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

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

AVISO IMPORTANTE: Para solicitar información o presentar una queja:

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

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

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

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



## **FOREWORD**

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

The need for disability insurance protection depends on individual circumstances and financial situations. This valuable coverage should add an extra dimension to your personal insurance portfolio.

In an effort to make your benefit program more comprehensive and responsive to your needs, your Employer is providing this insurance to you at no cost.



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

**GROUP INSURANCE  
CERTIFICATE**

We, the LIFE INSURANCE COMPANY OF NORTH AMERICA, certify that we have issued a Group Policy, LK-980184, to Regents of the University of Minnesota.

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

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

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

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



Matthew G. Manders, President



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## SCHEDULE OF BENEFITS

**Policy Effective Date:** January 1, 2012

**Policy Anniversary Date:** January 1

**Policy Number:** LK-980184

### **Eligible Class Definition:**

All active Employees of the Employer classified as faculty or professional and administrative Employees in one of the following job classifications:

- a. 94XX series;
- b. 9301-9399;
- c. 9621-9640;
- d. 9701-9799 (excluding 9755 (Research Specialist), 9756 (Community/Clinical Preceptor) and 9757 (Industrial Fellow));

who are in Active Service with a 67% or greater appointment of not less than 9 consecutive months in duration and a citizen of the United States or Canada, or an individual residing in either country.

It does not include:

- Employees filling professional and administrative positions on an acting basis only;
- Temporary or seasonal Employees holding an hourly appointment or paid on a lump-sum basis;
- Full-time member of the armed forces of any country;
- Leased employees;
- Independent contractors;
- Employees holding retiree, visiting, or adjunct appointments;
- Employees holding clinical appointments from outside the University.

### **Eligibility Waiting Period**

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

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

**Benefit Waiting Period** 365 days

### **Disability Benefit**

The lesser of 66.67% of your monthly Covered Earnings rounded to the nearest dollar or your Maximum Disability Benefit, reduced by any Other Income Benefits.

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

**Maximum Disability Benefit** \$13,890 per month before reduction by Other Income Benefits. This amount will be indexed periodically and is based on 66.67% of the monthly maximum covered compensation under IRC Section 401(a)(17).

**Minimum Disability Benefit** \$300 per month

**Maximum Benefit Period**

Age When Disability Begins

Under Age 63

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The later of your 65th birthday, SSNRA\* or the date the 33rd Monthly Benefit is payable.

The later of your SSNRA\* or the date the 27th Monthly Benefit is payable.

The later of your SSNRA\* or the date the 21st Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

The date the 9th Monthly Benefit is payable.

The date the 6th Monthly Benefit is payable.

The date the 3rd Monthly Benefit is payable.

\*SSNRA means the Social Security Normal Retirement Age in effect under the Social Security Act as of the date of Disability.

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## WHO IS ELIGIBLE

If you qualify under the Eligible Class Definition shown in the Schedule of Benefits you are eligible for coverage under the Policy on the later of the Policy Effective Date or the date of hire.

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## WHEN COVERAGE BEGINS

You will be insured on the date you become eligible, if you are not required to contribute to the cost of this insurance.

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

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## WHEN COVERAGE ENDS

Your insurance ends on the earliest of the dates below.

1. The date you are eligible for coverage under a plan intended to replace this coverage.
2. The date the Policy is terminated.
3. The date you no longer qualify under an Eligible Class Definition.
4. The day after the period for which premiums are paid.
5. The date you are no longer in Active Service.

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## WHEN COVERAGE CONTINUES

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

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

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

If your Active Service ends due to any other leave of absence approved in writing by the Employer prior to the date you cease work, insurance will continue for you for up to 365 days. Premiums are required for this coverage.

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

- a. the date your employment relationship with the Employer terminates;
- b. the date premiums are not paid when due;
- c. the end of the 365 day period that begins with the first day of such excused absence;
- d. the end of the period for which such short term absence is excused by the Employer.

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

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

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### **TAKEOVER PROVISION**

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

- A. This section A applies to you if you are not in Active Service on the day prior to the effective date of this Policy due to a reason for which the Prior Plan and this Policy both provide for continuation of insurance. If required premium is paid when due, we will insure an Employee to which this section applies against a disability that occurs after the effective date of this Policy for the affected employee group. This coverage will be provided until the earlier of the date: (a) you return to Active Service, (b) continuation of insurance under the Prior Plan would end but for termination of that plan; or (c) the date continuation of insurance under this Policy would end if computed from the first day you were not in Active Service. The Policy will provide this coverage as follows:
1. If benefits for a disability are covered under the Prior Plan, no benefits are payable under this Plan.
  2. If the disability is not a covered disability under the Prior Plan solely because the plan terminated, benefits payable under this Policy for that disability will be the lesser of: (a) the disability benefits that would have been payable under the Prior Plan; and (b) those provided by this Policy. Credit will be given for partial completion under the Prior Plan of Benefit Waiting Periods and partial satisfaction of pre-existing condition limitations.
- B. The Benefit Waiting Period under this Policy will be waived for a Disability which begins while you are insured under this Policy if all of the following conditions are met:
1. The Disability results from the same or related causes as a Disability for which monthly benefits were payable under the Prior Plan;
  2. Benefits are not payable for the Disability under the Prior Plan solely because it is not in effect;
  3. A Benefit Waiting Period would not apply to the Disability if the Prior Plan had not ended;
  4. The Disability begins within 24 months of your return to Active Service and your insurance under this Policy is continuous from this Policy's Effective Date.

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

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

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

### **Disability Benefits**

If you become Disabled, as we define the term in the Definitions section, while you are covered under the Policy, we will pay you Disability Benefits. After you are Disabled, you must satisfy the Benefit Waiting Period and be under the Appropriate Care of a Physician. Also, we ask you to provide us with satisfactory proof of your Disability, at your expense, before benefits will be paid.

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

### **Benefit Waiting Period**

The Benefit Waiting Period is the period of time you must be continuously Disabled before Disability Benefits may be payable. Your Benefit Waiting Period is shown in the Schedule of Benefits.

We will not require you to satisfy the Benefit Waiting Period if benefits were payable to you under a Prior Plan on the Policy Effective Date and you return to Active Service within 24 months after this date. Your return to Active Service must be for more than 14 consecutive days but less than 24 months. Your later period of Disability must be caused by the same or related causes for your Benefit Waiting Period to be waived.

### **Termination of Your Disability Benefits**

Your Disability Benefits will end on the earliest of the dates listed below.

1. The date we determine you are no longer Disabled;
2. The date the Maximum Benefit Period ends;
3. The date you refuse to participate in rehabilitation efforts as required by us;
4. The date you are no longer receiving Appropriate Care;
5. The date you die.

### **Successive Periods of Disability**

Once you are eligible to receive Disability Benefits under the Policy, separate periods of Disability resulting from the same or related causes are a continuous period of Disability unless you return to Active Service for more than 24 consecutive months.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes, or your later Disability occurs after your coverage under the Policy ends.

### **Disability Benefit Calculation**

Your Disability Benefit for any month Disability Benefits are payable to you is shown in the Schedule of Benefits. We base our calculation of Disability Benefits on a 30 day period. Benefits will be prorated if payable for any period less than a month.

### **Work Incentive Benefit**

For the first 24 months you are eligible for a Disability Benefit, your Disability Benefit is as defined in the Schedule of Benefits. If, for any month during this period, the sum of your Disability Benefit, your current earnings and any additional Other Income Benefits exceeds 100% of your Indexed Covered Earnings, your Disability Benefit will be reduced by the excess amount.

After 24 months, your Disability Benefit is as shown in the Schedule of Benefits, reduced by 50% of your current earnings received during any month you return to work. If the sum of your Disability Benefit, your current earnings and any additional Other Income Benefits exceeds 80% of your monthly Indexed Covered Earnings, your Disability Benefit will be reduced by the excess amount.

Current earnings include any wage or salary you earn for work performed while Disability Benefits are payable (excluding earnings from the University of Minnesota Physicians). If you are working for another employer on a regular basis or are self-employed when your Disability begins, your current earnings will include any increase in the amount you earn from this work during the period for which Disability Benefits are payable.

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

### **Other Income Benefits**

While you are Disabled, you may be eligible for benefits from other income sources. If so, we may reduce the Disability Benefits payable to you under the Policy by the amount of these Other Income Benefits. The extent to which Other Income Benefits will reduce your Disability Benefits is shown in the Amounts of Insurance section of the Schedule of Benefits.

Other Income Benefits include:

1. Any amounts you or your dependents, if applicable, receive (or are assumed to receive\*) under:
  - a. the Canada and Quebec Pension Plans;
  - b. the Railroad Retirement Act;
  - c. any local, state, provincial or federal government disability or retirement plan or law as it pertains to the Employer;
  - d. any sick leave plan of the Employer;
  - e. any work loss provision in mandatory "No-Fault" auto insurance;
2. Any Social Security disability benefits you or any third party receives (or is assumed to receive\*) either on your behalf or for your dependents; or, if applicable, which your dependents receive (or are assumed to receive\*) because of your entitlement to such benefits.
3. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage subsidized by the University of Minnesota.
4. Any disability or retirement benefits you receive under the Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, the University of Minnesota Faculty Retirement Plan, Minnesota State Retirement System (MSRS), Public Employees Retirement Association (PERA), and a plan arranged and maintained by a union or employee association for the benefit of its members. Your and the Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan. If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivor benefit will be considered deductible income, even if you chose a different option.
5. Any severance payment you receive or are eligible to receive because of your participation in the Non-Renewal Program for Academic Professional and Administrative Employees, Layoff Severance Program for Civil Service and Union-Represented Staff Employees.
6. Any proceeds payable under any franchise or group insurance or similar plan. If there is other insurance that applies to the same claim for Disability, and contains the same or similar provision for reduction because of other insurance, we will pay our pro rata share of the total claim. "Pro rata share" means the proportion of the total benefit that the amount payable under one policy, without other insurance, bears to the total benefits under all such policies.
7. Any wage or salary for work performed. If you are covered for Work Incentive Benefits, we will only reduce Disability Benefits to the extent provided under the Work Incentive Benefit in the Schedule of Benefits.

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

\* See the Assumed Receipt of Benefits provision.

### *Increases in Other Income Benefits*

After we make the first deduction for any Other Income Benefit (except wage or salary), we will not reduce your Disability Benefits further during that period of Disability due to any cost of living increase in the Other Income Benefit.

### *Lump Sum Payments*

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

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

### *Assumed Receipt of Benefits*

We will assume you or your dependents, if applicable, are receiving Other Income Benefits if you may be eligible for them. We will estimate the amount of these assumed benefits on the basis of what you may be eligible to receive and reduce your Disability Benefits as if you actually received them.

Except for any wage or salary for work performed while Disability Benefits are payable, we will not assume your receipt of Other Income Benefits if you give us proof of the following events.

1. Application was made for these benefits.
2. Reimbursement Agreement is signed by you.
3. Any and all appeals were made for these benefits, or we have determined further appeals will not be successful.
4. Payments were denied.

We will not assume you have received, nor will we reduce your Disability Benefits by, any elective, actuarially reduced, or early retirement benefits under such laws until you actually receive them.

### *Social Security Assistance*

We will, at our own discretion, assist you in applying for Social Security Disability Income (SSDI) benefits. Disability Benefits will not be reduced by your assumed receipt of SSDI benefits while you participate in the Social Security Assistance Program.

We may require you to file an appeal if we believe a reversal of a prior decision is possible. If you refuse to participate in, or cooperate with, the Social Security Assistance Program, we will assume receipt of SSDI benefits until you give us proof that you have exhausted all the administrative remedies available to you.

### **Minimum Disability Benefit**

We will pay the Minimum Disability Benefit regardless of any reductions made for Other Income Benefits. However, if there is an overpayment due, this benefit may be reduced to recover the overpayment.

### **Recovery of Overpayment**

If we overpay your benefits, we have the right to recover the amount overpaid by either requesting you to pay the overpaid amount in a lump sum or by reducing any amounts payable to you by the amount due. If there is an overpayment due when you die, we will reduce any benefits payable under the Policy to recover the overpayment.

## **ADDITIONAL BENEFITS**

### **Rehabilitation During A Period of Disability**

If you are Disabled and we determine that you are a suitable candidate for rehabilitation, you may participate in a Rehabilitation Plan. We must agree on the terms and conditions of the Rehabilitation Plan.

We may require you to participate in a rehabilitation assessment, at our expense, and/or Rehabilitation Plan. We will work with you, your Employer, your Physician and others as appropriate, to develop a Rehabilitation Plan. If you refuse to participate in the rehabilitation efforts, Disability Benefits will not be payable.

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

A "Rehabilitation Plan" is a written agreement between you and us in which we agree to provide, arrange or authorize vocational or physical rehabilitation services.

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### **Pension Contribution Benefit**

If you are a participant in your Employer's Pension Plan on the date you become Disabled, we will pay a monthly Pension Contribution Benefit on your behalf to your Employer's Pension Plan. The Pension Contribution Benefit will begin and end at the same time as Disability Benefits.

The benefit for any month will be the least of the following amounts:

1. 15.5% of your monthly Covered Earnings, as defined in the Employer's Pension Plan, in effect on the date your Disability begins, reduced by any pension contribution made by you or your Employer from earnings for work performed while Disability Benefits are payable; and
2. the amount your Employer's Pension Plan may accept according to the pension plan's definition of compensation for you.

The Maximum Monthly Benefit is \$4,744.

To comply with the Internal Revenue Code (IRC) or any other federal or state laws, and at the Employer's request, we may terminate or change the amount of the Pension Contribution Benefit. Any change immediately affects all Pension Contribution Benefits payable. If any portion of the Pension Contribution Benefit is not accepted by the pension plan trust, the Employer will refund to us the amount not accepted. The Plan Administrator of the Employer's Pension Plan may also return any portion of the Pension Contribution Benefit which is not accepted by the pension plan trust, if directed to do so by the Employer.

### **Termination**

The Pension Contribution Benefit will terminate on the earliest of:

1. the date Disability Benefits end;
2. the date the Employer's Pension Plan or the trust is no longer able to accept the Pension Contribution Benefit;
3. the date continued contributions may cause the Employer's Pension Plan to be disqualified.

### Employer Notification

The Employer will determine and provide us with satisfactory proof, which we will rely upon:

1. That the Employer's Pension Plan may accept the Pension Contribution Benefit on your behalf.
2. The maximum amount of the Pension Contribution Benefit that the Employer's Pension Plan may accept on your behalf according to the pension plan's definition of compensation for you.
3. Whether any event shown under the Termination section has occurred.

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### **Survivor Benefit**

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

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

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

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### **WHAT IS NOT COVERED**

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

1. suicide, attempted suicide, or whenever you injure yourself on purpose.
2. war or any act of war, whether or not declared.
3. an Injury or Sickness that occurs while engaged in the activities of active duty service in the military, navy or air force of any country or international organization. An Injury or Sickness that occurs while engaged in Reserve or National Guard training is not excluded until training extends beyond 31 days.
4. active participation in a riot.
5. commission of a felony.
6. revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

We will not pay Disability Benefits for any period of Disability during which you:

7. are incarcerated in a penal or corrections institution.
8. are not receiving Appropriate Care.
9. fail to cooperate with us in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit due.
10. refuse to participate in rehabilitation efforts as required by us.

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## **CLAIM PROVISIONS**

### **Notice of Claim**

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

### **Claim Forms**

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

### **Claimant Cooperation Provision**

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

### **Insurance Data**

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

### **Proof of Loss**

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

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

### **Time of Payment**

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

### **To Whom Payable**

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

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

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

**Physical Examination and Autopsy**

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

**Legal Actions**

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

**Time Limitations**

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

**Physician/Patient Relationship**

You have the right to choose any Physician who is providing medical treatment within the scope of his/her license. We will in no way disturb the Physician/patient relationship.

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**ADMINISTRATIVE PROVISIONS**

**Premiums**

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

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**GENERAL PROVISIONS**

**Incontestability**

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

After two years from an Insured's effective date of insurance, or from the effective date of any added or increased benefits, no such statement will cause insurance to be contested except for fraud or eligibility for insurance.

**Workers' Compensation Insurance**

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

**Assignment of Benefits**

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

### **Clerical Error**

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

### **Ownership of Records**

All records maintained by the Insurance Company are, and shall remain, the property of the Insurance Company.

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## **DEFINITIONS**

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

### **Active Service**

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

1. You are actively at work. This means you are performing your regular occupation for the Employer on a Full-time basis, either at one of the Employer's usual places of business or at some location to which the Employer's business requires you to travel.
2. The day is a scheduled holiday or vacation day.

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

### **Appropriate Care**

Appropriate Care means you:

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

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

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

### **Covered Earnings**

Your Covered Earnings will be based on the greater of a) your average biweekly earnings for the preceding 12 months, or b) your biweekly rate of earnings on your last full day of Active Service.

Covered Earnings means your monthly rate of earnings from the Employer including:

1. Contributions made through a salary reduction agreement with the Employer to:
  - a. an IRC Section 403(b) or 457 deferred compensation arrangement; or
  - b. an executive nonqualified deferred compensation arrangement;
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan;
3. Augmentation;
4. Increment;
5. Commutation;

6. Regents Professor Stipend, Morse Alumni Award, Outstanding Community Service Award, Award for Outstanding Contributions to Post Baccalaureate, Graduate and Professional Education;
7. Summer research or summer teaching earnings;
8. Shift differential pay.

It does not include:

1. Bonuses;
2. Commission;
3. Overtime (or overload) pay;
4. Employer's contributions on your behalf to any deferred compensation arrangement or pension plan;
5. Any other earnings or extra compensation.

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

### **Disability/Disabled**

For purposes of coverage under the Policy, you are Disabled if, because of Injury or Sickness, you are unable to perform the material duties of your own occupation, and solely due to Injury or Sickness, you are unable to earn more than 80% of your Indexed Covered Earnings.

After Disability Benefits have been payable for 15 months, you are Disabled if your Injury or Sickness makes you unable to perform the material duties of any occupation for which you may reasonably become qualified based on education, training or experience, and solely due to Injury or Sickness, you are unable to earn more than 80% of your Indexed Covered Earnings.

### **Employee**

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

### **Employer**

The Policyholder and any affiliates or subsidiaries covered under the Policy.

### **Full-time**

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

### **Indexed Covered Earnings**

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

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

### **Injury**

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

### **Insurance Company**

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

**Insured**

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

**Physician**

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

**Prior Plan**

The Prior Plan refers to the plan of insurance providing similar benefits to you, sponsored by the Employer and in effect directly prior to the Policy Effective Date.

**Sickness**

The term Sickness means a physical or mental illness. It also includes pregnancy.

## **IMPORTANT CHANGES FOR STATE REQUIREMENTS**

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

### **Louisiana residents:**

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

### **Texas residents:**

Any provision offsetting or otherwise reducing any benefit by an amount payable under an individual or franchise policy will not apply.





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

Class 1  
04/2012

