



S751

05/01/2013

GROUP POLICY FOR:

RHODE ISLAND JOHN DOE (2009)

ALL MEMBERS

Group Long Term Disability Insurance

Print Date: 04/25/2013

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PRINCIPAL LIFE INSURANCE COMPANY
(called The Principal in this Group Policy)
Des Moines, Iowa 50392-0002

This group insurance policy is issued to:

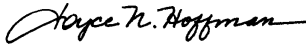
RHODE ISLAND JOHN DOE (2009)
(called the Policyholder in this Group Policy)

The Date of Issue is May 1, 2009.

In return for the Policyholder's application and payment of all premiums when due, The Principal agrees to provide:

LONG TERM DISABILITY INSURANCE

subject to the terms and conditions described in this Group Policy.


Senior Vice President and Corporate Secretary


President and Chief Executive Officer

GROUP POLICY NO. GLT S751
NON-PARTICIPATING
CONTRACT STATE OF ISSUE: RHODE ISLAND

This policy has been updated effective May 1, 2013

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PART IA - LONG TERM DISABILITY INSURANCE SUMMARY

Minimum Hours Requirement	Employees must be working at least 30 hours a week	
Member Contribution	Members are not required to contribute a part of the premium for their insurance under this Group Policy	
Elimination Period	90 days	
Own Occupation Period	two year(s)	
Primary Monthly Benefit	60% of the Member's Predisability Earnings.	
Maximum Monthly Benefit	\$6,000	
Minimum Monthly Benefit	the greater of 10% of the Member's Primary Monthly Benefit or \$100	
Maximum Benefit Payment Period	Member's Age on The Date Disability Begins _____	Months of the Benefit Payment Period _____
	Before age 65	greater of 36 months or to Social Security Normal Retirement Age
	65-67	24 months
	68-69	18 months
	70-71	15 months
	72 and over	12 months
Rehabilitation Services and Benefits		
Rehabilitation Services	Included	
Predisability Intervention Services	Included	
Rehabilitation Incentive Benefit	5%	
Return to Work Child Care Benefit	\$300	
Reasonable Accommodation Benefit	\$2,000	
Other Coverage Features		
Work Incentive Benefit	12 months	
Survivor Benefit	three times Primary Monthly Benefit	
Cost of Living Adjustment	Included	
Education Benefit	\$150	
Activities of Daily Living Benefit	40%	
Retirement Plan Supplement	5%	
Spouse Rehabilitation	\$1,000	
NOTE:		
No premiums are required during a Long Term Disability Benefit Payment Period.		

This policy has been updated effective May 1, 2013

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

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

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

This policy has been updated effective May 1, 2013

PART I - DEFINITIONS

When used in this Group Policy, the terms listed below will mean:

Active Work; Actively at Work

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

Benefit Payment Period

The period of time during which benefits are payable.

Current Earnings

A Member's Monthly Earnings for each month that he or she is Disabled. This includes all sources of income from the Policyholder that comprised earnings prior to Disability such as personal time off (PTO), sick pay, vacation pay, and holiday pay. Earnings from Secondary Employment are not considered Current Earnings except as identified in Secondary Earnings. While Disabled, a Member's Monthly Earnings may result from working for the Policyholder or any other employer.

Date of Issue

The date this Group Policy is placed in force: May 1, 2009

Dependent

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

Disability; Disabled

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

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During the Elimination Period and the Own Occupation Period, one of the following applies:

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

After completing the Elimination Period and the Own Occupation Period, one of the following applies:

- a. The Member cannot perform the majority of the Substantial and Material Duties of any occupation for which he or she is or may reasonably become qualified based on education, training, or experience.
- b. The Member is performing the Substantial and Material Duties of his or her Own Occupation or any occupation on a Modified Basis and is unable to earn more than 80% of his or her Indexed Predisability Earnings.

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

Disability; Disabled (for Pilots)

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

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

- a. The Member cannot perform the majority of the Substantial and Material Duties of any occupation for which he or she is or may reasonably become qualified based on education, training, or experience.
- b. The Member is performing the Substantial and Material Duties of his or her Own Occupation or any occupation on a Modified Basis and is unable to earn more than 80% of his or her Indexed Predisability Earnings.

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

Elimination Period

The period of time a Member must be Disabled before benefits begin to accrue. An Elimination Period starts on the date a Member is Disabled and must be satisfied for each

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period of Disability. A Member who is in the process of satisfying the Elimination Period may recover from the Disability for a period of time and then again become Disabled from the same or a different cause. A recovery will not require the Member to start a new Elimination Period as long as the Elimination Period is satisfied by the required number of days of Disability during a period that is twice as long as the Elimination Period. The periods of Disability will be combined to satisfy the Elimination Period. A Member cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which The Principal does not pay benefits.

Employee

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

Flexible Premium Deferred Annuity (FPDA)

An annuity provided by The Principal to provide for retirement savings in accordance with the Retirement Plan Supplement Benefit, as described in PART IV, Section I. The annuity will be owned by the Member with full ownership rights.

Generally Accepted

Treatment, service, or medication that:

- a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and
- b. is in general use in the medical community; and
- c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

Group Policy

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

Hospital

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

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Income Loss Percentage

A Member's Income Loss Percentage is equal to:

- a. the Member's Indexed Predisability Earnings less any Current Earnings from the Member's Own Occupation or any occupation; divided by
- b. the Member's Indexed Predisability Earnings.

Indexed Predisability Earnings

A Member's Predisability Earnings adjusted for increases in the Consumer Price Index.

Insurance Month

Calendar month.

Maximum Monthly Benefit

\$6,000

Member

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

Mental Health Condition

Any condition which is:

- a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and
- b. categorized in the current edition of the American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders or its successor.

Conditions not considered a Mental Health Condition include:

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- a. dementia that is the result of any of the following conditions:
 - (1) stroke;
 - (2) head injury;
 - (3) viral infection; or
 - (4) Alzheimer's disease; and
- b. organic brain syndrome; and
- c. delirium; and
- d. organic amnesia syndromes; and
- e. organic delusional or organic hallucinogenic syndromes.

Modified Basis

A Member will be considered working on a Modified Basis if he or she is working on either a part-time basis or performing some but not all of the Substantial and Material Duties of the occupation on a full-time basis.

Monthly Earnings

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

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

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

- a. the Member's share (based on ownership or contractual agreement) of the gross revenue or income earned by the Policyholder, including income earned by the Member and others under the Member's supervision or direction; less
- b. the Member's share of expenses (based on ownership or contractual agreement) that is

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deductible for Federal Income Tax purposes, and does not exceed the expenses before Disability began to the extent that the Member's share of letter b. does not exceed the Member's share of letter a.; plus

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

With respect to a Member with an ownership interest of less than two calendar years, The Principal will use the amounts of a., b. and c. as described above during the completed months of direct ownership divided by the number of such completed months of direct ownership.

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

Other Income Sources

- a. All disability payments for the month that the Member and the Member's Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- b. for a Member who has reached Social Security Normal Retirement Age or older, all retirement payments for the month that the Member and the Member's Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that the Member and the Member's Dependents receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- d. all payments for the month that the Member receives from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and
- e. all payments for the month that the Member receives (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the Policyholder pays a part of the cost or makes payroll

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deductions for that coverage; and

- f. all payments for the month that the Member receives or is eligible to receive under another group disability insurance policy; and
- g. all payments for the month that the Member receives under any state disability plan; and
- h. all sick pay, salary continuance payments, personal time off, severance pay for the month that the Member receives from the Policyholder; and
- i. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that the Member receives under a pension plan sponsored by the Policyholder. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and
- j. all payments for the month that the Member receives for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and
- k. all renewal commissions for the month that the Member receives from the Policyholder; and
- l. any income benefit for which the Member is eligible under the Rhode Island Temporary Disability Insurance Law; and
- m. all payments for the month that the Member receives under state unemployment laws.

NOTE:

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

Any retirement payments the Member receives under the Federal Social Security Act or a pension plan which he or she had been receiving in addition to his or her Monthly Earnings prior to a claim for Disability, will not be considered an Other Income Source.

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

After the initial deduction for each of the Other Income Sources, benefits will not be

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further reduced due to any cost of living increases payable under the above stated sources.

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

Any income the Member receives for services rendered prior to the Member's date of Disability will not be considered Other Income Sources.

Own Occupation

The occupation the Member is routinely performing when Disability begins. Own Occupation does not mean the specific tasks or job the Member is performing for the Policyholder or at a specific location.

Own Occupation Period

The first two year(s) of the Benefit Payment Period.

Physician

- a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under this Group Policy.

The term Physician does not include the Member, an employee of the Member, a business or professional partner or associate of the Member, any person who has a financial affiliation or business interest with the Member, anyone related to the Member by blood or marriage, or anyone living in the Member's household.

Policy Anniversary

May 1, 2013, and the same day of each year.

Policyholder

The entity to whom this Group Policy is issued (see Title Page).

Predisability Earnings

A Member's Monthly Earnings in effect prior to the date Disability begins.

This policy has been updated effective May 1, 2013

Primary Monthly Benefit

60% of the Member's Predisability Earnings. The Primary Monthly Benefit will not exceed the Maximum Monthly Benefit of \$6,000.

Proof of Good Health

Written evidence that a person is insurable under the underwriting standards of The Principal. This proof must be provided in a form satisfactory to The Principal.

Reasonable Accommodation

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

Regular and Appropriate Care

A Member will be considered to be receiving Regular and Appropriate Care if he or she:

- a. is evaluated in person by a Physician; and
- b. receives treatment appropriate for the condition causing the Disability; and
- c. undergoes evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and
- d. undergoes evaluations and treatment at a frequency intended to return the Member to full-time work; and
- e. pursues reasonable treatment options or recommendations to achieve maximum medical improvement.

The Principal may require the Member to have his or her Physician provide a Written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to The Principal.

The Principal may waive, in Writing to the Member, the Regular and Appropriate Care requirement if it is determined that continued care would be of no benefit to the Member.

Secondary Employment

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

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Current Earnings.

Signed or Signature

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

Social Security Normal Retirement Age (SSNRA)

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

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

Substantial and Material Duties

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

Written or Writing

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

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PART II - POLICY ADMINISTRATION

Section A - Contract

Article 1 - Entire Contract

This Group Policy, the current Certificate, the attached Policyholder application, and any Member applications make up the entire contract. The Principal is obligated only as provided in this Group Policy and is not bound by any trust or plan to which it is not a signatory party.

Article 2 - Policy Changes

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated. No agent, employee, or person other than an officer of The Principal has authority to change this Group Policy, and, to be effective, all such changes must be in Writing and Signed by an officer of The Principal.

The Principal reserves the right to change this Group Policy as follows:

- a. Any or all provisions of this Group Policy may be amended or changed at any time, including retroactive changes, to the extent necessary to meet the requirements of any law or any regulation issued by any governmental agency to which this Group Policy is subject.
- b. Any or all provisions of this Group Policy may be amended or changed at any time when The Principal determines that such amendment is required for consistent application of policy provisions.
- c. By Written agreement between The Principal and the Policyholder, this Group Policy may be amended or changed at any time as to any of its provisions.

Any change to this Group Policy, including, but not limited to, those in regard to coverage, benefits, and participation privileges, may be made without the consent of any Member.

Payment of premium beyond the effective date of the change constitutes the Policyholder's consent to the change.

Article 3 - Policyholder Eligibility Requirements

To be an eligible group and to remain an eligible group, the Policyholder must:

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PART II - POLICY ADMINISTRATION

- a. be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit organization within the meaning of the Internal Revenue Code, or be a governmental agency; and
- b. make at least the level of premium contributions required for insurance on its eligible Members. The Policyholder must contribute 100% of the required premium for all Members; and
- c. maintain the following participation with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal:
 - (1) 100% if the Member is to contribute no part of the premium; or
 - (2) 75% if the Member is to contribute part or all of the premium; and
 - (3) have three or more insured employees.

Article 4 - Policy Incontestability

In the absence of fraud, after this Group Policy has been in force two years, The Principal may not contest its validity except for nonpayment of premium.

Article 5 - Individual Incontestability and Eligibility

All statements made by any individual insured under this Group Policy will be representations and not warranties. In the absence of fraud, these statements may not be used to contest an insured person's insurance unless:

- a. the insurance has been in force for less than two years during the insured's lifetime; and
- b. the statement is in Written form Signed by the insured person; and
- c. a copy of the form which contains the statement is given to the insured or the insured's beneficiary at the time insurance is contested.

However, these provisions will not preclude the assertion at any time of defenses based upon the person's ineligibility for insurance under this Group Policy or upon the provisions of this Group Policy. In addition, if an individual's age is misstated, The Principal may at any time adjust premium and benefits to reflect the correct age.

The Principal may at any time terminate a Member's eligibility under this Group Policy in Writing and with 31-day notice:

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

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PART II - POLICY ADMINISTRATION

- b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;
- c. when a Member has submitted a claim which, in good faith judgment and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

Article 6 - Information to be Furnished

The Policyholder must, upon request, give The Principal all information needed to administer this Group Policy. If a clerical error is found in this information, The Principal may at any time adjust premium to reflect the facts. An error will not invalidate insurance that would otherwise be in force. Neither will an error continue insurance that would otherwise be terminated.

The Principal may inspect, at any reasonable time, all Policyholder and Participating Unit records which relate to this Group Policy.

Article 7 - Certificates

The Principal will give the Policyholder Certificates for delivery to insured Members. The delivery of such Certificates will be in either paper or electronic format. The Certificates will be evidence of insurance and will describe the basic features of the benefit plan. They will not be considered a part of this Group Policy.

Article 8 - Workers' Compensation Insurance Not Replaced

This Group Policy is not in place of and does not affect nor fulfill the requirements for Workers' Compensation Insurance.

Article 9 - Policy Interpretation

The Principal has discretion to construe or interpret the provisions of this Group Policy, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The decisions of The Principal in such matters shall be controlling, binding, and final as between The Principal and persons covered by this Group Policy, subject to the Claims Procedures in PART IV, Section Q of this Group Policy.

Article 10 - Electronic Transactions

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

Any transaction relating to this Group Policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law.

Any notice required by the provisions of this Group Policy given by electronic means will have the same force and effect as notice given in writing.

Article 11 - Value Added Service

The Principal reserves the right to offer or provide to a Policyholder an employee assistance program or a wellness program or any other value added service for the employees of the Policyholder. In addition, The Principal may arrange for third party service providers (i.e., employee assistance program companies, wellness program providers), to provide discounted goods and services to those Policyholders of The Principal. While The Principal has arranged these goods, services, and third party provider discounts, the third party service providers are liable to the Members for the provisions of such goods and services. The Principal is not responsible for the provision of such goods or services nor is it liable for the failure of the provision of the same. Further, The Principal is not liable to the Members for the negligent provisions of such goods and/or services by the third party service providers.

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

Section B - Premiums

Article 1 - Payment Responsibility; Due Dates; Grace Period

The Policyholder is responsible for payment of all premium due while this Group Policy is in force. Payments must be sent to the designated payment center for The Principal in Des Moines, Iowa.

The first premium is due on the Date of Issue of this Group Policy. Each premium thereafter will be due on the first of each Insurance Month. Except for the first premium, a Grace Period of 31 days will be allowed for payment of premium. "Grace Period" means the first 31-day period following a premium due date. The Group Policy will remain in force until the end of the Grace Period, unless the Group Policy has been terminated by notice as described in this PART II, Section C. The Policyholder will be liable for payment of the premium for the time this Group Policy remains in force during the Grace Period.

Article 2 - Premium Rates

The premium rate will be 0.3% of covered Monthly Earnings for each Member insured for Long Term Disability Insurance.

Article 3 - Premium Rate Changes

The Principal may change a premium rate on any of the following dates:

- a. on any premium due date, after the initial premium rate has then been in force two years or more and if Written notice is given to the Policyholder at least 31 days before the date of change. After the initial premium rate has been in force for two years, The Principal may change the premium rate on any due date if the rate has been in force for 12 months or more and if Written notice is given to the Policyholder at least 31 days before the date of change; or
- b. on any date the definition of Member is changed; or
- c. on any date that the policy design features or class of insured Members is changed; or
- d. on any date a division, subsidiary, or affiliated company is added or terminated; or
- e. on any date the premium contribution required of Members is changed; or
- f. on any Policy Anniversary, if the total covered Monthly Earnings for then insured

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

Members has increased or decreased by more than 25% since the last Policy Anniversary.

If the Policyholder agrees to participate in the electronic services program of The Principal and, at a later date elects to withdraw from participation, such withdrawal may result in certain administrative fees being charged to the Policyholder.

Article 4 - Premium Amount

The amount of premium to be paid on each due date will be the product of total covered Monthly Earnings for all Members then insured multiplied by the premium rate then in effect.

To ensure accurate premium calculations, the Policyholder is responsible for reporting to The Principal, the following information during the stated time periods:

- a. Members who are eligible to become insured are to be reported during the month prior to or during the month that coverage becomes effective.
- b. Members whose coverage has terminated are to be reported within a month of the date coverage terminated.
- c. Changes in Monthly Earnings are to be reported within a month of the date that the change in Monthly Earnings took place.
- d. Changes in Member insurance class are to be reported within a month of the date that the change in insurance class took place.

If a Member is added or a present Member's Primary Monthly Benefit amount changes or terminates on other than the first of an Insurance Month, premium for that Member will be adjusted and applied as if the change were to take place on the first of the next following Insurance Month.

Article 5 - Contributions from Members

Members are not required to contribute a part of the premium for their insurance under this Group Policy.

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

Section C - Policy Termination

Article 1 - Failure to Pay Premium

This Group Policy will terminate at the end of a Grace Period if total premium due has not been received by The Principal before the end of the Grace Period. Failure by the Policyholder to pay the premium within the Grace Period will be deemed notice by the Policyholder to The Principal to discontinue this Group Policy at the end of the Grace Period.

Article 2 - Termination Rights of the Policyholder

The Policyholder may terminate this Group Policy effective on the day before any premium due date by giving Written notice to The Principal prior to that premium due date. The Policyholder's issuance of a stop-payment order for any amounts used to pay premiums for the Policyholder's insurance will be considered Written notice from the Policyholder.

Article 3 - Termination Rights of The Principal

The Principal may nonrenew or terminate this Group Policy by giving the Policyholder 31 days advance notice in Writing, if the Policyholder:

- a. ceases to be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit organization within the meaning of the Internal Revenue Code; or
- b. has performed an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of this Group Policy; or
- c. does not promptly provide The Principal with information that is reasonably required; or
- d. fails to perform any of its obligations that relate to this Group Policy.

The Principal may terminate the Policyholder's coverage on any premium due date if the Policyholder relocates to a state where this Group Policy is not marketed, by giving the Policyholder 31 days advanced notice in Writing.

Article 4 - Policyholder Responsibility to Members

If this Group Policy terminates for any reason, the Policyholder must:

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

- a. notify each Member of the effective date of the termination; and
- b. refund or otherwise account to each Member all contributions received or withheld from Members for premiums not actually paid to The Principal.

This policy has been updated effective May 1, 2013

PART II - POLICY ADMINISTRATION

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Section A - Eligibility

Article 1 - Member Insurance

A person will be eligible for insurance on the date the person completes 30 consecutive days of employment with the Policyholder as a Member.

This policy has been updated effective May 1, 2013

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Section B - Effective Dates

Article 1 - Actively at Work

A Member's effective date for Long Term Disability Insurance will be as explained in this section, if the Member is Actively at Work on that date. If the Member is not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

Article 2 - Effective Date for Noncontributory Insurance

Unless Proof of Good Health is required (see Articles 4 and 5 below), insurance for which the Member contributes no part of premium will be in force on the date the Member is eligible.

Article 3 - Effective Date for Contributory Insurance

If a Member is to contribute a part of premium, insurance must be requested in a form provided by The Principal. Unless Proof of Good Health is required (see Articles 4 and 5 below), the requested insurance will be in force on:

- a. the date the Member is eligible, if the request is made on or before that date; or
- b. the date of the Member's request, if the request is made within 31 days after the date the Member is eligible.

If the request is made more than 31 days after the date the Member is eligible, Proof of Good Health will be required before insurance can be in force (see Articles 4 and 5 below).

Article 4 - Effective Date When Proof of Good Health is Required

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

- a. the date insurance would have been effective if Proof of Good Health had not been required; or
- b. the date Proof of Good Health is approved by The Principal.

Article 5 - Proof of Good Health Requirements

This policy has been updated effective May 1, 2013

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

The type and form of required Proof of Good Health will be determined by The Principal. A Member must submit Proof of Good Health:

- a. If insurance for which a Member contributes a part of premium is requested more than 31 days after the date the Member is eligible.
- b. If a Member has failed to provide required Proof of Good Health or has been refused insurance under this Group Policy at any prior time.
- c. If a Member elects to terminate insurance and, more than 31 days later, requests to be insured again.
- d. If, on the date a Member becomes eligible, fewer than five Members are insured.
- e. If, on the date a Member becomes eligible for any increase or additional Benefit Payable amount, fewer than five Members are insured.

Article 6 - Effective Date for Benefit Changes Due to a Change in Monthly Earnings

Unless Proof of Good Health is required (see Articles 4 and 5 above), a change in Benefit Payable amount because of a change in the Member's Monthly Earnings will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.

Article 6A - Effective Date for Benefit Changes Due to a Change in Insurance Class

Unless Proof of Good Health is required (see Articles 4 and 5 above), a change in Benefit Payable amount because of a change in the Member's insurance class will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.

Article 7 - Effective Date for Benefit Changes - Change by Policy Amendment

Unless Proof of Good Health is required (see Articles 4 and 5 above), a change in the amount of a Member's Benefit Payable because of a change in the Benefit Payable (as described in PART IV, Section B) by amendment to this Group Policy will be effective on the date of change. However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.

This policy has been updated effective May 1, 2013

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Article 8 - Effective Date for Benefit Changes - Change in Benefits Made by The Principal

A change in the Member's Benefit Payable because of a change made by The Principal will normally be effective on the Policyholder's Policy Anniversary (or as otherwise determined by The Principal). However, if the Member is not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date the Member returns to Active Work.

This policy has been updated effective May 1, 2013

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Section C - Member Termination, Continuation, and Reinstatement

Article 1 - Member Termination

A Member's insurance under this Group Policy will terminate on the earliest of:

- a. the date this Group Policy is terminated; or
- b. the date the last premium is paid for the Member's insurance; or
- c. for contributory insurance, any date if requested by the Member before that date; or
- d. the date the Member ceases to be a Member as defined; or
- e. the date the Member ceases to be in a class for which Member Insurance is provided; or
- f. the date the Member ceases Active Work, except as provided by Articles 2, 3, 4, and 5 of this section.

Termination of insurance for any reason described above will not affect a Member's rights to benefits, if any, for a Disability that begins while the Member's insurance is in force under this Group Policy. A Member is considered to be continuously Disabled if he or she is Disabled from one condition and, while still Disabled from that condition, incurs another condition that causes Disability.

Article 2 - Member Continuation

A Member may qualify to have his or her insurance continued under one or more of the continuation articles below. If a Member qualifies for continuation under more than one article, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

Article 3 - Member Continuation and Reinstatement - Sickness, Injury, or Pregnancy

If a Member ceases Active Work due to sickness, injury, or pregnancy, the Member's insurance can be continued subject to payment of premium, until the earliest of:

- a. the date insurance would otherwise terminate as provided in Article 1, items a. through e. above; or

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PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

- b. the end of the Insurance Month in which the Member recovers; or
- c. the date 90 days after Active Work ends.

For a Member who establishes a Benefit Payment Period, his or her insurance will be reinstated if the Member returns to Active Work for the Policyholder within six months of the date the Benefit Payment Period ends. The Member's reinstated insurance will be in force on the date of return to Active Work.

For a Member who does not qualify to have a Benefit Payment Period begin, insurance will be reinstated if he or she returns to Active Work for the Policyholder within six months of the date insurance ceased. The Member's reinstated insurance will be in force on the date of return to Active Work.

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

Article 4 - Member Continuation and Reinstatement - Layoff or Leave of Absence

If a Member ceases Active Work due to layoff or leave of absence, his or her insurance can be continued, subject to premium payment, until the earlier of:

- a. the date insurance would otherwise terminate as provided in Article 1, items a. through e. above; or
- b. the end of the Insurance Month in which Active Work ends.

A Member's insurance will be reinstated if he or she returns to Active Work for the Policyholder within six months of the date insurance ceased. The Member's reinstated insurance will be in force on the date of his or her return to Active Work.

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

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

Article 5 - Member Continuation and Reinstatement - Family and Medical Leave Act (FMLA)

If a Member ceases Active Work due to an approved leave of absence under FMLA, the

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PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Policyholder may choose to continue the Member's insurance, subject to premium payment until the date either 12 weeks or 26 weeks, as determined by law, after Active Work ends.

A Member's terminated insurance may be reinstated in accordance with the provisions of FMLA.

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PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

PART IV - BENEFITS

Section A - Benefit Qualification

Article 1 - Benefit Qualification

A Member will qualify for Disability benefits if all of the following apply:

- a. The Member is Disabled under the terms of this Group Policy.
- b. The Disability begins while he or she is insured under this Group Policy.
- c. The Disability is not subject to any Limitations listed in this PART IV, Section O.
- d. An Elimination Period of 90 days is completed.
- e. A Benefit Payment Period is established.
- f. The Member is under the Regular and Appropriate Care of a Physician.
- g. The claim requirements listed in this PART IV, Section Q are satisfied.

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

- a. the date the Member completes an Elimination Period; or
- b. the date six months before The Principal receives Written proof of the Member's Disability; or
- c. the day after the Member's Short Term Disability Benefit Payment period ends.

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

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

- a. the Member continues to qualify for benefits as provided in this PART IV, Section A, Article 1; and
- b. the Member's current Disability and the Disability for which the Elimination Period was completed are from the same or related cause; and

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PART IV - BENEFITS

- c. the Member has not exceeded the Benefit Payment Period as outlined in PART IV, Section M of this Group Policy.

Reinstated benefits are not paid retroactively during the period of the Member's incarceration.

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PART IV - BENEFITS

Section B - Benefits Payable

Article 1 - If the Member is not working during a period of Disability

The Benefit Payable to a Member for each full month of a Benefit Payment Period will be the Member's Primary Monthly Benefit less Other Income Sources.

Article 2 - If the Member is working during a period of Disability

The work incentive Benefit Payable to a Member for each full month of a Benefit Payment Period will be:

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

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

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

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

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

Article 3 - Minimum Monthly Benefit

In no event will the Monthly Benefit Payable (after application of any annual Cost of Living Adjustment as described in this PART IV, Section F) be less than the greater of 10% of the Member's Primary Monthly Benefit or \$100 for each full month of a Benefit Payment Period,

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except that The Principal will have the right to reduce the Minimum Monthly Benefit by any prior benefit overpayment. The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full month will be the monthly benefit divided by 30.

This policy has been updated effective May 1, 2013

PART IV - BENEFITS

Section C - Rehabilitation Services and Benefits

Article 1 - Rehabilitation Services and Benefits

While the Member is Disabled and covered under this Group Policy, he or she may qualify to participate in a rehabilitation plan and receive Rehabilitation Services and Benefits. The Principal will work with the Member and others as appropriate, to develop an individualized rehabilitation plan intended to assist the Member in returning to work.

Article 2 - Rehabilitation Services

While the Member is Disabled under the terms of the Group Policy, he or she may qualify for Rehabilitation Services. If the Member, the Policyholder and The Principal agree in Writing on a rehabilitation plan in advance, The Principal may pay a portion of reasonable expenses. The goal of the plan will be to return the Member to work.

Any rehabilitation assistance must be approved in advance by The Principal and outlined in a rehabilitation plan. The Benefit Payable as described in this PART IV, Section B, Articles 1 and 2, (subject to the terms and conditions of the section) will continue, unless modified by the rehabilitation plan. Rehabilitation assistance may include, but is not limited to:

- a. coordination of medical services;
- b. vocational and employment assessment;
- c. purchasing adaptive equipment;
- d. business/financial planning;
- e. retraining for a new occupation;
- f. education expenses.

The Principal will periodically review the rehabilitation plan and the Member's progress and The Principal will continue to pay for the agreed upon expenses as long as The Principal determines that the rehabilitation plan is providing the necessary action to return the Member to work.

Article 3 - Predisability Intervention Services

Rehabilitation Services may be offered to a Member who has not yet become Disabled under

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PART IV - BENEFITS

the terms of this Group Policy, provided the Member has a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of his or her Own Occupation.

Article 4 - Rehabilitation Incentive Benefit

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

The Rehabilitation Incentive Benefit will terminate on the earliest of:

- a. the date the time frame established in the rehabilitation plan has elapsed; or
- b. the date the Member fails to meet the goals and objectives established in the rehabilitation plan; or
- c. the date the Member has received a total of 12 months of Rehabilitation Incentive Benefits; or
- d. the date benefits would otherwise terminate as provided in this PART IV, Section M, Article 1.

Article 5 - Reasonable Accommodation Benefit

a. Eligibility

An employer or the Member may be eligible for a Reasonable Accommodation Benefit provided the Member would be able to return to work with Reasonable Accommodation of the work environment. This benefit must be approved by The Principal in Writing prior to implementation.

b. Benefit

The Principal will reimburse an employer or the Member for expenses incurred to modify the workplace to allow the Member to return to work, up to the actual expense, not to exceed \$2,000 per Benefit Payment Period. Expenses may include the cost of tools, equipment, furniture, or any other changes to the work-site or environment that The Principal agrees will allow the Member to return to work. Any payment made for Reasonable Accommodation would be the difference between the cost and the amount

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paid or payable by third parties (including any amount paid under a policy of medical coverage).

Article 6 - Return to Work Child Care Benefit

a. Eligibility

If a Member is working during a Benefit Payment Period, he or she will be eligible for the Return to Work Child Care Benefit after he or she has received benefits under Section B, Article 2 for 12 months.

b. Benefit

A Member will be reimbursed for 100% of actual charges which the Member incurs for the child care of an eligible child up to a maximum benefit of \$300 per month.

An eligible child means the Member's natural, legally adopted, or stepchild, provided the child:

- (1) is less than 13 years of age; and
- (2) lives with the Member.

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

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

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

c. Termination

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

- (1) the date the Member is no longer Disabled; or
- (2) the date the Member is no longer working in any capacity; or
- (3) the date benefits would otherwise terminate as provided in this PART IV, Section M, Article 1; or

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PART IV - BENEFITS

- (4) the date the Member has received a total of 12 months of Return to Work Child Care Benefits; or
- (5) the date the child is no longer an eligible child.

This policy has been updated effective May 1, 2013

PART IV - BENEFITS

Section D - Spouse Rehabilitation Benefit

This benefit may be requested by the Member or the Member's spouse, and may include, at the sole discretion of The Principal, payment of the spouse's education expenses, reasonable job placement expenses, family care expenses, and the family's moving expenses, if any.

Article 1 - Eligibility

A Member will be eligible for the Spouse Rehabilitation Benefit provided all of the following apply:

- a. He or she has satisfied the Benefit Qualifications listed in this PART IV, Section A.
- b. He or she has received benefits for six consecutive months.
- c. He or she is receiving disability benefits under the Federal Social Security Act or any similar act.
- d. His or her spouse's earnings in the two calendar years prior to the Member's Disability average less than 60% of the Member's Monthly Earnings.

Article 2 - Benefit

The Principal will agree to pay actual expenses up to, but not exceeding, \$1,000 for a Spouse Rehabilitation Benefit. This will be a one-time benefit during the Benefit Payment Period and will be paid based on proof of actual expenses paid by the Member or spouse for the rehabilitation of the spouse.

Article 3 - Termination

This benefit will be payable during the Member's Benefit Payment Period and will terminate on the earliest of:

- a. the date the Member is no longer Disabled; or
- b. the date benefits would otherwise terminate as described in this PART IV, Section M, Article 1; or
- c. the date the Member's spouse is no longer classified as a spouse; or
- d. the date The Principal has paid \$1,000 for the Spouse Rehabilitation Benefit.

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PART IV - BENEFITS

**GC 3026-1 Section E - Survivor Benefit and Accelerated Survivor
Benefit, Page 1**

Section E - Survivor Benefit and Accelerated Survivor Benefit

Article 1 - Survivor Benefit

In the event a Benefit Payment Period ends because of the Member's death, a Survivor Benefit will be payable. This Survivor Benefit will be three times the Member's Primary Monthly Benefit that would have been payable had the Member not died.

The Principal will pay the Survivor Benefit to a Member's spouse, child, parent, or estate as described in this PART IV, Section Q, Claim Procedures.

Article 2 - Accelerated Survivor Benefit

a. Definition of Terminally Ill

A Member will be considered Terminally Ill under this article of this Group Policy if he or she is expected to die within 12 months of the date he or she requests payment of the Accelerated Survivor Benefit.

b. Eligibility

The Principal will pay the Member an Accelerated Survivor Benefit if he or she requests such payment and meets the following requirements. The Member must:

- (1) satisfy the Benefit Qualifications listed in this PART IV, Section A; and
- (2) provide proof that he or she is Terminally Ill by submitting to The Principal:
 - a statement from the Member's Physician; and
 - any other medical information that The Principal believes necessary to confirm the Member's status; and
- (3) be living on the date of payment of the Accelerated Survivor Benefit.

c. Benefit

If the Member qualifies, The Principal will pay an Accelerated Survivor Benefit. This benefit will be equal to three times the Member's Primary Monthly Benefit and will be paid to the Member in a single lump sum. This benefit is paid in addition to the Member's regular Benefit Payable as described in this PART IV - Section B.

d. Effect on Survivor Benefit

This policy has been updated effective May 1, 2013

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If an Accelerated Survivor Benefit is paid, no Survivor Benefit will be payable.

This policy has been updated effective May 1, 2013

PART IV - BENEFITS

**GC 3026-1 Section E - Survivor Benefit and Accelerated Survivor
Benefit, Page 3**

Section F - Cost of Living Adjustment

Article 1 - Cost of Living Adjustment

The Cost of Living Adjustment applies to all Members who are Disabled and will be applied on the anniversary of the date a Benefit Payment Period is established. The Cost of Living Adjustment will be compounded annually and will be administered as follows.

If a Member is not working during a period of Disability, the Cost of Living Adjustment will be applied to the monthly Benefit Payable.

If a Member is working during a period of Disability, the Cost of Living Adjustment will be applied as follows:

- a. during the first 12 months to the monthly work incentive Benefit Payable; and
- b. thereafter, to the monthly Benefit Payable, before multiplying by the Income Loss Percentage.

The Cost of Living Adjustment will be 50% of the average rate of increase in the Consumer Price Index during the preceding calendar year, subject to an annual maximum of 6%.

Consumer Price Index means the U.S. City Average for Urban Consumers, All Items, as published in the Consumer Price Index by the United States Department of Labor for the preceding calendar year. The Consumer Price Index adjustment factor will be determined on each March 1.

A maximum of 10 adjustments will be made during the Member's Benefit Payment Period.

This policy has been updated effective May 1, 2013

PART IV - BENEFITS

Section G - Activities of Daily Living (ADL) Benefit

Article 1 - Definitions

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

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

b. Activities of Daily Living mean:

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

Article 2 - Eligibility

A Member will be eligible for ADL Benefits if he or she:

- a. has satisfied the Benefit Qualifications listed in this PART IV, Section A; and
- b. is ADL Disabled for a period of at least 12 consecutive months; and
- c. provides proof of ADL Disability by submitting to The Principal:
 - (1) a statement from his or her Physician; and
 - (2) any other medical information that The Principal believes necessary to confirm his or her status; and

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d. is receiving Disability benefits under this Group Policy.

Article 3 - Benefit

If a Member is ADL Disabled, the ADL benefit will equal 40% of the Member's Predisability Earnings to a maximum monthly benefit of \$5,000. Payment will be made with the Benefit Payable that next follows satisfaction of the eligibility requirements listed in Article 2 above.

Article 4 - Termination

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

- a. the date ADL Disability ends; or
- b. the date benefits would otherwise terminate as provided in this PART IV, Section M, Article 1.

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PART IV - BENEFITS

Section H - Education Benefit

Article 1 - Definitions

a. Eligible Student(s)

A Member's natural, legally adopted, or stepchild, provided the child:

- (1) is not married; and
- (2) is not in the armed forces of any country; and
- (3) is not insured under this Group Policy as a Member; and
- (4) is less than 25 years of age; and
- (5) attends an accredited post-secondary school on a Full-Time basis; and
- (6) is enrolled in the next scheduled term.

b. Full-Time

A full course load as defined by the accredited post-secondary school.

Article 2 - Eligibility

A Member will be eligible for Education Benefits if he or she:

- a. has satisfied the Benefit Qualifications listed in this PART IV, Section A; and
- b. has received benefits for six consecutive months.

Article 3 - Benefit

In addition to the Benefit Payable described in this PART IV, Section B, Articles 1 and 2, The Principal will pay a monthly Education Benefit in the amount of \$150 for each Eligible Student. This benefit is subject to a \$10,000 maximum. This is not a separate maximum for each Eligible Student, but a combined maximum for all Eligible Student(s) per Benefit Payment Period.

Article 4 - Termination

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

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- a. the date the Member is no longer Disabled; or
- b. the date benefits would otherwise terminate as described in this PART IV, Section M, Article 1; or
- c. the date the Member's child no longer qualifies as an Eligible Student.

This policy has been updated effective May 1, 2013

PART IV - BENEFITS

Section I - Retirement Plan Supplement Benefit

Article 1 - Eligibility

A Member will be eligible for this benefit if he or she:

- a. has been employed by the Policyholder for at least 12 months prior to the date of Disability; and
- b. has satisfied the Benefit Qualifications listed in this PART IV, Section A; and
- c. has been Disabled for 12 months.

Article 2 - Benefit

The Member will receive Retirement Plan Supplement Benefits in addition to the Benefit Payable described in this PART IV, Section B.

If the Member is Disabled, the Retirement Plan Supplement Benefit will equal to 5% of the Member's covered Monthly Earnings in effect on the date Disability begins. This benefit amount will be applied to the Flexible Premium Deferred Annuity or other funding vehicle as issued by The Principal at the time of Disability.

This benefit may be taxable and The Principal will provide state and federal tax withholding upon request by the Member.

In addition, at the end of the calendar year, The Principal will pay an amount equal to 10% of the Retirement Plan Supplement Benefit received during the calendar year to the Member to apply to any taxes due on the Retirement Plan Supplement Benefit.

Article 3 - Facility of Payment

The Principal will normally apply the Retirement Plan Supplement Benefit to the Flexible Premium Deferred Annuity or a similar contract established on the behalf of the Member. However, if the Member is eligible to receive less than 12 Retirement Plan Supplement Benefit payments, the Retirement Plan Supplement Benefit may be paid in a lump sum to the Member on the date the Benefit Payment Period terminates. All payments so made will discharge The Principal to the full extent of those payments.

Article 4 - Termination

This policy has been updated effective May 1, 2013

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The Retirement Plan Supplement Benefit will be paid during the Member's Benefit Payment Period and will terminate on the earlier of:

- a. the date benefits would otherwise terminate as described in this PART IV, Section M, Article 1; or
- b. the date the Member surrenders the Flexible Premium Deferred Annuity for its cash value.

This policy has been updated effective May 1, 2013

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Section K - Monthly Payment Limit

Article 1 - Monthly Payment Limit

In no event will the sum of amounts payable for:

- a. Benefits Payable under this PART IV, Section B, Article(s) 1, 2, and 3; and
- b. Education Benefit;
- c. Rehabilitation Incentive Benefit;
- d. Return to Work Child Care Benefit;
- e. Activities of Daily Living (ADL) Benefit;
- f. income from Other Income Sources;
- g. Current Earnings from the Member's Own Occupation or any occupation;

exceed 100% of Predisability Earnings. If the Member is eligible for benefits under this PART IV, Section B, Article 2, the Monthly Payment Limit will be increased to 100% of Indexed Predisability Earnings for the first 12 months.

In the event the Member's total income from all sources listed above exceeds 100% of Predisability Earnings, the benefits under this Group Policy will be reduced by the amount in excess of 100% of Predisability Earnings.

This policy has been updated effective May 1, 2013

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Section M - Benefit Payment Period and Recurring Disability

Article 1 - Benefit Payment Period

Benefits are payable:

- a. if Disability begins before age 65, until the later of the date 36 months after the Benefit Payment Period begins, or the date the Member attains Social Security Normal Retirement Age; or
- b. if Disability begins at or after age 65, until the later of the date of Social Security Normal Retirement Age, or the date of completion of the number of months shown below after the Benefit Payment Period begins.

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

However, in no event, will benefits continue beyond:

- a. the date of the Member's death; or
- b. the date Disability ends, unless a Recurring Disability exists as explained in this section; or
- c. the date the Member fails to provide any required proof of Disability; or
- d. the date the Member fails to submit to any required medical examination or evaluation as provided in this PART IV, Section Q, Article 13; or
- e. the date the Member fails to report any required Current Earnings information; or
- f. the date the Member fails to report income from Other Income Sources; or
- g. the date ten days after receipt of notice from The Principal if the Member fails to pursue Social Security Benefits or benefits under a Workers' Compensation Act or similar law as outlined in this PART IV, Section Q, Article(s) 8 and 9; or

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- h. if Disability results from alcohol, drug or chemical abuse, dependency, or addiction, or a Mental Health Condition, the date 24 months after the Benefit Payment Period begins; or
- i. the date the Member ceases to be under the Regular and Appropriate Care of a Physician.

Article 2 - Recurring Disability

A Recurring Disability will exist under this Group Policy if:

- a. after completing an Elimination Period and during a Benefit Payment Period, a Member ceases to be Disabled; and
- b. the Member then returns to Active Work; and
- c. while insured under this Group Policy, but before completing six continuous months of Active Work, the Member is again Disabled; and
- d. the current Disability and the Disability for which the Elimination Period was completed result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. The Member will not be required to complete a new Elimination Period. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. The effective date of any salary increase received during return to Active Work as stated in PART III, Section B, Article 6 which would otherwise be effective, will not apply to any benefit payable under this Recurring Disability provision.

This policy has been updated effective May 1, 2013

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

Article 1 - Treatment of Alcohol, Drug or Chemical Abuse, Dependency, or Addiction, or a Mental Health Condition

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

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

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

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

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

This policy has been updated effective May 1, 2013

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Section O - Limitations

Article 1 - Limitations

No benefits will be paid for any Disability that:

- a. results from willful self-injury or self-destruction, while sane or insane; or
- b. results from war or act of war; or
- c. results from voluntary participation in an assault, felony, criminal activity, insurrection, or riot; or
- d. is a new Disability that begins after a prior Benefit Payment Period has ended or a claim for benefits has been denied and the Member has not returned to Active Work; or
- e. is a continuation of a Disability for which a Benefit Payment Period has ended or a claim for benefits has been denied and the Member has not returned to Active Work (except as provided for a Recurring Disability in this PART IV, Section M, Article 2); or
- f. is caused by, a complication of, or resulting from a Preexisting Condition as described in this Group Policy.

Article 2 - Preexisting Conditions Exclusion for Initial Coverage

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

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

in the three month period before he or she became insured under this Group Policy.

No benefits will be paid for a Disability that results from a Preexisting Condition unless, on the date the Member becomes Disabled, he or she has been Actively at Work for one full day after completing the earlier of:

- a. six consecutive months during which the Member was insured under the Group Policy, during which the Member received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition; or

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- b. 12 consecutive months during which the Member was insured under this Group Policy.

Article 3 - Preexisting Conditions Exclusion for Benefit Increases

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

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

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

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

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

The increase in benefits or change in the Group Policy provisions will be payable if the Member received no treatment, consultation, care, or service, and no prescription medication was prescribed or taken for the Preexisting Condition in the six consecutive months following the effective date of the increase in benefits or change in the Group Policy provisions. The Member must be Actively at Work for one full day following this six consecutive month period.

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Section Q - Claim Procedures

Article 1 - Notice of Claim

Written notice must be sent to The Principal by or for a Member who wishes to file claim for benefits under this Group Policy. This notice must be sent within 30 days after the date of loss for which claim is being made. If it is not possible to give proof within 90 days after the Elimination Period, it must be given no later than one year after the time proof is required except in the absence of legal capacity.

Article 2 - Claim Forms

The Principal, when it receives notice of claim, will provide appropriate claim forms for filing proof of Disability. If the forms are not provided within 15 days after The Principal receives notice of claim, the person will be considered to have complied with the requirements of the Group Policy regarding proof of Disability upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character, and extent of the loss.

Article 3 - Proof of Disability

Written proof that Disability exists and has been continuous must be sent to The Principal within six months after the date a Member completes an Elimination Period. If it is not possible to give proof within six months after the Elimination Period is completed, it must be given no later than one year after the time proof is required except in the absence of legal capacity. Proof required includes the date, nature, and extent of loss. Further proof that Disability has not ended must be sent when requested by The Principal. The Principal may request additional information to substantiate loss or require a Signed unaltered authorization to obtain that information from the provider. The Principal reserves the right to determine when these conditions are met. Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by The Principal.

Article 3A - Documentation of Loss

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

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- a. Any requested claim form including claim forms from the Member or his or her Physician.
- b. Documentation that the Member is under Regular and Appropriate Care by a Physician.
- c. Copies of medical records, test results and/or Physician's progress notes.
- d. Occupation information, such as documentation of work duties and activities. This may include the Member's job description or appointment calendar.
- e. Independent medical examination(s) (see Examinations and Evaluations in Article 13 below).
- f. A Written authorization, signed by the Member, on a form supplied by The Principal, to obtain records and information needed to determine the Member's eligibility for benefits.
- g. Other proof of loss as required by The Principal.

Article 3B - Earnings Documentation

The Principal may require proof to determine the Member's Predisability Earnings and Current Earnings. A company representative has the right to examine the Member's financial and business records, including his or her Federal income tax returns and supporting documentation, as often as The Principal may require.

Article 3C - Investigation of Member's Claim

The Principal may conduct an investigation of the Member's claim at any time, which may include a personal interview with a company representative and/or an examination under oath. Benefits may not be payable until The Principal has had a reasonable time to conduct an investigation of the Member's claim and determines benefits are payable.

Any costs involved in submission of proof of loss or earnings documentation are the Member's responsibility to pay, except for costs incurred by The Principal for items c. and e. in Article 3A above or personal interview or financial examination.

Once the Member's claim is approved, no benefits will be continued beyond the end of the period for which the Member has provided The Principal with satisfactory proof of loss. The Principal will require the Member to provide additional documentation of his or her claim, at the Member's expense, at reasonable intervals while the Member is claiming Disability.

Article 4 - Proof of Disability while outside the United States

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

- a. Any evidence the Member submits for his or her claim will be required to be translated by the U.S. Embassy and contain the U.S. Embassy seal.
- b. The Member may be required to return to the United States at a frequency The Principal deems necessary to substantiate his or her claim for Disability. All expenses incurred by the Member for returning to the United States will be his or her responsibility.
- c. The Member must notify The Principal in advance of any return to the United States and his or her change of address.

Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by The Principal.

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

Article 5 - Payment, Denial, and Review

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

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

A claimant may request an appeal of a claim denial by Written request to The Principal within 180 days of receipt of notice of the denial. The Principal will make a full and fair review of the claim. The Principal may require additional information to make the review. The Principal will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because The Principal did not receive the requested additional information, The Principal is permitted a 45-day extension for the review. Written notification will be sent to the claimant

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regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

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

Article 6 - Report of Payments from Other Income Sources

When asked, a Member must give The Principal:

- a. a report of all payments from Other Income Sources; and
- b. proof of application for all such income for which the Member and the Member's Dependents are eligible; and
- c. proof that any application for such income has been rejected.

Article 7 - Lump Sum Payments from Other Income Sources

If any income from Other Income Sources are payable in a lump sum (except as described below), the lump sum will be deemed to be paid in monthly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated monthly over the expected life span of the Member. The Principal will determine the expected life span.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the monthly amount which:
 - (1) is provided by the standard annuity option under the plan as identified by the Policyholder; or
 - (2) is prorated under a standard annuity table over the expected life span of the Member (if the plan does not have a standard annuity option);
- b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or a settlement) will be deemed to be paid monthly:
 - (1) at the rate stated in the award or settlement; or
 - (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or
 - (3) at the maximum rate set by the law (if no rate is stated and the Member did not receive a periodic award).

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Article 8 - Social Security Estimates

Until exact amounts are known, The Principal may estimate the Social Security benefits for which a Member and his or her Dependents are eligible and may include those estimates in the Member's Other Income Sources.

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

- a. apply for disability benefits within ten days after receipt of Written notice from The Principal requesting the Member to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from The Principal that the Member has applied for these benefits within the ten-day period; and
- c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial or reconsideration if an appeal appears reasonable.

Article 9 - Workers' Compensation and Other Disability Coverage Estimates

Until exact amounts are known, The Principal may estimate the Workers' Compensation benefits and other disability coverage that provides benefits for loss of time from work that are attributable to employer contributions in whole or in part or makes payroll deductions for which a Member is eligible and may include those estimates in the Member's Other Income Sources.

If it is reasonable that the Member would be entitled to benefits under a Workers' Compensation Act or a similar law and other disability coverage, The Principal will require that the Member:

- a. apply for benefits within ten days after receipt of Written notice from The Principal requesting the Member to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from The Principal that the Member has applied for these benefits within the ten-day period.

Article 10 - Payments for Less Than a Full Month

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

This policy has been updated effective May 1, 2013

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Article 11 - Right to Recover Overpayments

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

- a. reduce or withhold any future benefits The Principal determines to be due, including the Minimum Monthly Benefit; or
- b. recover the overpayment directly from the Member; or
- c. take any other legal action.

Article 12 - Facility of Payment

Benefits under this Group Policy will be payable at the end of each month of a Benefit Payment Period, provided complete and proper proof of Disability has been received by The Principal.

The Principal reserves the right to offer a lump sum payment in lieu of continued monthly payments where liability has been established for a Benefit Payment Period if the Member and The Principal agree.

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

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

- a. If payment amounts remain due upon a Member's death, those amounts may, at the option of The Principal, be paid to the Member's spouse, child, parent, or estate.
- b. If The Principal believes a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, The Principal may pay whoever has assumed the care and support of the person.

Article 13 - Examinations and Evaluations

The Principal has the right to require a Member to undergo medical evaluations, functional capacity evaluations, vocational evaluations, and/or psychiatric evaluations during the course of a claim. The examinations or evaluations will be performed by a Physician or evaluator The Principal chooses as appropriate for the condition and will be conducted at the time, place and frequency The Principal reasonably requires. The Principal will pay for these

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examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for suspension or denial of the Member's benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of the Member's benefits. If the Member fails to attend an examination or an evaluation, any charges incurred for not attending an appointment as scheduled may be his or her responsibility.

Article 14 - Legal Action

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

Article 15 - Time Limits

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

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