

Texas Public Employees Insurance Cooperative

Disability Income Insurance Protection

Underwritten by: National Guardian Life Insurance Company
Administered by: Bay Bridge Administrators, LLC

This brochure is a summary of disability income insurance coverage that you may purchase as an employee of the school district. It is not intended to replace the Policy or the certificate of coverage which will be issued to you by National Guardian Life Insurance if you purchase coverage. The full terms and conditions of the coverage are contained in the insurance Policy covering the district.

THIS INSURANCE PAYS YOU: This Disability Income Insurance plan helps to provide financial protection for you by replacing a portion of your income if you become Totally Disabled while the insurance is in effect and continue to be disabled beyond the Elimination Period. Checks are sent directly to you.

ELIGIBILITY: All active, full-time employees of the School District, called the Participating Employer, who work a minimum of 17.5 hours per week and: (1) are Actively-at-Work; (2) submit Evidence of Insurability satisfactory to The Carrier, if required; and (3) are not on full-time active duty in the armed forces of any county or international organization.

EFFECTIVE DATE: An Insured's insurance benefit that is less than or equal to the Guaranteed Issue Amount, indicated below, begins on the latest of the following:

- * the Participating Employer's Effective Date, if the Insured is a member of an eligible class prior to such date;
- * the first day of the month following the date the Insured becomes a member of an eligible class.

Any insurance benefit that is in excess of the Guaranteed Issue Amount will become effective on the first day of the month following the date The Carrier approves the required Evidence of Insurability.

If an eligible person is not Actively-at-Work, the effective date of such person's insurance will be delayed until the date the eligible person returns to being Actively-at-Work. However, should the effective date be a non-work day, insurance will still become effective on that date if the eligible person is otherwise Actively-at-Work and performing all of the Primary and Essential Duties of the such person's employment or occupation on the last preceding scheduled work day.

MONTHLY BENEFIT AMOUNT: \$200 to \$8,000, as elected in \$100 increments, not to exceed 66 2/3% of Basic Monthly Earnings.

GUARANTEED ISSUE AMOUNTS:

Employees who were participating in and insured by the Participating Employer's prior plan on the date immediately prior to the Participating Employer's Effective Date shown on the Policy Schedule and are Actively at Work on such date: All amounts that were in force under the Participating Employer's prior plan on the date immediately preceding the Participating Employer's Effective Date with National Guardian Life Insurance Company are guaranteed issue up to the maximum benefit amount available under this Policy.

Insured's adding Voluntary Disability for the first time or Insured's who were not employees of the Participating Employer's on the Participating Employer's Effective Date :

Base Plan: Lesser of 66 2/3% of Employee's Basic Monthly Earnings or \$8,000

Optional Extended Benefit: \$400

Under the Base Plan You may apply for up to \$8,000 (not to exceed 66 2/3% of Basic Monthly Earnings) without answering questions about your current or past health history. *This amount of coverage is subject to the Pre- Existing Condition exclusion.* This guarantee issue amount only applies during the initial Open Enrollment period.

Newly hired employees have 31 days from their date of hire to apply for the guarantee issue amount. *Coverage is subject to the Pre-Existing Condition exclusion.* Employees currently insured can increase coverage up to the

guarantee issue amount during the initial Open Enrollment period without providing Evidence of Insurability. *The increased amount of coverage is subject to the Pre-Existing Condition exclusion.*

Employees who do not elect coverage during the initial Open Enrollment period or within 31 days from their date of hire (if newly hired), will be considered late entrants and are subject to Evidence of Insurability. Evidence of Insurability will need to be completed when an employee requests an increase of coverage at future annual re-enrollments or for all amounts of coverage for a late entrant.

ELIMINATION PERIOD: This means a period of consecutive days an Insured must be Totally Disabled in order to qualify for any disability benefit payments. The Elimination Period begins on the first day of Total Disability. Disability Income Benefits are not payable during the Elimination Period. You may elect one of the following Elimination Period options for Injury / Sickness: *0/3, *14/14, 30/30, 60/60, 90/90, 180/180

*** For elimination periods of 14 days or less, if you are hospital confined during the benefit waiting period, 1 through 4 will apply: 1) the remainder of your benefit waiting period will be waived; 2) disability benefits will become payable on the first day you are hospital confined; 3) your maximum benefit period will begin on the date disability benefits become payable; 4) you must be under the ongoing care of a physician while you are hospital confined.**

MAXIMUM BENEFIT PERIOD*:

Base Plan:

Sickness - 3 Years

Injury – Social Security Normal Retirement Age

Optional Extended Benefit: You may elect to be insured under this benefit if you are insured under the Base Plan and pay the required additional premium. If elected, it extends the Maximum Benefit Period for Sickness to age 65.

For Both Plans: If disabled on or after the date you attain age 64, benefits will be payable for the lesser of the duration shown below or the period shown above.

3 Years /Reducing Benefit Duration

<u>Age When Disability Begins</u>	<u>Maximum Payment Duration</u>
Less than Age 64	3 years
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and older	12 months

Social Security Normal Retirement Age

<u>Age When Disability Begins</u>	<u>Maximum Payment Duration</u>
Less than age 60	To Social Security Normal Retirement Age (SSNRA)
60	60 months or to SSNRA, whichever is greater
61	48 months or to SSNRA, whichever is greater
62	42 months or to SSNRA, whichever is greater
63	36 months or to SSNRA, whichever is greater
64	30 months or to SSNRA, whichever is greater
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Social Security Normal Retirement Age (SSNRA) means the age at which you are eligible for Social Security full retirement benefits.

- * Benefits for disability due to alcohol or drug disorders will be the same as other Sickness if confined in a Hospital or institution. But, if not confined in a Hospital or institution, benefits will be payable for 24 months or the Maximum Benefit Period shown above, whichever is less.
- * Benefits for disability due to Mental Illness will be the same as other Sickness if confined in a Hospital or institution. But, if not confined in a Hospital or institution, benefits will be payable for 24 months or the Maximum Benefit Period shown above, whichever is less.
- ** An Insured may elect to be insured under the Optional Extended Benefit if he is insured and remains insured under this plan, and pays the required additional premium. If elected, it extends the Maximum Benefit Period for Sickness to Social Security Normal Retirement Age.

DEFINITIONS

ACTIVELY-AT-WORK: means performing in the customary manner, all the Primary and Essential Duties of the Insured's occupation with the Participating Employer, on a full-time basis, as indicated on the Schedule of Benefits, at the employee's customary place of employment or business, or at some location to which that employment requires the employee to travel.

CHEMICAL DEPENDENCY: means the physically or psychologically addictive relationship an individual may have with any drug or alcohol agent, as diagnosed by a Doctor, to the extent that it significantly interferes with the individual's social, psychological, or physical adjustments to common problems on a daily basis. Chemical dependency does not include addiction to, or dependency on, tobacco or food products.

CONFINEMENT/HOSPITAL CONFINED: means being an Inpatient upon the recommendation of a Doctor.

COVERED MONTHLY EARNINGS: means the Insured's basic monthly salary received from the Participating Employer on the day just before the date of Total Disability. Covered Monthly Earnings do not include commissions, bonuses, overtime pay or any other special compensation not received as Covered Monthly Earnings.

If hourly paid employees are insured, the number of hours worked during a regular work week, not to exceed 40 hours per week, times 4.333, will be used to determine Covered Monthly Earnings. If an employee is paid on an annual basis, then the Covered Monthly Earnings will be determined by dividing the basic annual salary by 12.

DISABILITY WORK EARNINGS: means for Disability benefits, monthly earnings which the Insured receives while Disabled and working.

Disability Work Earnings may also include earnings the Insured receives while eligible for payments under the Policy's Work Retention Assistance Benefit.

DOCTOR: means a person who is a practitioner of the healing arts, who is duly licensed in the state where such person is practicing and treating within the scope and limitations of that license. The term Doctor will not include the Insured, the Insured's spouse, children, brothers, sisters, parents, or any individual residing in such person's household.

ELIGIBLE PERSON: means a person described in the Eligible Classes who meets the Eligibility Requirements of the Policy.

ELIMINATION PERIOD: means a period of consecutive days an Insured must be Totally Disabled in order to qualify for any disability benefit payments. The Elimination Period is shown in the Schedule and begins on the first day of Total Disability. Disability Income Benefits are not payable during the Elimination Period.

EVIDENCE OF INSURABILITY: means a statement of medical history or condition or other evidence that a person is an acceptable risk for insurance as determined by the Company.

FULL DAY OF CONFINEMENT: means a day for which the Insured is charged a full day's room and board for Confinement in a Hospital.

GAINFUL OCCUPATION: means any occupation that the Insured's past training, education, or experience would allow the Insured to perform or for which the Insured can be trained.

HOSPITAL: means an institution which is legally constituted and operated in accordance with the laws pertaining to hospitals in the jurisdiction where it is located, and which meets all of the following requirements:

1. it is engaged primarily in providing medical care and treatment to sick and injured persons on an inpatient basis at the patient's expense;
2. it provides 24-hour-a-day nursing service by registered, graduate nurses;
3. it has a staff of one or more Doctors available at all times;
4. it provides on its premises, or through contracts with other institutions, organized facilities for diagnosis and for major operative surgery; and
5. it is not primarily a clinic, nursing home or convalescent home or similar establishment, nor, other than incidentally, a place for persons with mental or nervous disorders, the aged, alcoholics or drug addicts. Confinement in a special unit of a hospital used primarily as a nursing, rest, or convalescent home shall be deemed, for the purposes of the Policy, to be confinement in an institution other than a hospital.

INJURY: means accidental bodily injury of a person which is sustained while the Insured is covered under the Policy and which results in loss covered by the Policy.

INPATIENT means a person who incurs costs for at least one Full Day Of Confinement.

INSTITUTION means a facility licensed to provide care and treatment for the condition causing the Insured's Total Disability.

INSURED: means a person who is in a Eligible Class, as defined on the Schedule of Benefits, for whom any required premium has been paid; coverage has been elected, any required Evidence of Insurability is approved by the Company, and for whom coverage is in force.

OWN OCCUPATION: means the occupation that the Insured regularly performed and for which he or she was covered under the Policy immediately prior to the date the Total Disability began. The occupation will be considered as it is generally performed in the national economy, and is not limited to the specific position the Insured held with the Participating Employer.

PARTIAL DISABILITY: means the Insured is, due to Injury or Sickness:

1. Able to perform one or more, but not all, of the Primary and Essential Duties of a Gainful Occupation on a full-time basis; or
2. Able to perform all of the Primary and Essential Duties of a Gainful Occupation on a part-time basis.

PRIMARY AND ESSENTIAL DUTIES: means those duties that are generally and regularly required in the performance of an occupation and which cannot be reasonably changed, accommodated or omitted.

PROOF: means evidence satisfactory to the Company that the terms and provisions of the Policy have been met. Proof may include but is not limited to: questionnaires, physical exams, or Written documentation and records as required. Proof must be received by the Administrator. All Proof must be given at the Insured's expense (or that of his or her representative or beneficiary), unless otherwise specifically provided by the terms of the Policy. If any additional Proof is reasonably required, the Insured may be required to give the Company authorization to obtain such additional Proof.

The Proof must establish:

1. the nature and extent of the loss or condition;
2. the Company's obligation to pay the claim under the Policy;
3. the Claimant's right to receive payment.

REASONABLE EMPLOYMENT OPTION: means an employment position with the Participating Employer for which the Insured is able to perform the Primary and Essential duties given the Insured's education, training and experience. If the Insured has been working in a reasonable employment option for 6 months or more, the reasonable employment option will then be considered the Insured's Own Occupation.

REGULAR AND APPROPRIATE MEDICAL TREATMENT AND CARE: means a planned and documented program of treatment and observation by a Doctor, including clinical examination, diagnostic testing, prescription of medication and other forms of treatment. The Doctor's program must be submitted to, and be accepted by, the Company and must include a plan for the Insured's return to work, with or without limitations. The Insured must be under Regular and Appropriate Medical Treatment and Care during the Elimination Period, as well as during any period for which benefits are payable.

RELATED CONFINEMENTS: means successive periods of Hospital Confinement, unless:

1. the later Confinement results from causes entirely unrelated to the causes of the earlier Confinement;
or
2. the Confinements are separated by at least 90 consecutive days.

SICKNESS means illness or disease causing Total Disability that begins while insurance coverage is in effect for the Insured. Sickness includes pregnancy, childbirth, miscarriage or abortion, or any complications there from.

SOCIAL SECURITY DISABILITY QUALIFIED: means:

1. the Insured is entitled to and is receiving Social Security Disability Benefits; or
2. the Insured is entitled to receive Social Security Disability Benefits but is receiving Social Security Early Retirement or Widows/Widowers Benefits instead; or
3. the Insured is entitled to receive Social Security Disability Benefits, but benefits are not payable as a result of offsets due to Workers' Compensation benefits and/or Statutory Disability benefits; or
4. Social Security benefits have been applied for, denied and are under appeal through the Administrative Law Judge level; or
5. the Insured is Totally Disabled from and unable to perform any Gainful Occupation but is otherwise entitled to Social Security Disability Benefits but benefits are denied solely because he has not earned the required minimum number of quarters under Social Security.

TOTAL DISABILITY OR TOTALLY DISABLED: means that as a result of Sickness or Injury or both:

1. for the first 24 months of disability benefits, prevents the Insured from performing the Primary and Essential Duties of his or her Own Occupation; and
2. after the first 24 months of disability benefits, prevents the Insured from performing the Primary and Essential Duties of any Gainful Occupation.

In addition, after 24 months of disability, the Insured must be Social Security Disability Qualified.

To be considered Totally Disabled, the Insured may not in fact be engaged in any occupation for wage or profit other than in an approved vocational rehabilitation program.

Total Disability will be deemed to exist only if determined and/or confirmed by a Doctor as a result of personal visits and/or attention, and the Insured is under Regular and Appropriate Medical Treatment and Care. Such Regular and Appropriate Medical Treatment and Care must be in accordance with prevailing medical standards. In no event will the loss of license or certification to practice one's profession, in and of itself, be construed to constitute Total Disability.

The Insured will not be considered disabled from work in an occupation because of a reduction in his or her earnings resulting from a change in economic conditions or other factors that are not directly related to his or her sickness or injury. Examples of factors that we will not consider in determining whether the Insured is disabled include, but are not limited to, recession, job obsolescence, job restructuring or elimination, pay cuts, and job sharing.

The Insured will not be considered disabled from work in an occupation solely because of:

1. The Insured employer's work schedule that is inconsistent with the normal work schedule of his or her Own Occupation;
2. The Insured's relationship with his or her employer or other employees of the employer; or
3. The physical relationship of the Insured's employer's workplace that is inconsistent with the normal physical environment of his or her Own Occupation.

The Insured will not be considered disabled from work in an occupation solely because of the loss, suspension, restriction, surrender, or failure to maintain a required state or federal license to engage in the occupation.

The Insured will not be considered disabled from work in an occupation solely because of his or her inability to work more than 40 hours per week in the occupation, even if the Insured is regularly required to work more than 40 hours per week prior to becoming disabled.

DISABILITY INCOME BENEFITS

PAYMENTS AND AMOUNTS:

INSURING CLAUSE: The Company will pay a Monthly Benefit if an Insured:

1. is Totally Disabled as the result of an Injury or Sickness covered by the Policy;
2. is under the Regular and Appropriate Medical Treatment and Care of a Doctor;
3. has completed the Elimination Period; and
4. submits satisfactory proof of Total Disability to the Company

BENEFIT AMOUNT:

If an Insured is entitled to Disability Income Benefits under the Policy, and an Insured is also entitled to Income From Other Sources, the Disability Income Benefit payable under the Policy will be reduced by the amount of the Income From Other Sources.

Payment will be figured by using the following steps 1 through 4:

1. determine the applicable Monthly Benefit, as selected by the Insured and approved by the Company;
2. compare this amount to the Maximum Monthly Benefit for this plan;
3. take the lesser of the amounts from steps 1 and 2. This is the Insured's gross monthly payment;
4. subtract from the gross monthly payment any Income From Other Sources, as shown below, from step 3 above.

The Insured will be paid at least the Minimum Monthly Benefit shown in the Schedule of Benefits.

For each day of a period of Disability less than a full month, the amount payable will be 1/30th of the Monthly Benefit after offsets with Income From Other Sources.

After the initial calculation of Income From Other Sources, the calculation of Income From Other Sources will not be modified by any cost of living increases.

As used in this section, Income From Other Sources means the sum of the following:

1. the amount of temporary and/or permanent benefit awards for which the Insured is eligible under:
 - a. Workers' or Workmen's Compensation law;
 - b. occupational disease law;
 - c. any other act or law of like intent.

2. the amount of disability or retirement benefits under the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act as follows:
 - a. disability or unreduced retirement benefits for which the Insured is eligible or
 - b. reduced retirement benefits received by the Insured
3. the amount of any disability income benefits which the Insured is eligible to receive under:
 - a. any other group insurance plan of the Participating Employer; or
 - b. any governmental retirement system as a result of the Insured's job with the Participating Employer.
4. the amount of benefits the Insured receives under the Participating Employer's retirement plan as follows:
 - a. any disability benefits.
 - b. any retirement benefits.
5. the amount of any disability income benefits which the Insured is eligible to receive under any compulsory benefit act or law.
6. the amount of earnings the Insured earns or receives from any form of employment.
7. the amount received from any teacher's retirement association or public employees retirement association.

Any disability that begins more than 90 days after an Injury will be considered a Sickness for the purpose of determining benefits.

OFFERS OF EMPLOYMENT:

If during a period of Regular and Appropriate Medical Treatment and Care, the Participating Employer, or any employer, offers the Insured employment in a Gainful Occupation and the Insured refuses to accept that employment, the Insured will no longer be considered Totally Disabled and Disability Benefits will cease.

ESTIMATION OF INCOME FROM OTHER SOURCES:

If the Insured does not apply or reapply for and pursue a claim for Income From Other Sources through all of the administrative levels which the Company deems necessary and appropriate for any reason, the Company will estimate the Income From Other Sources that the Insured would receive, from the earliest date that the Insured would have been eligible to receive such benefits.

The Insured must reapply or appeal denials for: (1) Social Security Disability Income benefits through the administrative law judge level; and (2) other claims for Income from Other Sources through all the appropriate administrative levels, if requested to do so by the Company.

An estimate of the Income From Other Sources will not be made if the Insured gives the Company proof of the following events:

1. application was made for these benefits.
2. the Insured signs an agreement to reimburse the Company for the amount of any overpaid benefit.
3. any and all appeals were made for these benefits or the Company determines further appeals will not be successful.
4. payments were denied.

If the Company reasonably believes that the Insured is receiving, or is eligible to receive, Income From Other Sources, it has the right to require to its complete satisfaction, written documentation:

1. that the Insured has made a timely and proper claim for Income From Other Sources;
2. that the Insured has made a diligent attempt to collect such claim; and
3. showing the amount and circumstances of the Income From Other Sources.

The Company will send the Insured a written request for any required documentation. The Insured must provide such documentation within 30 days after receiving the Company's request. If the Insured does not reply within 30 days, the Company will presume that the Insured is entitled to Income From Other Sources and will reduce the Disability Benefit by an estimate of Income From Other Sources.

During any period when the Insured is in pursuit of Income From Other Sources, the Company reserves the right to make alternative payment arrangements as agreed upon with the Insured. An alternative payment arrangement will require a written agreement incorporating a promise to repay to the Company any Disability Benefit the Insured has received equal to any Income From Other Sources when such are actually received by the Insured.

Income From Other Sources which are paid in a lump sum by compromise, settlement or other method will be prorated on a monthly basis over the time period for which the sum is given. If no time period is stated, the sum will be prorated on a monthly basis over the lesser of the following:

1. the Policy's Maximum Benefit Period; or
2. sixty (60) equal payments.

If Income From Other Sources which are paid in a lump sum are paid on a retroactive basis, the Company may adjust the Disability Benefit to offset any overpayment.

RECOVERY OF OVERPAYMENT:

If the Company has overpaid the Disability Benefit due to an understatement of Income From Other Sources, it will request that such overpayment to be repaid to the Company by the Insured immediately upon the Insured's receipt of proof of the overpayment. The Company has the right to suspend the entire amount of any and all future payment of the Disability Benefit or take such other collection activities as it deems appropriate until the overpayments have been collected.

PARTIAL DISABILITY INCOME BENEFIT:

To qualify for Partial Disability Benefits, the Insured must:

1. be Partially Disabled;
2. if the Insured is Disabled and working, and his or her Disability Work Earnings are at least 20% but less than or equal to 80% of the Insured's Covered Monthly Earnings prior to commencement of Partial Disability.
3. satisfy the Elimination Period with the required number of days of either Partial Disability or a combination of Total and Partial Disability.

During the first 12- months of Partial Disability Benefits, the Insured's monthly benefit will be figured by using the following steps 1 through 4:

1. multiply Covered Monthly Earnings by 66 2/3%;

2. from 100% of the Insured's Covered Monthly Earnings subtract any Deductible Income From Other Sources including Disability Work Earnings;
3. compare the results from steps 1 and 2 with the maximum benefit for this plan;
4. the Insured's Monthly Benefit Payment is the lesser of the amounts from Step 3.

After the first 12 months of Partial Disability Benefit payments, the Insured's monthly benefit will be figured by dividing the reduction of earnings by the average Covered Monthly Earnings prior to Total Disability and multiplying the result by the net Total Disability Monthly Benefit amount:

(A divided by B) x C

A = the Insured's pre-disability earnings minus the Insured's monthly earnings received while he is disabled.

B = the Insured's pre-disability earnings.

C = the total monthly disability benefit (less Income From Other Sources).

A Partial Disability monthly benefit will not be paid for any period during which the Insured:

1. is not under the direct care and treatment of a Doctor;
2. is receiving benefits under this Policy for Total Disability;
3. has suffered a loss of earnings for any reason other than a disability; or
4. has income that exceeds 80% of the Insured's basic earnings prior to commencement of Partial Disability;
5. has reached the Maximum Benefit Period as shown in the Schedule of Benefits.

Any disability that begins more than 90 days after an Injury will be considered a Sickness for the purpose of determining benefits.

FAMILY CARE BENEFIT:

The Family Care Benefit will begin immediately after the Insured starts a vocational rehabilitation program. The Company will reimburse the Insured by the amount of Family Care Expenses up to a maximum of 10% of the Insured's Monthly Disability Income Benefit not to exceed \$350.00 per month per family member. To receive the Family Care Benefit, the following must all be true:

1. The Insured must be receiving Monthly Benefit Payments for Total Disability and must be participating in a Company approved vocational rehabilitation program, and
2. The Insured is incurring expenses to provide care for a Family Member under the age of 15 or a Family Member is dependent upon the Insured because of a physical or mental handicap; and
3. The Insured's Family Member must be dependent on the Insured for support and maintenance; and
4. Care for the Family Member must be given by a licensed child-care center or a licensed care giver who is not a relative. In states where non-institutional daycare providers are not licensed, the daycare provider must provide his or her tax identification number for verification of benefits.; and
5. Satisfactory Proof of Family Care Expenses must be provided at the time of claim. Such Proof must include written receipts from the child-care center or caregiver, including social security number or taxpayer identification number.

The Family Care Benefit will end on the earliest of the following:

1. the date Insured ceases to be paid a Monthly Benefit Payment;
2. 12 months of Family Care Benefits have been paid;
3. The date Insured is no longer incurring expenses to provide for a Family Member;
4. The date the Insured no longer participates in a Company approved vocational rehabilitation program; or
5. Any date any other requirement or condition of the Policy is not met, including but not limited to those listed in the When Disability Benefits End section.

Additional Definitions - Wherever used in this benefit:

"Family Care Expenses" means the expense the Insured incurs for the care of a Family Member in order for the Insured to work or participate in a vocational rehabilitation program approved by the Company.

"Family Member" means: the Insured's child(ren), spouse, parents, or grandparents who are dependent on you for support and maintenance and live with you. "Family Member" also includes any child(ren) named on an Affidavit of Domestic Partnership that is on file and who resides in the Insured's home and is financially dependent on the Insured for support and maintenance.

WORKSITE MODIFICATION PROVISION

If an Insured is Totally Disabled, participating in a vocational rehabilitation program, and receiving a Monthly Benefit and he/she is able to return to Active Work should the Participating Employer make a modification to the Insured's worksite, then the Participating Employer may be eligible for Worksite Modification Reimbursement.

The Participating Employer will be reimbursed for 100% of the actual and reasonable expenses paid for eligible worksite modifications to accommodate the Insured's return to Active Work, up to a maximum reimbursement of \$25,000.

Eligible worksite modifications include:

1. providing the Insured with a more accessible parking space or entrance; or
2. removing items from the worksite that represent barriers or hazards to the Insured; or
3. special seating, furniture or equipment for the Insured's work station; or
4. providing special training materials or translation services during the Insured's training; or
5. any other services that we deem necessary to help the Insured return to Active Work.

In order for this reimbursement to be payable, the Insured must have a Total Disability that results solely from the Insured's inability to perform his/her Own Occupation at the Participating Employer's worksite. The Insured must also have the physical and mental abilities needed to perform his/her Own Occupation or another occupation at the Participating Employer's worksite, but only with the help of the proposed worksite modification.

A worksite modification may first be proposed by the Participating Employer, the Insured or his/her Doctor, or by the Company. A written proposal must then be developed with input from the Participating Employer, the Insured or his/her Doctor. The proposal must state the purpose of the proposed worksite modification, the times, dates and costs of the modifications. Any proposal must be in writing and is subject to the Company's approval, the Participating Employer's approval and the approval of the Insured prior to any reimbursement being paid.

Once the worksite modification has been approved in writing, the Participating Employer must make the worksite modification. Upon receipt of proof satisfactory to the Company that the modifications for the Insured have been made as approved and the Participating Employer has paid the person or organization that provided the worksite modification, the Company will then reimburse the Participating Employer, up to the limit shown above.

WORK RETENTION ASSISTANCE BENEFIT:

If the Insured:

1. has a medical condition or functional impairment that he or she reports to the Company and that the Company determines has the potential to result in a Total Disability; but
2. has not yet become Totally Disabled,

The Company may provide vocational rehabilitation services and assistance it determines necessary and appropriate to minimize the effects of such condition or impairment and to assist the Insured in retaining the ability to perform the Primary and Essential Duties of his or her Own Occupation or of another appropriate Gainful Occupation offered by the Participating Employer.

The vocational rehabilitation services may include payment of certain expenses for education, training, accommodation, or assistive technology in connection with the vocational rehabilitation program the Company approves for the Insured.

Examples of conditions or impairments for which the Company may be able to provide services under this Work Retention Assistance Benefit include, but are not limited to:

1. Diabetes with complications or other endocrine disorders;
2. Vision or hearing loss;
3. Arthritis and other degenerative or progressive musculoskeletal conditions;
4. Multiple Sclerosis and other progressive neurological disorders; and
5. Cancer and complications of cancer treatment.

VOCATIONAL REHABILITATION

If the Insured is Totally Disabled and receiving a payment under this Policy, the Insured may be required to participate in a vocational rehabilitation program. Program services may include vocational testing and training, job modifications, job placement, or other services the Company finds reasonably needed to assist the Insured in returning to active employment either full-time or part-time.

The Company will determine the extent to which these services may be provided. The Company will pay for these services with the service provider(s), unless we agree to other arrangements.

The Company's decision to offer these services will be based on:

- the Insured's education, training and experience
- the Insured's transferable skills
- the Insured's physical and mental abilities
- the Insured's motivation to return to active employment
- the labor force demand for workers in the proposed occupation in your demographic area
- the Company's expected liability for your long term disability claim.

To qualify for these services, the Insured must:

- have a disability which prevents the Insured from performing some or all of the material and substantial duties of the Insured's Own Occupation
- lack the skills, training, or experience needed to perform another gainful occupation
- possess the physical and mental abilities needed to complete a rehabilitation program
- be reasonably expected to return to active employment with the assistance of these services.

A vocational rehabilitation program proposal may be made by the Company, the Insured's Doctor or the Insured. The Company will prepare a written program with the input of the Insured, the Insured's Doctor, the Insured's current employer and/or the Insured's prospective employer. Once the Insured's Doctor and the Company approve a program, the Insured will be provided services according to the written program. The written program will describe:

- the goals of the program
- what the Company's responsibilities are
- what the Insured's responsibilities are
- what responsibilities are of any third party(ies) associated with this program
- the expected dates of the services
- the expected costs of the services
- the expected duration of the program

The Company reserves the right to make the final decision concerning the Insured's eligibility to take part in this program, and the amount of any services the Insured will be provided.

If the Insured's Doctor approves the rehabilitation program the Company has designed for the Insured, and the Insured does not complete the Insured's responsibilities under the program, then the Company may discontinue its payments to the Insured under this plan unless there is Good Cause.

Additional Definition - Wherever used in this benefit:

"Good cause" means documented physical or mental impairments, which leave the Insured unable to take part in or complete the agreed upon program. It can also mean that the Insured is involved in:

- medical treatment which prevents or interferes with the Insured taking part in or completing the program
- some other vocational rehabilitation program which conflicts with the Insured taking part in or completing the program the Company developed, and is reasonably expected to return the Insured to active employment.

SURVIVOR BENEFIT: The Company will pay a Survivor Benefit if an Insured dies after having been Totally Disabled for a minimum of 180 days and was receiving or entitled to receive Disability Income Benefits under the Policy. The Company will pay to the Insured's Eligible Survivor a lump sum amount equal to 3 times the Insured's last Disability Income Benefit, without reduction of for Income From Other Sources. If a payment becomes due to such children, payment will be divided equally among all the Insured's children. Such payment will be made directly to the children or to a person authorized to receive payments on behalf of the children. This designation will be valid and effective against all claims by others who represent or claim to represent the children. If no Eligible Survivor exists, benefits will be paid to the Insured's estate.

Additional Definitions - Wherever used in this benefit:

"Eligible Survivor" means the Insured's lawful spouse, if living, otherwise the Insured's children under age 25 at the time of death

"Children" means unmarried children under age 25 who are chiefly dependent upon the Insured for financial support.

ACCELERATED SURVIVOR BENEFIT: The Company will pay an accelerated survivor benefit to an Insured if the Insured is terminally ill, payable in a lump sum equal to 3 times the Insured's last Disability Income Benefit, without reduction of for Income From Other Sources.

The Insured's right to exercise this option and to receive payment is subject to the following:

1. the Insured's disability has continued for 180 or more consecutive days;
2. the Insured is receiving or is entitled to receive Disability Income Benefits under the Policy;
3. the Insured requests this election, in writing, on a form acceptable to The Company;
4. the Insured must be terminally ill at the time of payment of the Accelerated Survivor Benefit;
5. the Insured's Doctor must certify, in writing, that the Insured is terminally ill and the Insured's life expectancy has been reduced to less than 12 months; and
6. The Doctor's certification must be deemed satisfactory to the Company

The Accelerated Survivor Benefit is available on a voluntary basis. Therefore, the Insured is not eligible for this benefit if:

1. the Insured is required by law to use this benefit to meet the claims of creditors, whether in bankruptcy or otherwise; or
2. the Insured is required by a government agency to use this benefit in order to apply for, receive, or otherwise keep a government benefit or entitlement.

Payment of the Accelerated Survivor Benefit results in the Survivor Benefit not being paid when the Insured has died.

BENEFIT PAID MAY BE TAXABLE. THE COMPANY IS NOT RESPONSIBLE FOR ANY TAX OR OTHER EFFECTS OF ANY BENEFIT PAID. AS WITH ALL TAX MATTERS, YOU SHOULD CONSULT YOUR PERSONAL TAX ADVISOR TO ASSESS THE IMPACT OF THIS BENEFIT.

CHILD EDUCATION BENEFIT: If the Insured is Totally Disabled and receiving Monthly Benefit Payments for Disability under the Policy, he or she may apply for a Child Education Benefit. The amount of the benefit will be 5% of the Insured's Monthly Disability Income Benefit not to exceed \$350 per month for each dependent child who is an Eligible Student. Child Education Benefits are in addition to the Insured's regular Monthly Benefit Payments. The Insured must be participating in a Company approved vocational rehabilitation program to be eligible for the Child Education Benefit.

The Benefit will be paid to the Insured upon receipt of satisfactory Proof that the dependent child is attending an Accredited Institution for higher learning as a Full-time Student, but reimbursement will not be made for expenses incurred prior to Total Disability, or for room, board or other ordinary living, traveling or clothing expenses.

The Child Education Benefit will end on the earliest of the following:

1. The date the Insured ceases to be paid a Monthly Benefit Payment;
2. the date the Insured no longer participate in a Company approved vocational rehabilitation program;
3. the date the child is no longer an Eligible Student;
4. the earlier of the date on which:
 - a. The Insured has received 48 monthly Child Education Benefit payments with respect to each Eligible Student; or
 - b. the Eligible Student attains age 25;

or the date any other requirement or condition of the Policy is not met, including but not limited to those listed in the When Disability Benefits End section.

Additional Definitions - Wherever used in this benefit:

"Eligible Student" means the Insured's unmarried dependent child under the age of 25 who is attending an Accredited Institution as a Full-Time Student.

"Full-time Student" means having a full course load as defined by the Accredited Institution.

"Accredited Institution" for higher learning means any university, college or trade school, which is accredited by a regional accrediting agency that is recognized by the United States Department of Education.

DISABILITY INCOME - EXCLUSIONS

Disability Income Benefits are not payable under the Policy for any of the following or losses that result therefrom:

1. any period of Total Disability during which the Insured is not receiving Regular and Appropriate Medical Treatment and Care.
2. attempted suicide or intentionally self-inflicted injury, while sane or insane.
3. declared or undeclared act of war.
4. injury sustained while committing or attempting to commit a felony, or misdemeanor.
5. injury sustained during participation in a riot, insurrection or rebellion.
6. Injury sustained while participating in a civil commotion, act of civil disobedience or unlawful assembly except while acting in a lawful manner within the scope of authority.
7. Injury sustained while participating in a contest (or sport) of speed, parachuting or hang gliding.
8. active duty with any police or military organization.
9. Injury sustained while operating, riding in, or descending from any kind of aircraft, except when riding solely as a passenger on a licensed, commercial, non-military aircraft.
10. an Injury or Sickness that occurs while the Insured is confined in any penal or correctional institution;

LIMITATIONS

PRE-EXISTING CONDITIONS LIMITATION: Benefits will not be paid for a Total Disability:

1. caused by;
2. contributed to by; or
3. resulting from;

a Pre-existing Condition unless the Insured has been Actively at Work for 1 full day following the end of:

1. 3 consecutive months during which the Insured has not had:
 - a) consultation with a Doctor; or
 - b) received medical care, treatment or services, including diagnostic procedures or took prescribed drugs or medicines, for such condition; or
2. 12 consecutive months from the date he/she became an Insured.

“Pre-existing Condition” means any medical condition, whether specifically diagnosed or not for which:

1. the Insured received medical Treatment, consultation, care or services, including diagnostic procedures; or
2. the Insured took prescribed drugs or medicines

during the 3 consecutive months immediately prior to the Insured’s effective date of insurance.

With respect to persons electing a benefit increase (whether an increase from coverage under a prior plan, if applicable, or under the Policy), any benefit increase will not be paid for a Total Disability:

1. caused by;
2. contributed to by; or
3. resulting from;

a Pre-existing Condition. An Insured will be considered to have a Pre-existing Condition and will be subject to the Pre-existing Conditions Limitation due to a benefit increase if:

1. the Disability begins in the first 12 months after the effective date of the benefit increase; and
2. he/she has received medical Treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines for the Injury or Sickness, causing such Total Disability, during the 3 months immediately prior to the effective date of the benefit increase.

MENTAL AND NERVOUS DISORDERS LIMITATION:

Monthly Benefits for Total Disability caused by or contributed to by mental or nervous disorders will not be payable beyond an aggregate lifetime maximum duration of 24 months unless the Insured is in a Hospital or Institution at the end of the 24-month period. The Monthly Benefit after offsets with Income From Other Sources will be payable while so confined, but not beyond the Maximum Benefit Period shown in the Schedule of Benefits.

Mental or nervous disorders are disorders that are diagnosed by a Doctor and include a condition such as:

1. bipolar disorder (manic depressive syndrome);
2. schizophrenia;
3. delusional (paranoid) disorders;
4. psychotic disorders;
5. depressive disorders;
6. anxiety disorders;
7. somatoform disorders (psychosomatic illness);
8. eating disorders;
9. mental illness.

SUBSTANCE ABUSE LIMITATION: Monthly Benefits for Total Disability caused by or contributed to by alcoholism or drug addiction will not be payable beyond an aggregate lifetime maximum duration of 24 months. The Monthly Benefit after offsets with Income From Other Sources will be payable for up to 24 unless the Insured is in a Hospital or Institution at the end of the 24-month period but not beyond the Maximum Benefit Period shown in the Schedule of Benefits.

Additional Definitions - Wherever used in this limitation:

"Substance" means alcohol and other addictive drugs, except tobacco and caffeine are excluded.

"Substance Abuse" means the pattern of pathological use of a Substance that is characterized by:

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

"Substance Abuse Rehabilitation Program" means a program supervised by a Doctor or licensed or certified rehabilitation specialist approved by us.

Monthly Premium Rates:

Base Plan (3 Year Sickness / To Social Security Normal Retirement Age for Injury)

Elimination Period	Cost per \$100 Monthly Benefit
0 / 3	\$4.12
14 Day	\$2.67
30 Day	\$1.99
60 Day	\$1.37
90 Day	\$1.10
180Day	\$0.88

**Option to extend Benefits to Social Security
Normal Retirement Age for Sickness**

Elimination Period	Additional Cost per \$100 Monthly Benefit
0 / 3	\$1.45
14 Day	\$1.45
30 Day	\$1.45
60 Day	\$1.45
90 Day	\$1.45
180 Day	\$1.45

This information is a brief description of the important features of the insurance plan. It is not a contract of insurance. The terms and conditions of coverage are set forth in Policy number VLTDG100012, on Policy Form number NCRTLTDTR-TX. The Policy is subject to the laws of the state in which it is issued. Please keep this information as a reference.