

**THE GOVERNING BOARD OF THE  
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT  
LONG TERM DISABILITY COVERAGE  
FOR DISTRICT EMPLOYEES  
INVITATION FOR BID 33194**

The Governing Board of the St. Johns River Water Management District (the “District”), requests that interested parties respond to the solicitation below by 2:00 p.m., July 6, 2018. Further information is available through Onvia DemandStar at *Demandstar.com* [(800) 711-1712], Vendor Registry at *Vendorregistry.com*, or the District’s website at *sjrwmd.com*. Solicitation packages may be obtained from Onvia DemandStar, Vendor Registry, or the District by calling or emailing Alan Weaver, Sr. Procurement Specialist, at (386) 329-4271 or [aweaver@sjrwmd.com](mailto:aweaver@sjrwmd.com). Responses will be opened in the Procurement Conference Room, Administration Building, Palatka Headquarters, 4049 Reid Street, Palatka, Florida 32177-2571.

Furnish group long-term disability insurance for the District’s approximate 525 employees. An award will be made to one respondent (Insurance Carrier). The estimated budget for the first 12-month term of the three-year contract period for the policies is \$100,000.

Optional Bid Item: The District would like to have the option to renew the contract for an additional three-year period, which will consist of three 12-month terms. Respondents are not required to bid this item. Through the Optional Bid Item, Respondents may offer a rate guarantee percentage for the additional three-year period consisting of three 12-month terms.

CENSUS FILE — EXHIBIT 8:

THIS FILE MUST BE REQUESTED — IT IS NOT INCLUDED IN THE SOLICITATION PACKAGE.

A census of District employees is available as Exhibit 8 as a separate Excel® file. To receive this exhibit, complete and return Exhibit 1 — Acknowledgment of Intent, to Alan Weaver, Sr. Procurement Specialist, at [aweaver@sjrwmd.com](mailto:aweaver@sjrwmd.com) by no later close of business on July 3, 2018 (5:00 p.m., EDT). Census data will be sent within four business hours of receipt of the Acknowledgment of Intent.

Special accommodations for disabilities may be requested through Alan Weaver, Sr. Procurement Specialist, at (386) 329-4271 or by calling (800) 955-8771 (TTY), at least five business days before the date needed.

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    (separate Excel® file – must be requested by completing and submitting Exhibit 1

**INSTRUCTIONS TO RESPONDENTS**

**1. DEFINITIONS**

The definitions of capitalized terms used in this solicitation that are not otherwise defined herein can be found in the sample contract document (the “Agreement”) that is at the end of these instructions. The Agreement includes these Instructions to Respondents, any addenda published by the District, the bid provided by Respondent (the “Bid”), and all required certifications and affidavits.

**2. CONTRACT ADMINISTRATION**

All inquiries related to this solicitation may only be directed to the Procurement Specialist:

Alan Weaver, Sr. Procurement Specialist  
 Phone: (386) 329-4271  
 Fax: (386) 329-4546  
 Email: aweaver@sjrwmd.com

Between the release of this solicitation and the posting of the notice of intended decision, Respondents to this solicitation or persons acting on their behalf may not contact any employee or officer of the District concerning any aspect of this solicitation, except the procurement employee listed above. Violation of this provision is grounds for rejecting a response.

**3. WHERE TO DELIVER BID**

The Bid must be submitted in a sealed envelope to:

Alan Weaver, Sr. Procurement Specialist  
 Attn: Office of Financial Services  
 St. Johns River Water Management District  
 4049 Reid St, Palatka, FL 32177-2571

Respondents must clearly label the Bid envelope with **large bold, and/or colored lettering (place label on inner envelope if double sealed)** as follows:

SEALED BID — DO NOT OPEN  
 Respondent’s Name: \_\_\_\_\_  
 Invitation for Bid: 33194  
 Opening Time: 2:00 p.m.  
 Opening Date: July 6, 2018

Please note that the United States Postal Service does not deliver regular mail or express mail to the above address. The District’s experience is that Federal Express and United Parcel Service will.

**4. OPENING OF BIDS**

Respondents or their authorized agents are invited to attend the opening of the Bids at the following time and place:

2:00 p.m., July 6, 2018  
 St. Johns River Water Management District Headquarters  
 4049 Reid Street, Palatka, Florida 32177-2571

The Florida Public Records Act, §119.071(1)(b), Fla. Stat., exempts sealed Bids from inspection and copying until such time as the District provides notice of an intended decision pursuant to §120.57(3)(a),

Fla. Stat., or until 30 days after opening of Bids, whichever is earlier. This exemption is not waived by the public opening of the Bids.

Unless otherwise exempt, Respondent's Bid is a public record subject to disclosure upon expiration of the above exemption period. If any information submitted with the Bid is a trade secret as defined in §812.081, Fla. Stat., and exempt from disclosure pursuant to §815.04, Fla. Stat., Respondent must clearly identify any such material as "CONFIDENTIAL TRADE SECRET" in its Bid and explain the basis for such exemption. The District reserves the right, in its sole judgment and discretion, to reject a Bid for excessive or unwarranted assertion of trade secret confidentiality and return the Bid to Respondent.

## 5. PREPARATION AND ORGANIZATION OF BID DOCUMENTS

Respondent must submit its Bid in "digital" format. Instructions for submitting are provided below.

1. Respondents must submit the following fully executed documents on reproduced copies of the attached forms provided in FORMS:
  - (a) Bid Form
  - (b) Premium Schedule
  - (c) Certificate as to Corporation
  - (d) Affidavit as to Non-collusion and Certification of Material Conformance with Specifications
  - (e) Qualifications (General, Similar Projects, Client References, Subcontractors, and other required qualification forms)
  - (f) Drug-Free Workplace Form (not required unless there is a tie bid)
2. Respondents must submit the original and one copy of their bid package in the form and manner specified herein. All blank spaces on the bid documents must be typewritten or legibly printed in ink. Respondent must specify the cost for any one complete bid item or the entire work described in the Agreement (the "Work") in figures as indicated by the spaces provided. In the event you decline to submit a bid, the District would appreciate submittal of the "No Response Form" provided at the end of the "FORMS" section to describe the reason for not submitting a bid.
3. Respondent must follow all procedures for digital submission or Respondent's Bid may be determined as "non-responsive" and rejected.
4. Unless directed otherwise, all information required by the solicitation, including the forms and questionnaires listed under "A" above must be completed (typed or hand written) and included in the submission in electronic format (forms must be completed and converted/scanned to PDF format (Adobe)).
5. The file-naming conventions for the bid shall include:
  - (a) Bid: IFB # Respondent's name (abbreviated) Due Date  
(Example: IFB 33194 ABC Insurance 07 06 18)
6. All digitally submitted files shall be saved to a single CD or pin/thumb/jump drive. The CD or pin/thumb/jump drive **MUST** be placed in a sealed envelope pursuant to the instructions under Item 3 for sealed Bid – **DO NOT SUBMIT YOUR BID BY EMAIL — THIS WILL RESULT IN THE BID BEING REJECTED AS NON-RESPONSIVE.**

All of the forms and questionnaires in the Invitation for Bids package are available upon request in Microsoft® Word to aid Respondent in submitting its Bid.

**If you need assistance or have any questions about the format, please call or email Alan Weaver at (386) 329-4271 or aweaver@sjrwmd.com.**

## 6. INQUIRIES AND ADDENDA

District staff are not authorized to orally interpret the meaning of the specifications or other Agreement documents, or correct any apparent ambiguity, inconsistency, or error therein. In order to be binding upon the District, the interpretation or correction must be given by the Procurement Specialist and must be in writing. The Procurement Specialist may orally explain the District's procedures and assist Respondents in referring to any applicable provision in the Invitation for Bids documents, but Respondent is ultimately responsible for submitting the Bid in the appropriate form and in accordance with written procedures.

Every request for a written interpretation or correction must be received at least nine days prior to opening of Bids in order to be considered. Requests may be submitted by fax at (386) 329-4546 or by email at aweaver@sjrwmd.com. Interpretations, corrections, and supplemental instructions will be communicated by written addenda to this solicitation posted by Onvia DemandStar and Vendor Registry to all prospective Respondents (at the respective addresses furnished for such purposes) no later than five days before the opening of Bids.

Submission of a Bid constitutes acknowledgment of receipt of all addenda. Bids will be construed as though all addenda had been received. Failure of Respondent to receive any addenda does not relieve Respondent from any and all obligations under the Bid, as submitted. All addenda become part of the Agreement.

## 7. BUDGET

The estimated budget for the first 12-month period of the three-year contract term for the policies is \$100,000. The contract may also be renewed for an additional three one-year terms. The above amount is an estimate only and does not limit the District in awarding the Agreement. Respondents are cautioned to not make any assumptions from the budget estimate about the total funds available for the Work. The District retains the right to adjust the estimated budget in awarding the Agreement. The District also reserves the right to reject all Bids if subsequent negotiations with qualified Respondents result in costs over this estimated budget amount. In addition, the District reserves the right to increase, decrease, or delete any class, item, or part of the Work in order to reduce costs for any reason. The District may discuss alternatives for reducing the cost of the Work with Respondents and make such modifications as it determines to be in its best interest.

## 8. MINIMUM QUALIFICATIONS

Respondent must use the "Qualification" forms (General, Similar Projects, and Client References) provided in these documents to document the minimum qualifications listed below. Failure to include these forms with the Bid may be considered non-responsive.

- a. Respondent (Insurance Carrier) must have issued group long-term disability insurance policies for at least two other similar-sized entities (public or private) with more than 500 full-time employees in the past three years.  
*(District-provided form)*
- b. Respondent's designated Insurance Agent shall provide three client references, which may include the similar policies listed above. No more than one client reference shall be from the District.  
*(District-provided form)*
- c. Respondent must offer self-administration for electronic enrollment and payment of premiums.  
*(Respondent-provided documentation; label documentation)*
- d. Respondent (Insurance Carrier) must have a minimum A.M. Best Rating of "A" for financial strength. Respondent (Insurance Carrier) shall furnish a copy of their A.M. Best Rating and A.M. Best Financial Size category documentation.

*(Respondent-provided documentation; label documentation)*

- e. Respondent (Insurance Carrier) must have at least five years of experience in writing group long-term disability insurance policies.

*(Respondent-provided documentation; label documentation)*

- f. Respondent's designated Insurance Agent must have at least three years of experience of direct client contact handling similar size accounts

*(Respondent-provided documentation; label documentation)*

- g. Respondent's designated Insurance Agent must be licensed in the state of Florida.

*(Respondent-provided license)*

Irrespective of the minimum qualifications stated above, the District may make such investigations as it deems necessary to determine the ability of Respondent to perform the Work. The District reserves the right to reject any Bid if the evidence submitted by such Respondent and/or the District's independent investigation of such Respondent fails to satisfy the District that such Respondent is properly qualified to carry out the obligations of the Agreement and complete the Work in a manner acceptable to the District within the time period specified.

## 9. **BID GUARANTY**

A bid guaranty is not required.

## 10. **SUBCONTRACTS**

Respondent must identify all portions of the Work Respondent intends to perform through subcontractors for each portion of the Work exceeding 15% of the Work on the attached "Proposed Subcontractors" form. Respondent must submit with its Bid a list of all known subcontractors who will be paid more than 15% of the Work. Acceptance of the Bid does not constitute approval of the subcontractors identified with the Bid.

## 11. **SIGNATURE AND CERTIFICATION REQUIREMENTS**

An individual submitting a Bid must sign his/her name therein and state his/her address and the name and address of every other person interested in the Bid as principal. If a firm or partnership submits the Bid, state the name and address of each member of the firm or partnership. If a corporation submits the Bid, an authorized officer or agent must sign the Bid, subscribing the name of the corporation with his or her own name and affixing the corporate seal. Such officer or agent must also provide the name of the state under which the corporation is chartered, and the names and business addresses of the President, Secretary, and Treasurer. Corporations chartered in states other than Florida must submit evidence of registration with the Florida Secretary of State for doing business in the State of Florida. Respondent must certify that all persons or entities having an interest as principal in the Bid or in substantial performance of the Work have been identified in the Bid forms.

## 12. **DISQUALIFICATION OF RESPONDENTS**

Any of the following causes will be considered as sufficient grounds for disqualification of a Respondent and rejection of the Bid:

- a. Contacting a District employee or officer other than the procurement employee named in this solicitation about any aspect of this solicitation before the notice of intended decision is posted.
- b. Submission of more than one Bid for the same subject matter by an individual, firm, partnership, or corporation under the same or different names;
- c. Evidence of collusion among Respondents;

- d. Submission of materially false information with the Bid;
- e. Information gained through checking of references or other sources which indicates that Respondent may not successfully perform the Work;
- f. Respondent is failing to adequately perform on any existing contract with the District;
- g. Respondent has defaulted on a previous contract with the District;
- h. The evidence submitted by Respondent, or the District's investigation of Respondent, fails to satisfy the District that Respondent is properly qualified to carry out the obligations of the Agreement in a manner acceptable to the District and within the time period specified;
- i. Any other cause that is sufficient to raise doubt regarding the ability of a Respondent to perform the Work in a manner that meets the District's objectives for the Work.

### 13. REJECTION OF BID

Bids must be delivered to the specified location and received before the Bid opening in order to be considered. Untimely Bids will be returned to Respondent unopened. Bids will be considered irregular and may be rejected if they show material omissions, alterations of form, additions not called for, conditions, limitations, or other material irregularities. The District may consider incomplete any Bid not prepared and submitted in accordance with the provisions specified herein, and reserves the right to waive any minor deviations or irregularities in an otherwise valid Bid.

The District reserves the right to reject any and all Bids and cancel this request for qualifications when it determines, in its sole judgment and discretion, that it is not in its best interest to award the agreement.

### 14. WITHDRAWAL OF BIDS

Respondent may withdraw its Bid if it submits such a written request to the District prior to the designated date and hour of opening of Bids. Respondent may be permitted to withdraw its Bid no later than 72 hours after the Bid opening for good cause, as determined by the District in its sole judgment and discretion.

### 15. AWARDING THE AGREEMENT

- a. The Agreement will be awarded to the lowest responsive, responsible Respondent, being Respondent with the lowest Total Premium Cost who demonstrates, in accordance with the requirements of the bid documents, a verifiable history of the skill, ability, integrity, and reliability necessary for the faithful performance of the Agreement (the "Successful Respondent"). The Agreement may be modified based on the District's acceptance of any alternatives listed in the bid that the District deems in its best interest.
- b. Section 286.0113, Fla. Stat., exempts from being open to the public, any portion of a meeting at which: (1) a negotiation with a Respondent is conducted pursuant to a competitive solicitation; (2) a Respondent makes an oral presentation as part of a competitive solicitation; (3) a Respondent answers questions as part of a competitive solicitation; or (4) negotiation strategies are discussed. Also, recordings of, and any records presented at, the exempt meeting are exempt from §119.07(1) and §24(a), Art. I of the State Constitution (Public Records) until such time as the District provides notice of an intended decision or until 30 days after opening the bids or final replies, whichever occurs earlier. A complete recording shall be made of any portion of an exempt meeting. No portion of the exempt meeting may be held off the record.
- c. Pursuant to §286.0113 Fla. Stat., if the District rejects all bids and concurrently provides notice of its intent to reissue the competitive solicitation, any recordings or records presented at any exempt meeting relating to the solicitation shall remain exempt from §119.07(1) and §24(a), Art. I of the State Constitution (Public Records) until such time as the District provides notice of an intended decision concerning the reissued competitive solicitation or until the District withdraws the reissued

competitive solicitation. A recording and any records presented at an exempt meeting are not exempt for longer than 12 months after the initial District notice rejecting all bids.

- d. If two or more bids are equal in all respects, the Agreement will be awarded as follows: (1) to Respondent that certifies compliance with §287.087, Fla. Stat., via the Drug-Free Workplace Form; (2) to a Respondent university in the State University System pursuant to §373.63, Fla. Stat.; (3) to a Respondent whose bid contains commodities manufactured, grown, or produced within the State of Florida pursuant to §287.082 Fla. Stat.; or (4) by lot.
- e. For 60 days after the designated date and hour of the opening of bids, Respondent will not be permitted to increase its bid cost.
- f. The District reserves the right to award the Agreement to the next lowest available bidder in the event the Successful Respondent fails to enter into the Agreement, or the Agreement with said Respondent is terminated within 90 days of the effective date.
- g. All Respondents will be notified of the District's intent to award or decision to award the Agreement. For the purpose of filing a bid protest under §120.57(3), Fla. Stat., the time period will commence as provided in "NOTICES AND SERVICES THEREOF."

## 16. EXECUTION OF AGREEMENT

Submittal of a Bid binds the Successful Respondent to perform the Work upon acceptance of the Bid and execution of the Agreement by the District.

Unless all Bids are rejected, a contract substantially in the form included in these documents will be provided to the Successful Respondent, who must execute and return the Agreement to the District within ten days of the date of receipt, along with the following:

- a. A completed Internal Revenue Service Form W-9;
- b. Satisfactory evidence of all required insurance coverage;
- c. Proof satisfactory to the District of the authority of the person or persons executing the Agreement on behalf of Respondent;
- d. All other information and documentation required by the Agreement.

The District will not execute the Agreement until the above documents have been executed and delivered to the District. The Agreement will not be binding until executed by the District. A copy of the fully executed Agreement will be delivered to the Successful Respondent. The District reserves the right to cancel award of the Agreement without liability at any time before the Agreement has been fully executed by all parties and delivered to the Successful Respondent.

Failure upon the part of the Successful Respondent to execute the Agreement or timely submit the required evidence of insurance coverage, or any other matter required by the Agreement, will be just cause, if the District so elects, for the recommended award to be annulled.

## 17. EXAMINATION OF AGREEMENT DOCUMENTS

Respondent is solely responsible for being fully informed of the conditions under which the Work is to be performed in relation to existing conditions. Respondent is responsible for carefully examining the general area of the Work, the requirements of the drawings and other contract documents related to the Work, the time in which the Work must be completed, and any other details of the Work. Respondent must satisfy itself from its own personal knowledge and experience or professional advice as to the character of the Work, the conditions and materials to be encountered, the character, quality, and quantities of the Work, and any other conditions affecting the Work, including surrounding land.



Failure to satisfy the obligations of this paragraph will not relieve a Successful Respondent of its obligation to furnish all material, equipment, and labor necessary to perform the Agreement and to complete the Work for the consideration set forth in its Bid. Any such failure will not be sufficient cause to submit a claim for additional compensation.

No verbal agreement or conversation with any District officer, agent or employee, either before or after the execution of the Agreement, will affect or modify any of its terms.

#### **18. DIVERSITY**

The District is committed to the opportunity for diversity in the award and performance of all procurement activities. The District encourages its Prime Respondents to make a good faith effort to ensure that women and minority-owned business enterprises (W/MBE) are given the opportunity for maximum participation as second and lower tier participants. The District will assist Respondents by sharing information on W/MBEs to encourage their participation.

#### **19. FLORIDA SALES TAX**

The District is exempt from payment of State of Florida sales tax pursuant to §212.08(6), Fla. Stat. Any tangible personal property that is the subject of this Invitation for Bids is intended to remain tangible personal property and not become part of a public work owned by the District.

#### **20. PUBLIC ENTITY CRIMES/DISCRIMINATORY VENDORS**

In accordance with §287.133 and §287.134, Fla. Stat., a person or affiliate who has been placed on the convicted or discriminatory vendor lists following a conviction for a public entity crime or placement on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in §287.017 for CATEGORY TWO (\$35,000) for a period of 36 months following the date of being placed on the convicted or discriminatory vendor lists.

#### **21. USE BY OTHER FLORIDA GOVERNMENTAL ENTITIES**

Respondent may provide services to other State of Florida governmental entities pursuant to the terms and conditions of the Agreement. These governmental entities include other water management districts, state of Florida agencies (including members of the state university system and community college system), counties, school boards, municipalities, special districts, and other local public agencies or authorities. References to the St. Johns River Water Management District in the Agreement will be replaced with the purchasing entity and the District will not be a party to any other governmental entity's agreement to purchase. Nor will the District be responsible for payment for any goods or services delivered or performed for any other governmental entity that utilizes Respondent pursuant to this paragraph.

#### **22. NOTICES AND SERVICES THEREOF**

The District will publish notice of specifications and criteria, including addenda, intended agency decisions, or other matters pertinent to this solicitation on Onvia DemandStar at *DemandStar.com* and Vendor Registry at *vendorregistry.com*. Onvia DemandStar and Vendor Registry may also be accessed through the District's web site at *sjrwm.com*. In addition, the District will post notices of intended agency decisions at the District's headquarters, 4049 Reid Street, Palatka, Florida, Administration Building, Procurement Bulletin Board, on the date the publication is posted on Onvia DemandStar.

Notices that are posted on Onvia DemandStar and Vendor Registry are deemed received at 8:00 a.m. on the next business day following the date posted. Notices that are posted at the District's Procurement Bulletin Board are deemed received at 8:00 a.m. on the next business day following the date of posting. Notices will be posted for a minimum of 72 hours following the time at which they are deemed received. The time period for filing a Notice of Protest pursuant to §120.57(3), Fla. Stat., and Rule 28-110.003, Fla. Admin. Code, commences at the time notices are deemed received.

As a courtesy to Respondents, the District may send copies of the notices of intended agency decisions via email or facsimile to Respondent. These courtesy communications neither constitute official notice nor vary the times of receipt set forth above.

### 23. **PROTEST PROCEDURES**

Pursuant to §120.57(3), Fla. Stat., and Rule 28-110.003, Fla. Admin. Code, any person adversely affected by the procurement methodology described herein, or the specifications or criteria, including addenda, must file a Notice of Protest within 72 hours after receipt of the solicitation documents or addenda.

Pursuant to §120.57(3), Fla. Stat., and Rule 28-110.003, Fla. Admin. Code, any person adversely affected by a District decision or intended decision to award a contract, or to reject all bids, proposals, or qualifications, must file a Notice of Protest within 72 hours after receipt of the decision or intended decision. Pursuant to §287.042(2)(c), Fla. Stat., any person who files an action protesting the decision or intended decision must post with the District Clerk at the time of filing the formal written protest a bond, cashier's check, or money order made payable to the St. Johns River Water Management District in an amount equal to one percent (1%) of the District's estimated contract amount.

Pursuant to §120.57(3), Fla. Stat., and Rule 28-110.004, Fla. Admin. Code, the protester must also file with the District Clerk a Formal Written Protest within ten days after the date the Notice of Protest is filed with the District. The Formal Written Protest must state with particularity the facts and law upon which the protest is based.

No additional time will be added for mailing. All filings must comply with Rule 28-106.104, Fla. Admin. Code, and must be addressed to and received by the District Clerk at the District Headquarters in Palatka, Florida within the prescribed time periods. The District will not accept as filed any electronically transmitted facsimile pleadings, petitions, Notice of Protest or other documents. Failure to file a protest within the time prescribed in §120.57(3), Fla. Stat., or failure to post the bond or other security required by law within the time allowed for filing a bond will constitute a waiver of proceedings under chapter 120, Fla. Stat. Mediation under §120.573, Fla. Stat., is not available.

**FORMS**

**FORM AND DOCUMENTATION CHECKLIST:**

Group Long Term Disability Insurance

This form to be included in the response

- Form and Documentation Checklist (page 11)
- Bid Form (page 12)
- Premium Schedule (pages 13 & 14)
- Subcontractors (page 15)
- Certificate as to Corporation (page 16)
- Affidavit as to Non-Collusion and Certification of Material Conformance with Specifications (page 17)
- Qualifications — General (page 18)
- Qualifications — Similar Policies (page 19)
- Qualifications — Client References (page 20)
- Documentation showing that Respondent offers self-administration for electronic enrollment and payment of premiums. (Respondent-provided; label documentation)
- Documentation showing that Respondent (Insurance Carrier) has a minimum A.M. Best Rating of “A” for financial strength. Respondent (Insurance Carrier) shall furnish a copy of their A.M. Best Rating and A.M. Best Financial Size category documentation. (Respondent-provided; label documentation)
- Documentation showing that Respondent (Insurance Carrier) has at least five years of experience in writing group long-term disability insurance policies. (Respondent-provided; label documentation)  
*State type of Respondent-prepared documentation included to meet this qualification requirement:*  
\_\_\_\_\_  
\_\_\_\_\_
- Documentation showing that the designated Insurance Agent has at least three years experience of direct client contact handling similar size accounts (Respondent-provided; label documentation)  
*State type of Respondent-prepared documentation included to meet this qualification requirement:*  
\_\_\_\_\_  
\_\_\_\_\_
- Copy of Insurance Agent’s Florida license (Respondent-provided)
- Drug-Free Workplace Form (page 21) (this form is only required in the event of a tie bid)

BID FORM

Include this form in the response

RESPONDENT:

The undersigned, as Respondent, hereby declares and certifies that the only person(s) or entities interested in this bid as principal(s), or as persons or entities who are not principal(s) of Respondent but are substantially involved in performance of the Work, is or are named herein, and that no person other than herein mentioned has any interest in this bid or in the Agreement to be entered into; that this bid is made without connection with any other person, company, or parties making a bid; and that this bid is in all respects fair and in good faith without collusion or fraud.

Respondent represents to the District that, except as may be disclosed in an addendum hereto, no officer, employee or agent of the District has any interest, either directly or indirectly, in the business of Respondent to be conducted under the Agreement, and that no such person shall have any such interest at any time during the term of the Agreement, should it be awarded to Respondent.

Respondent further declares that it has examined the Agreement and informed itself fully in regard to all conditions pertaining to this solicitation; it has examined the specifications for the Work and any other Agreement documents relative thereto; it has read all of the addenda furnished prior to the bid opening, as acknowledged below; and has otherwise satisfied itself that it is fully informed relative to the Work to be performed.

Respondent agrees that if its bid is accepted, Respondent shall contract with the District in the form of the attached Agreement, and shall furnish everything necessary to complete the Work in accordance with the time for completion specified in the Agreement, and shall furnish the required evidence of the specified insurance.

Acknowledgment is hereby made of the following addenda (identified by number) received:

Addendum No.	Date	Addendum No.	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\_\_\_\_\_  
Respondent (firm name) \_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Signature \_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Typed name and title \_\_\_\_\_  
Fax number

PREMIUM SCHEDULE

Include this form in the response

Bid to be opened at 2:00 p.m., July 6, 2018

To: ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

In accordance with the advertisement requesting bids for the District, Respondent agrees to provide group long term disability insurance to benefit-eligible employees as part of the benefits package associated with employment at the District, subject to the terms and conditions of the Agreement, the undersigned proposes to perform the Work for the price contained in the following schedule (fill in all blanks).

Respondents shall submit bids on the Group Long Term Disability Policy (Items 1a, 1b, and 1c). Respondents must also include a rate cap guarantee for the two 12-month terms in the spaces provided. The award or awards will be based on the total amount for the initial three-year coverage period, which includes the calculated costs for all three years. Failure to submit a bid on all three items (1a, 1b, and 1c) will result in the Bid being rejected as Non-Responsive.

Bid Item	Coverage: Three-Year Contract Period Consisting of Three 12-Month Terms with Rate Guarantee	Unit Rate	Average Monthly Payroll	Average Monthly Premium
1a	Group Long-Term Disability (Rate/\$100 of covered payroll) (Effective Oct. 1, 2018 through Sep. 30, 2019)	\$_____	\$ 2,556,000	\$_____
1b	Rate Cap Guarantee for Renewal Period 1 (Effective Oct. 1, 2019 through Sep. 30, 2020) (Express in a percentage to be added to the above Unit Rate or if none, write: "0" or "None.")			_____%
1c	Rate Cap Guarantee for Renewal Period 2 ((Effective Oct. 1, 2020 through Sep. 30, 2021) (Express in a percentage to be added to the Unit Rate or if none, write: "0" or "None.")			_____%

Optional Bid Item: The Three-Year Renewal Period below is an optional bid item. Respondents are NOT required to bid on this item. Prior to renewing the Agreement for the three-year renewal period (Bid Items 2a, 2b, and 2C), the District will conduct market research to determine the competitiveness of the rates provided by Respondent and whether it is in the District’s best interest to award a new three-year agreement.

Bid Item	Renewal 1 — Coverage: Additional Three-Year Contract Period Consisting of Three 12-Month Terms with Rate Guarantee	Rate Cap Increase
2a	Rate Cap Guarantee for Renewal Period 1 (Effective Oct. 1, 2021 through Sep. 30, 2022) (Express in a percentage to be added to the above Unit Rate or if none, write: "0" or "None.")	_____%
2b	Rate Cap Guarantee for Renewal Period 1 (Effective Oct. 1, 2022 through Sep. 30, 2023) (Express in a percentage to be added to the above Unit Rate or if none, write: "0" or "None.")	_____%
2c	Rate Cap Guarantee for Renewal Period 2 ((Effective Oct. 1, 2023 through Sep. 30, 2024) (Express in a percentage to be added to the Unit Rate or if none, write: "0" or "None.")	_____%

PREMIUM SCHEDULE (continued next page)

If said bid exceeds the estimated amount previously provided, the District expressly reserves the right to increase, decrease, or delete any class, item, or part of the Work, as may be determined by the District. Respondents are reminded to refer to "PREPARATION AND ORGANIZATION OF BID DOCUMENTS" for information to be included with the bid package.

Pursuant to §287.084(2) Fla. Stat., a vendor whose principal place of business is outside the State of Florida must accompany any written bid, proposal, or reply documents with a written opinion of an attorney at law licensed to practice law in that foreign state, as to the preferences, if any or none, granted by the law of that state to its own business entities whose principal places of business are in that foreign state in the letting of any or all public contracts.

I HEREBY ACKNOWLEDGE, as Respondent's authorized representative, that I have fully read and understand all terms and conditions as set forth in this bid and upon award of such bid, shall fully comply with such terms and conditions.

\_\_\_\_\_

Date

\_\_\_\_\_

Respondent (firm name)

\_\_\_\_\_

Address

\_\_\_\_\_

E-mail address

\_\_\_\_\_

Signature

\_\_\_\_\_

Telephone number

\_\_\_\_\_

Typed name and title

\_\_\_\_\_

Fax number

PROPOSED SUBCONTRACTORS

Include this form in the response

Respondent must identify all portions of the Work Respondent intends to perform through subcontractors.

1. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_
2. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_
3. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_
4. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_
5. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_
6. Name and address of subcontractor: \_\_\_\_\_  
\_\_\_\_\_  
Description of work: \_\_\_\_\_  
\_\_\_\_\_  
Estimated value of Work: \_\_\_\_\_

CERTIFICATE AS TO CORPORATION

Include this form in the response

The below Corporation is organized under the laws of the State of \_\_\_\_\_; is authorized by law to respond to this Invitation for Bids and perform all work and furnish materials and equipment required under the Agreement, and is authorized to do business in the state of Florida.

Corporation name: \_\_\_\_\_

Address: \_\_\_\_\_

Registration No.: \_\_\_\_\_

Registered Agent: \_\_\_\_\_

By: \_\_\_\_\_

(Official title)

(Affix corporate seal)

Attest: \_\_\_\_\_

(Secretary)

The full names and business or residence addresses of persons or firms interested in the foregoing bid as principals or officers of Respondent are as follows (specifically include the President, Secretary, and Treasurer and state the corporate office held of all other individuals listed):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Identify any parent, subsidiary, or sister corporations involving the same or substantially the same officers and directors that will or may be involved in performance of the Project, and provide the same information requested above on a photocopy of this form.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If applicable, attach a copy of a certificate to do business in the state of Florida, or a copy of the application that has been accepted by the state of Florida to do business in the state of Florida, for Respondent and/or all out-of-state corporations that are listed pursuant to this form.



AFFIDAVIT AS TO NON-COLLUSION AND CERTIFICATION OF MATERIAL CONFORMANCE WITH SPECIFICATIONS

Include this form in the response

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, the undersigned, \_\_\_\_\_ being first duly sworn, depose and say that:

1. I am the owner or duly authorized officer, representative, or agent of:

\_\_\_\_\_  
Respondent that has submitted the attached bid.

2. The attached bid is genuine. It is not a collusive or sham bid.

3. I am fully informed respecting the preparation and contents of, and knowledgeable of all pertinent circumstances respecting the attached bid.

4. Neither Respondent nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other Respondent, firm, or person to submit a collusive or sham bid in connection with the Agreement for which the attached bid has been submitted, or to refrain from bidding in connection with such Agreement, or has in any manner, directly or indirectly, sought by agreement, collusion, communication, or conference with any other Respondent, firm, or person to fix the price or prices in the attached bid of any other Respondent, or to fix any overhead, profit, or cost element of the bid prices or the bid price of any other Respondent, or to secure through collusion, conspiracy, connivance, or unlawful agreement any advantage against the District or any other person interested in the proposed Agreement.

5. The price(s) quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of Respondent or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

6. No official or other officer or employee of the District, whose salary or compensation is payable in whole or in part by the District, is directly or indirectly interested in this bid, or in the supplies, materials, equipment, work, or labor to which it relates, or in any of the profits therefrom.

7. Any materials and equipment proposed to be supplied in fulfillment of the Agreement to be awarded conform in all respects to the specifications thereof. Further, the proposed materials and equipment will perform the intended function in a manner acceptable and suitable for the intended purposes of the District.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Notary Public, state of \_\_\_\_\_ at Large

My commission expires:

(SEAL)

QUALIFICATIONS — GENERAL

Include this form in the response

As part of the bid, Respondent shall complete the following so that the District can determine Respondent’s ability, experience, and facilities for performing the Work.

Name of Respondent: \_\_\_\_\_

Respondent’s tax identification No.: \_\_\_\_\_

Year company was organized/formed: \_\_\_\_\_

Number of years Respondent has been engaged in business under the present firm or trade name: \_\_\_\_\_

Total number of years Respondent has experience in issuing similar policies for group long-term disability insurance policies is work described in the INSTRUCTIONS TO RESPONDENTS: \_\_\_\_\_

Has Respondent previously been engaged in the same or similar business under another firm or trade name? If so, please describe each such instance.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Has Respondent ever been adjudicated bankrupt, initiated bankruptcy, or been the subject of bankruptcy proceedings on behalf of the current entity submitting this bid or a prior entity that Respondent substantially operated or controlled? If yes, please describe the nature and result of those proceedings and the entity involved.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the background/experience of the person or persons who will be primarily responsible for directing the Work that will be performed pursuant to this bid. This inquiry is intended to encompass the project manager and/or superintendent who will be engaged on a daily basis in directing performance of the Work.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

QUALIFICATIONS — SIMILAR POLICIES

Include this form in the response

Respondent (Insurance Carrier) must have issued at group long-term disability insurance policies for at least two other similar-sized entities (public or private) with more than 500 full-time employees in the past three years as described in the Instructions to Respondents. (Add additional sheet for optional additional completed entity policies.)

**Policy 1:**

Entity (public or private): \_\_\_\_\_

Current contact person at entity: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Address of entity: \_\_\_\_\_

Policy Type(s): \_\_\_\_\_

Description: \_\_\_\_\_

\_\_\_\_\_

Total Annual Premium: \_\_\_\_\_ Issue date: \_\_\_\_\_ Termination date: \_\_\_\_\_  
(month/year) (month/year)

Names of personnel assigned to manage the policies:

Insurance Agent: \_\_\_\_\_

Others: \_\_\_\_\_

\_\_\_\_\_

**Policy 2:**

Entity (public or private): \_\_\_\_\_

Current contact person at entity: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Address of entity: \_\_\_\_\_

Policy Type(s): \_\_\_\_\_

Description: \_\_\_\_\_

\_\_\_\_\_

Total Annual Premium: \_\_\_\_\_ Issue date: \_\_\_\_\_ Termination date: \_\_\_\_\_  
(month/year) (month/year)

Names of personnel assigned to manage the policies:

Insurance Agent: \_\_\_\_\_

Others: \_\_\_\_\_

\_\_\_\_\_

QUALIFICATIONS — CLIENT REFERENCE

Include this form in the response

Respondent’s designated Insurance Agent shall provide three client references, which may include the similar policies listed above. No more than one reference shall be from the District. (For similar projects listed above, simply state “Similar Project No. \_\_\_\_.”)

**Client Reference 1:**

Entity (public or private): \_\_\_\_\_

Current contact person at entity: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Entity Address: \_\_\_\_\_

Policy Type(s): \_\_\_\_\_

Description: \_\_\_\_\_

Total Annual Premium: \_\_\_\_\_ Insurance Agent: \_\_\_\_\_

**Client Reference 2:**

Entity (public or private): \_\_\_\_\_

Current contact person at entity: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Entity Address: \_\_\_\_\_

Policy Type(s): \_\_\_\_\_

Description: \_\_\_\_\_

Total Annual Premium: \_\_\_\_\_ Insurance Agent: \_\_\_\_\_

**Client Reference 3:**

Entity (public or private): \_\_\_\_\_

Current contact person at entity: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Entity Address: \_\_\_\_\_

Policy Type(s): \_\_\_\_\_

Description: \_\_\_\_\_

Total Annual Premium: \_\_\_\_\_ Insurance Agent: \_\_\_\_\_

DRUG-FREE WORKPLACE FORM

This form required only in the event of a tie response

Respondent, (business name) \_\_\_\_\_, in accordance with §287.087, Fla. Stat., hereby certifies that Respondent does the following:

1. Informs employees about the dangers of drug abuse in the workplace, the business’s policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations
2. Publishes a statement notifying employees that
  - a. the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against its employees for violations of such prohibition.
  - b. as a condition of working on the contractual services that are the subject of this solicitation, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893, Fla. Stat., or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five days after such conviction.
3. Gives each employee engaged in providing the contractual services that are the subject of this solicitation a copy of the statement specified in paragraph 2, above.
4. Imposes a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee’s community, by any employee convicted of a violation listed in sub-paragraph 2.b., above.
5. Makes a good faith effort to continue to maintain a drug-free workplace through implementation of §287.087, Fla. Stat.

As the person authorized to sign this statement, I certify that this firm complies fully with the above requirements.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_/

NO RESPONSE FORM  
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT  
INVITATION FOR BIDS 33194, LONG TERM  
DISABILITY COVERAGE FOR DISTRICT EMPLOYEES

Your reasons for not responding to this Invitation for Bids are valuable to the St. Johns River Water Management District’s procurement process. Please complete this form and return it to the Office of Procurement Services no later than the date set for receipt of bids. Thank you for your cooperation.

Please check (as applicable):

- Specifications too “general” (explain below)
- Insufficient time to respond to the Invitation for Bids
- Do not provide this type of work for this project
- Schedule would not permit us to perform
- Unable to meet bid specifications
- Specifications unclear (explain below)
- Disagree with solicitation or Agreement terms and conditions (explain below)
- Other (specify below)

Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE  
\_\_\_\_\_

RESPONDENT (FIRM NAME)  
\_\_\_\_\_

ADDRESS  
\_\_\_\_\_

E-MAIL ADDRESS  
\_\_\_\_\_

SIGNATURE \_\_\_\_\_ TYPED NAME AND TITLE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

**AGREEMENT  
BETWEEN THE  
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT  
AND \_\_\_\_\_ FOR  
LONG TERM DISABILITY INSURANCE COVERAGE FOR DISTRICT EMPLOYEES**

Respondent shall provide a copy of the agreement(s), forms and attachments necessary to culminate in the award of a contract to Respondent. Successful Respondent's Agreement shall be subject to the following General Requirements and Definitions.

**A. GENERAL REQUIREMENTS**

**1. TERM, SCHEDULE AND TIME OF PERFORMANCE`**

The Term of this Agreement shall be from October 1, 2018 ("Effective Date"), through September 30, 2019 ("Completion Date"). The District reserves the right to renew the policies for two additional 12-month periods.

**2. FUNDING CONTINGENCY.** This Agreement is at all times contingent upon funding availability, which may include a single source or multiple sources, including, but not limited to: (1) ad valorem tax revenues appropriated by the District's Governing Board; (2) annual appropriations by the Florida Legislature, or (3) appropriations from other agencies or funding sources. Agreements that extend for a period of more than one Fiscal Year are subject to annual appropriation of funds in the sole discretion and judgment of the District's Governing Board for each succeeding Fiscal Year. Should the Work not be funded, in whole or in part, in the current Fiscal Year or succeeding Fiscal Years, the District shall so notify Contractor and this Agreement shall be deemed terminated for convenience five days after receipt of such notice, or within such additional time as the District may allow. For the purpose of this Agreement, "Fiscal Year" is defined as the period beginning on October 1 and ending on September 30.

**3. AUDIT; ACCESS TO RECORDS.** Contractor must preserve its books and other records involving transactions related to this Agreement and provide the District, or its duly authorized representatives, access and necessary facilities to inspect and audit those records for five years after the receipt of funds. If an examination or audit is performed, Contractor must continue to maintain all required records until such audit has been completed and all questions arising from it are resolved. Contractor shall refund any payment(s) that are found to not constitute allowable costs based upon an audit examination.

**4. CIVIL RIGHTS.** Pursuant to chapter 760, Fla. Stat., Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, pregnancy, or national origin, age, handicap, or marital status.

**5. COOPERATION WITH THE INSPECTOR GENERAL, PURSUANT TO §20.055(5) FLA. STAT.** Contractor and any subcontractors understand and will comply with their duty, pursuant to §20.055(5), Fla. Stat., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

**6. DISPUTE RESOLUTION**

(a) **During the course of work.** In the event any dispute arises during the course of the Work, Contractor shall fully perform the Work in accordance with the District's written instructions and may claim additional compensation. Contractor is under a duty to seek clarification and resolution of any issue, discrepancy, or dispute by submitting a formal request for additional compensation,

schedule adjustment, or other dispute resolution to the District's Project Manager no later than 15 days after the precipitating event. If not resolved by the Project Manager within five business days, the Project Manager shall forward the request to the District's Office of General Counsel, which shall issue a written decision within 15 days of receipt. This determination shall constitute final action of the District and shall then be subject to judicial review upon completion of the Work. **Contractor shall proceed with the Work in accordance with said determination. This shall not waive Contractor's position regarding the matter in dispute.**

- (b) **Invoices.** In the event the District rejects an invoice as improper, and the Contractor declines to modify the invoice, the Contractor must notify the District in writing within ten days of receipt of notice of rejection that the Contractor will not modify the invoice and state the reason(s) therefor. Within five business days of receipt of such notice, if not informally resolved through discussion with the District Project Manager, the Project Manager shall forward the disputed invoice and the Contractor's written response to the District's Office of General Counsel. The matter shall then proceed as described in subsection (a), above.

7. **GOVERNING LAW, VENUE, ATTORNEY'S FEES, WAIVER OF RIGHT TO JURY TRIAL.** This Agreement shall be construed according to the laws of Florida and shall not be construed more strictly against one party than **against** the other because it may have been drafted by one of the parties. As used herein, "shall" is always mandatory. In the event of any legal proceedings arising from or related to this Agreement: (1) venue for any state or federal legal proceedings shall be in Duval County; (2) each party shall bear its own attorney's fees, including appeals; (3) for civil proceedings, the parties hereby consent to trial by the court and waive the right to jury trial.
8. **INTEREST IN THE BUSINESS OF CONTRACTOR; NON-LOBBYING.** Contractor certifies that no officer, agent, or employee of the District has any material interest, as defined in chapter 112, Fla. Stat., either directly or indirectly, in the business of Contractor to be conducted under this Agreement, and that no such person shall have any such interest at any time during the term of this Agreement. Pursuant to §216.347, Fla. Stat., monies received from the District pursuant to this Agreement shall not be used to lobby the Florida Legislature or any other state agency.
9. **INDEPENDENT CONTRACTOR.** Contractor is an independent contractor. Neither Contractor nor Contractor's employees are employees or agents of the District. Contractor controls and directs the means and methods by which the Work is accomplished. Contractor is solely responsible for compliance with all labor, health insurance (Patient Protection and Affordable Care Act 42 U.S.C. §§ 18001, et seq.), and tax laws pertaining to Contractor, its officers, agents, and employees, and shall indemnify and hold the District harmless from any failure to comply with such laws.

## 10. PUBLIC RECORDS

- (a) Contractor is responsible for identifying confidential trade secret information as such upon submittal to the District. Notwithstanding any other provision hereof, the District shall not be liable to Contractor for release of confidential information not identified as such upon submittal. If the District receives a public records request that requests information claimed to be confidential by Contractor, the District shall take such steps as are necessary to comply with chapter 119, Fla. Stat., while protecting the confidentiality of trade secret information. In the event of a dispute as to whether the requested information is a trade secret, Contractor shall be liable for all costs incurred by the District resulting from the dispute, including any court costs and attorney's fees. The calculation of those costs shall not include costs that are charged to the public records requestor.
- (b) Contractor shall comply with Florida Public Records law under Chapter 119, Fla. Stat. Records made or received in conjunction with this Agreement are public records under Florida law, as



defined in §119.011(12), Fla. Stat. Contractor shall keep and maintain public records required by the District to perform the services under this Agreement.

- (c) If Contractor meets the definition of “Contractor” found in §119.0701(1)(a), Fla. Stat.; [i.e., an individual, partnership, corporation, or business entity that enters into a contract for services with a public agency and is acting on behalf of the public agency], then the following requirements apply:
- (i) Pursuant to §119.0701, Fla. Stat., a request to inspect or copy public records relating to this Agreement for services must be made directly to the District. If the District does not possess the requested records, the District shall immediately notify the Contractor of the request, and the Contractor must provide the records to the District or allow the records to be inspected or copied within a reasonable time. If Contractor fails to provide the public records to the District within a reasonable time, the Contractor may be subject to penalties under s. 119.10, Fla. Stat.
  - (ii) Upon request from the District’s custodian of public records, Contractor shall provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Fla. Stat., or as otherwise provided by law.
  - (iii) Contractor shall identify and ensure that all public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Contractor does not transfer the records to the District.
  - (iv) Upon completion of the Agreement, Contractor shall transfer, at no cost to District, all public records in possession of Contractor or keep and maintain public records required by the District to perform the services under this Agreement. If the Contractor transfers all public records to the District upon completion of the Agreement, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Agreement, the Contractor shall meet all applicable requirements for retaining public records. All records that are stored electronically must be provided to the District, upon request from the District’s custodian of public records, in a format that is accessible by and compatible with the information technology systems of the District.

- (d) **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLA. STAT., TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE DISTRICT’S CUSTODIAN OF PUBLIC RECORDS AT:**

**District Clerk  
St. Johns River Water Management District  
4049 Reid Street  
Palatka, Florida 32177-2571  
(386) 329-4127  
[clerk@sjrwm.com](mailto:clerk@sjrwm.com)**

11. **RELEASE OF INFORMATION.** Contractor shall not publish or release any information related to performance of this Agreement, or prepare, publish, or release any news or press release in any way related to this Agreement, without prior District review and written consent.

**ADDITIONAL PROVISIONS**  
**(In Alphabetical Order)**

**12. DEFINITIONS**

**ADDENDA:** Written or graphic instruments issued prior to the opening of responses, which make additions, deletions, or revisions to the solicitation or contract documents.

**AGREEMENT:** The written contract between the District and Contractor covering the Work, which includes all documents attached to this Agreement or incorporated herein by reference. The words “contract” and “Agreement” are synonymous in these documents.

**AMENDMENT:** Any written change made to the terms and conditions of the Agreement.

**BID:** The written offer of Respondent (when submitted on the reproduced approved forms) to perform the Work and furnish the necessary materials in accordance with the provisions of this Agreement.

**BUSINESS DAY:** Monday through Friday, excepting those holidays observed by the District – New Years Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Veteran’s Day, Thanksgiving (and Friday), and Christmas Day.

**CHANGE ORDER:** A written agreement of the parties after the Commencement Date to amend this Agreement so as to modify the Statement of Work or the Total Compensation or provide for an extension of time.

**CONTRACTOR:** Contractor, its officers, employees, agents, successors, and assigns.

**CONTRACTOR’S PROJECT MANAGER:** The individual designated by the Contractor to be responsible for overall coordination, oversight, and management of the Work for Contractor.

**INVITATION FOR BIDS:** An advertised solicitation for sealed competitive Bids, with the title, date, and hour of the public opening designated. It includes a detailed description of the goods and/or services sought, the date for submittal of Bids, and all contractual terms and conditions.

**PERSON:** Any individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee, or capacity, whether appointed by a court or others, and any combination of individuals.

**STATEMENT OF WORK:** The District’s written directions, requirements and technical specifications for completing the Work. Standards for specifying materials or testing that are incorporated therein by reference shall have the same force and effect as if fully set forth therein.

**SUBCONTRACTORS:** Those persons having a direct contract with Contractor relating to performance of the Work, including one who furnishes material worked into a special design in accordance with the plans or specifications of the Work, but not including one who merely furnishes material.

**TOTAL BID:** The total cost to be paid to Contractor for completion of the Work.

**TOTAL COMPENSATION:** The total funds to be expended pursuant to this Agreement upon satisfactory completion of the Work.

**WORK:** All labor, materials, equipment, transportation, supporting documentation, and other products, services, or facilities necessary for complete performance of the Agreement.

ATTACHMENT A — STATEMENT OF WORK

**I. OBJECTIVE**

To provide group long term disability (LTD) insurance coverage for District employees (benefit-eligible positions) by entering into an agreement with the Successful Respondent(s) by providing fixed rates for a one-year period, with the option to renew for two additional 12-month period at the rate cap guaranteed amounts.

**II. PROJECT TIMELINE**

Carrier Set Up	Date*
Data Transfer to Carriers .....	TBD
Carrier Data Load .....	TBD
Bills Produced and Administrative Clean Up .....	TBD
Installation Review Meeting .....	TBD
New Plan Effective Date.....	October 1, 2018
Provide Summary Plan Document.....	TBD

Establishment of the above dates will be coordinated with Successful Respondent.

**III. CURRENT POLICY**

The District currently maintains LTD insurance plans, with 100% of the premiums paid by the District. The current LTD carrier is Madison National Life Insurance Company (Madison). Madison has been the District’s LTD carrier since October 1, 2015. A summary of the LTD claims experience is included as Exhibit 2. The following claim information and policy documents are attached:

- Exhibit 1 — Acknowledgment of Intent
- Exhibit 2 — Long Term Disability Claims Experience
- Exhibit 3 — Long Term Disability Insurance Benefit Summary
- Exhibit 4 — Class 1 Long Term Disability Certificate of Insurance
- Exhibit 5 — Class 2 Long Term Disability Certificate of Insurance
- Exhibit 6 — Class 3 Long Term Disability Certificate of Insurance
- Exhibit 7 — Class 4 Long Term Disability Certificate of Insurance
- Exhibit 8 — Census of District Employees (separate Excel® file – must be requested by completing and submitting Exhibit 1

The District participates in the Florida Retirement System (FRS), which offers eligible employees a retirement disability benefit. Long term disability benefits offered under the current LTD insurance policy are reduced by any FRS disability retirement benefit received by eligible employees. Additional information about FRS disability benefits can be found in Chapter 10 of the *FRS Pension Plan Employer Handbook* (accessible here: <https://www.dms.myflorida.com/content/download/18512/98556>).

**IV. DISTRICT WORKFORCE**

The St. Johns River Water Management District is an environmental regulatory agency of the state of Florida whose work is focused on ensuring a long-term supply of drinking water, and to protect and

restore the health of water bodies in the District's 18 counties in northeast and east-central Florida. While the District works closely with utilities on water supply issues, the District is not a water supplier. The District's staff includes biologists, geologists, hydrologists, engineers, planners, financial officers, information technology specialists, land managers, laboratory technicians and others from scientific and nonscientific fields. Many staff have advanced academic degrees and years of experience in their fields, both in the private and public sectors. In addition, many have been recognized for their work in the state, nationally and internationally.

The District offers a comprehensive benefits package to full and part-time employees (not less than 16 hours per week) in an authorized position. Several benefits are offered at no cost to employees, while others require employee contributions. Long term disability insurance is one of the benefits offered at no cost to employees.

#### **INSTRUCTIONS FOR RECEIVING CENSUS FILE:**

**A census of District employees is available as Exhibit 8 as a separate Excel® file. To receive this exhibit, complete and return Exhibit 1 — Acknowledgment of Intent, to Alan Weaver, Sr. Procurement Specialist, at [aweaver@sjrwmd.com](mailto:aweaver@sjrwmd.com) by no later close of business on July 3, 2018 (5:00 p.m., EDT). Census data will be sent within four business hours of receipt of the Acknowledgment of Intent.**

#### **V. PROPOSED POLICY REQUIREMENTS**

- Fully insured, non-contributory long-term disability (LTD) plan for St. Johns River Water Management District.
- Assume the current plan design (coverage with benefits equal to or greater than current plans), with one modification: the LTD plan will be divided into two classes of employees (reduced from the four classes currently in place):
  - Class 1 — All benefit-eligible employees, other than senior management
    - Provide coverage and benefits equal to or greater than those provided in Exhibit 4 (Class 1 Long Term Disability Certificate of Insurance).
  - Class 2 — All Senior Management Employees
    - Provide coverage and benefits equal to or greater than those provided in Exhibit 7 (Class 4 Long Term Disability Certificate of Insurance).

The District is requesting a reduction in the number of classes to assist in the administration of the benefit. Because the vast majority of non-senior management employees are currently in Class 1, the District is requesting that the new single class for all non-senior management employees provide the same coverage and benefits equal to or greater than those currently provided to Class 1.

#### **VI. GENERAL REQUIREMENTS**

1. Successful Respondent must provide the following:
  - HIPAA administration assistance for the LTD insurance policies at no additional cost.
  - An “800 number” to call in for service reports.
  - Financial and utilization reports to the District on a quarterly basis.

- A member-communications program, including materials and assistance.
  - A complaint resolution process for employees and the District.
  - A description of the resources available for claim avoidance or mitigation, such as support for workplace accommodation or wellness programs.
2. No employee of the District will lose coverage simply because of a change of carriers/ administrators. This applies to all contracts, all plans, etc.
  3. Successful Respondent designated insurance agent may not be changed unless approved in writing by the District.
  4. The District will continue to pay 100% of the premiums for LTD benefits through self-administration and enrollment of employees through self-directed uploads.

**VII. CURRENT PREMIUMS**

Long term disability rate ..... \$ 0.295/\$100 of payroll  
 Long term disability paid premium..... \$ 98,394 (May 1, 2017 – April 30, 2018)  
*Payroll during May 1, 2017 – April 30, 2018 = \$33,353,898*

**VIII. AGENT COMMISSIONS**

Currently, there is an Insurance Agent involved. Respondents shall designate one insurance agent to service the District’s account. Respondents are to clearly identify the agent. Multiple responses submitted by the same Respondent or insurance carrier will be subject to disqualification. Bids submitted without an agent identified will be subject to disqualification.

The maximum acceptable commission rate for all lines of coverage is 15%. Premiums quoted in bids must be inclusive of any commission paid to an agent.

Insurance Agent duties will be as follows\*:

1. Attend quarterly review meetings with the District’s Project Manager and the appropriate carrier representative, if requested.
2. Keep the District’s Project Manager informed as to industry trends that might affect benefit planning.
3. Intervene when requested by the District’s Project Manager or Office of Human Resources staff on behalf of employees with personal claims problems.
4. Other – As directed by the District’s Project Manager.

\* Should agent not successfully fulfill the duties listed, District reserves the right to require agent replacement.

EXHIBIT 1 — ACKNOWLEDGMENT OF INTENT

By completing this form, I acknowledge receipt of the St. Johns River Water Management District's Invitation for Bids for Long Term Disability Insurance and my intent to submit a bid in accordance with IFB 33194.

To complete the underwriting necessary to prepare a bid, I am requesting a census of District employees.

Please send the census and all communications regarding the IFB to the following individual:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Please send completed Acknowledgment form to:**

St. Johns River Water Management District  
Attn: Alan Weaver, Sr. Procurement Specialist  
4049 Reid Street  
Palatka, FL 32177  
Email: aweaver@sjrwm.com

**Respondents must request this information by not later than close of business:**

**July 3, 2018 (5:00 p.m., EDT)**

## EXHIBIT 2 — LONG TERM DISABILITY CLAIMS EXPERIENCE

Prepared 4/11/18

<b>From Through</b>	<b>10/01/2015 12/31/2015</b>	<b>01/01/2016 12/31/2016</b>	<b>01/01/2017 12/31/2017</b>	<b>01/01/2018 02/28/2018</b>	<b>Combined</b>
Earned Premium	\$ 27,929	\$ 101,240	\$ 98,056	\$ 15,289	\$ 242,514
Paid Claims	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Open Reserves	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
IBNR	\$ 0	\$ 0	\$ 20,048	\$ 4,010	\$ 24,058
Total Incurred Claims	\$ 0	\$ 0	\$ 20,048	\$ 4,010	\$ 24,058
<b>Loss Ratio</b>	<b>0%</b>	<b>0%</b>	<b>20%</b>	<b>26%</b>	<b>10%</b>

## ATTACHMENT B — INSURANCE REQUIREMENTS

Contractor shall acquire and maintain until completion of the Work the insurance coverage listed below, which constitutes primary coverage. Contractor shall not commence the Work until the District receives and approves Certificates of Insurance documenting required coverage. Contractor's General Liability policy shall include Endorsement CG 20 10 04 13, or equivalent, naming the St. Johns River Water Management District (the "District") as Additional Insured. All required policies shall include: (1) endorsement that waives any right of subrogation against the District for any policy of insurance provided under this requirement or under any state or federal worker's compensation or employer's liability act; (2) endorsement to give the District no less than 30 days' notice in the event of cancellation or material change. Certificates of Insurance must be accompanied by copies of the requested endorsements.

Any deductibles or self-insured retentions above \$100,000 must be declared to and approved by the District. Approval will not be unreasonably withheld. Contractor is responsible for any deductible or self-insured retention. Insurance must be placed with insurers having an A.M. Best rating of A-V or greater. District receipt of insurance certificates providing less than the required coverage does not waive these insurance requirements.

- B. **Workers' Compensation Insurance.** Workers' compensation and employer's liability coverage, including maritime workers' compensation, if applicable, in not less than the minimum limits required by Florida law. If Contractor claims an exemption from workers' compensation coverage, Contractor must provide a copy of the Certificate of Exemption from the Florida Division of Workers' Compensation for all officers or members of an LLC claiming exemption who will be participating in the Work. In addition, Contractor must provide a completed District "Affidavit (Non-Construction)" for non-construction contracts.
- C. **General Liability.** Commercial General Liability Insurance on an "Occurrence Basis," with limits of liability not less than \$500,000 for personal injury, bodily injury, and property damage. Coverage shall include: (1) contractual liability, (2) products and completed operations, (3) independent contractors, and (4) property in the care, control, or custody of the Contractor. Extensions shall be added or exclusions deleted to provide the necessary coverage.
- D. **Automobile Liability.** Minimum limits of \$100,000/\$300,000/\$500,000
- E. **Professional Liability.** (Per claim) \$1,000,000 single limits.



ATTACHMENT C — DISTRICT’S SUPPLEMENTAL INSTRUCTIONS (sample)

DISTRICT SUPPLEMENTAL INSTRUCTIONS #

DATE:

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FROM: Barbara Johnston, Project Manager

CONTRACT NUMBER: 33194

CONTRACT TITLE: Long Term Disability Insurance Coverage for District Employees

The Work shall be carried out in accordance with the following supplemental instruction issued in accordance with the Contract Documents without change in the Contract Sum or Contract Time. Prior to proceeding in accordance with these instructions, indicate your acceptance of these instructions for minor adjustments to the work as consistent with the Contract Documents and return to the District’s Project Manager.

1. CONTRACTOR’S SUPPLEMENTAL INSTRUCTIONS:

2. DESCRIPTION OF WORK TO BE CHANGED:

2. DESCRIPTION OF SUPPLEMENTAL INSTRUCTION REQUIREMENTS: .

**Contractor’s approval: (choose one of the items below):**

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

(It is agreed that these instructions shall not result in a change in the Total Compensation or the Completion Date.)

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

(Contractor agrees to implement the Supplemental Instructions as requested, but reserves the right to seek a Change Order in accordance with the requirements of the Agreement.)

Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Barbara Johnston, District Project Manager

Acknowledged: \_\_\_\_\_ Date: \_\_\_\_\_  
Alan Weaver, District Sr. Procurement Specialist

c: Contract file  
Financial Services

## EXHIBIT 3 - LTD BENEFIT SUMMARY

# Long-Term Disability Income Insurance Benefit Summary

**Prepared For:** St Johns River Water Management District

### Eligibility:

To be eligible, you must work a minimum of 16 hours per week.

### Waiting Period:

You are benefit eligible as follows:

- Senior Management Employees: upon your date of hire.
- All Others: the first of the month following a 30 day waiting period, unless hired on February 1<sup>st</sup>, in which case you are eligible on March 1<sup>st</sup>.

### Benefit Amount:

The District provides all eligible employees with coverage in an amount of 66-2/3% of your basic monthly salary; not to exceed a maximum monthly benefit of \$9,400.

### Pre-Existing Conditions:

Definition: A pre-existing condition is a condition for which you have consulted a medical provider or received medical treatment or services during the 3 month period prior to your effective date of coverage.

Coverage under this plan: You cannot receive benefits due to a pre-existing condition until you have been continuously covered under the group policy for at least 12 months and have been actively at work for at least one day after the end of that 12 months.

### Definition of Disability:

As a result of physical disease, injury, mental disorder, substance abuse or pregnancy, you are considered disabled if you are unable to perform one or more of the material duties of your *Own Occupation* during your *Own Occupation Period*. After your *Own Occupation Period* ends, you are still considered disabled only if you are unable to perform one or more of the material duties of *Any Occupation*. Note: If you are still working but unable to earn at least 80% of your pre-disability income because of your covered disability, you may be considered disabled.

Own Occupation Periods are as follows:

- Employees whose annual Earnings are greater than \$40,000, including Senior Management: Benefit Duration

- Employees whose annual Earnings are \$30,000 or more but equal to or less than \$40,000: 60 months
- All Employees whose annual Earnings are less than \$30,000: 24 months

### Earning Income While Disabled:

As with most Disability Income Insurance plans, benefits are reduced by other income you may receive during a disability, including Social Security or a State Retirement Disability benefit plan. Please see your certificate of insurance for details.

### Minimum Monthly Benefit:

\$100

### Elimination Period:

Benefits will begin 90 days after suffering a covered illness or accident.

### How Long Benefits Will Be Paid:

If you should suffer a covered disability before age 60, this plan can pay benefits until the later of age 65 or Social Security Normal Retirement Age. If you suffer a covered disability after age 60, refer to the maximum benefit period in your certificate of insurance.

### Additional Coverage:

**Survivor Benefit:** Survivor Benefit allows your spouse or other defined survivor to collect a benefit if you should die while receiving payments (for at a specified time period) under a covered disability. The lump sum is usually equal to three months of your last disability payment. See certificate of insurance for details.

**Rehabilitation Benefit:** If you are receiving a benefit under the policy, you may enter a rehabilitation program supervised by a physician and approved by the company. While in this program, you are considered totally disabled. The monthly benefit may be reduced by 50 percent of any income earned for work done under the program.

## EXHIBIT 3 - LTD BENEFIT SUMMARY

**Reasonable Accommodation Expense Benefit:** If you return to work for an employer (not including self-employment) who has made reasonable accommodations for you, *upon insurance carrier approval*, we will pay your employer a Reasonable Accommodation Expense Benefit. See certificate of insurance for details.

### When Coverage Ends:

Coverage ends if your hours drop below 16 hours per week or if you retire or fail to make timely premium payments. Also, if you become eligible under another group Long-Term Disability Insurance policy, your coverage under this policy will end. If you are a contract employee not returning to work the next contract year, your coverage will end the earlier of the following: the date you become employed with another employer, your retirement date or expiration of the current contract year.

### How to Enroll:

Please complete the enrollment form and return it to your Benefits Administrator.

### Questions:

Contact Ochs, Inc.  
[ochs@ochsinc.com](mailto:ochs@ochsinc.com)  
(800) 392-7295

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### Exclusions and Limitations

- A. War.
- B. Criminal Conduct.
- C. Military Leave.
- D. Imprisonment.
- E. Intentionally Self-Inflicted Injury-Suicide.
- F. Pre-existing Conditions.

### Limitations

#### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 12 months during your lifetime for all periods of Disability.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician.
3. Exception to 12-month limitation.
  - a) If at the end of that 12 month period, you are confined to a qualified Hospital or other facility, then the benefit period may be extended.
  - b) Benefits may be payable for the length of the confinement and for up to 90 days following the end of the confinement.

**B. Foreign Residency.** Payment of LTD Benefits is limited to 6 months while you reside outside of the United States or Canada.

**C. Payment Limit.** If you are working during a covered Disability, in no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Pre-disability Earnings.



This brochure is not the insurance contract. It is a brief description of your insurance plan. For complete details including all benefits, exclusions and limitations, refer to the certificate GLDI-C200-(0413)-FL as issued by your employer.

**GROUP LONG TERM DISABILITY  
INSURANCE**

St. Johns River Water Management  
Palatka, Florida

All Eligible Employees whose annual Earnings are greater  
than \$40,000, except Senior Management

# Certificate of Insurance

## GROUP LONG TERM DISABILITY INSURANCE

St. Johns River Water Management  
Palatka, Florida

All Eligible Employees whose annual Earnings are greater  
than \$40,000, except Senior Management

The  
**Municipal POOL**  
Administered by Ochs, Inc.

Policy underwritten by:  
 **Madison National  
Life Insurance Company**  
Independence Holding Group

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

1241 John Q. Hammons Drive · Madison, WI 53717

**GROUP LONG TERM DISABILITY INSURANCE  
CERTIFICATE OF COVERAGE**

The Group Policy has been issued to the Policyowner. No coverage under the Group Policy is in effect until approved in writing by Madison National Life Insurance Company, Inc.

The Employer must apply for group long term disability insurance coverage under the Group Policy and join the Policyowner by submitting a completed Joinder Agreement and agreeing to pay premiums. The Group Policy contains numerous optional and variable provisions. The options and variables we have approved for the Employer's coverage under the Group Policy are contained in the Joinder Agreement and the Certificate(s) of Coverage. Only those provisions of the Group Policy which appear in the Joinder Agreement and the Certificate(s) of Coverage will apply to the Employer's coverage under the Group Policy. All provisions on this and the following pages are part of the Certificate of Coverage.

The Group Policy is on file and available for review at the main office of the Policyholder. The Certificate summarizes and explains the parts of the Group Policy that apply to you. This certificate is not an insurance policy. In the event of any conflict between the Group Policy and the Certificate, the Group Policy will control.

This Certificate replaces any other Certificates previously provided to you under the Group Policy.

Unless defined differently within a particular provision, the terms "you" and "your" mean the Eligible Person. "We", "us" and "our" mean Madison National Life Insurance Company. Other defined terms appear with their initial letters capitalized. References to section headings appear in quotation marks.

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

By



Larry R. Graber  
President

**The benefits of the policy providing your coverage are governed primarily by the law of a state other than Florida.**

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**Please be advised that should you have any questions or complaints regarding this insurance, you may telephone us toll-free at 1-800-356-9601.**

### **SCHEDULE OF BENEFITS**

Employer(s):	St Johns River Water Management
Plan Number:	1588
Original Plan Effective Date:	October 1, 2015
Eligible Class:	Class 01: All Eligible Employees whose annual Earnings are greater than \$40,000, except Senior Management
Employer Premium Contribution:	100%
Elimination Period:	90 consecutive calendar days
Minimum Hourly Work Requirement:	20 hours per week
Waiting Period:	Employees hired on February 1st will be effective on March 1st; Employees not hired on February 1st - 30 days
Evidence of Insurability:	Required for Late Enrollees, Increases and amounts exceeding the Guarantee Issue, except as specified under the Becoming Insured section
Employee Eligibility Date:	Employees hired on February 1st - Upon completion of the Waiting Period; All Other Employees not hired on February 1st - First of the month following completion of the Waiting Period
Minimum Participation Requirement:	100%
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while on Paid or Unpaid Leave; Coverage with premium payment until the end of the month following the month in which a Layoff began



Definition of Disability: Zero Day

Own Occupation Period: From the end of the Elimination Period to the end of the Maximum Benefit Period

Any Occupation Period: N/A

Cumulative Elimination Period: 30 Working Days

Recurrent Disability: 6 months

Predisability Earnings: Base pay only

Maximum Monthly Covered Salary: \$14,100

LTD Benefit Percentage: 66.67%

Maximum Monthly Benefit: \$9,400

Guarantee Issue: \$9,400

Minimum Monthly Benefit: \$100

Maximum Benefit Period:

Age at Disablement	Benefit Duration
Under age 61	SSNRA, but not less than 60 months
61	SSNRA, but not less than 48 months
62	SSNRA, but not less than 42 months
63	SSNRA, but not less than 36 months
64	SSNRA, but not less than 30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Work Incentive Period: First 12 months of Disability with Work Earnings

Sick Pay: Sick pay plus LTD Benefit to 100% of Predisability Earnings

Social Security Integration:	Full Family
Freeze Type:	General Freeze
Pre-existing Condition Exclusion:	3 months/12 months - Initial amounts and coverage increases
Mental Disorder Limitation:	12 Months Lifetime unless hospital confined, with recovery
Substance Abuse Limitation:	12 Months Lifetime unless hospital confined, with recovery
Special Conditions Limitation:	12 Months Lifetime
Claim Payment Method:	Monthly
Conversion of Insurance Benefit:	Included
Reasonable Accommodation Expense Benefit:	Included
Rehabilitation Benefit:	Included
Survivor Benefit:	Included

GLDI-C400-(0413)-FL

## DEFINITIONS

**Active Work** and **Actively at Work** are defined in Section II.

**Any Occupation** means any job for which you are qualified by education, training, or experience regardless of whether you are working in that or another occupation.

**Contributory** means that you pay all or a portion of the premium for insurance.

**CPI-W** means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

**Deductible Income** is defined in Section XIV.

**Disability** and **Disabled** are defined in Section VIII.

**Eligible Class** means an employment classification defined by the Employer and specified in the "Schedule of Benefits". You must be a member of an Eligible Class in order to be eligible for insurance under the Group Policy.

**Eligible Person** is defined in Section II.

**Elimination Period** means the period of time that you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable during the Elimination Period. Your Elimination Period is specified in the "Schedule of Benefits".

**Employee** is defined in Section II.

**Employer** means an employer (including approved affiliates and subsidiaries) participating in National Insurance Services of Wisconsin Insurance Trust and to which we have assigned a Plan Number and issued a Joinder Agreement.

**Evidence of Insurability** is defined in Section III.

**Group Policy** with respect to the Policyowner means the group LTD insurance policy issued by us to the Policyowner. Group Policy with respect to an Employer means only those provisions of the Group Policy, including the options and variables requested by the Employer, that we have approved for that Employer with respect to its eligible employees. The Employer's coverage under the Group Policy is described in the Joinder Agreement provided by us to the Employer and identified by the Plan Number.

**Gross LTD Benefit** is defined in Section XIII.

**Guarantee Issue** is the amount of coverage provided, up to the Maximum Monthly Benefit, which is not subject to Evidence of Insurability.

**Hospital** means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted annually by the rate of increase in the CPI-W. During the first year of Disability, Indexed Predisability Earnings are the same as the Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability using the above method. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings may increase or remain the same, but will never decrease, even if the CPI-W decreases.

**Injury** means a bodily injury that is the direct result of an accident, that is not related to any other cause, and which in and of itself results in your Disability. Benefits will be payable to you only if the Injury occurs while you are insured under the Group Policy.

**Insured Person** means an Eligible Person whose coverage has become effective under the Group Policy.

**Joinder Agreement** means the document entered into between the Policyowner, the Employer and us describing the coverage requested by the Employer with respect to its Employees, which has been approved by us and assigned a Plan Number.

**Late Enrollee** means an Employee who applies for coverage under the Group Policy more than 31 days after becoming an Eligible Person.

**LTD** means long term disability.

**LTD Benefit** means the net benefit payment due to you after deductions are applied to your Gross LTD Benefit as provided for under the Group Policy. Your LTD Benefit is calculated under Section XIII.

**Material Duties** is defined in Section II.

**Maximum Benefit Period** means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Elimination Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. Your Maximum Benefit Period is specified in the "Schedule of Benefits".

**Mental Disorder** means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease.

**Noncontributory** means the Employer pays the entire premium for insurance.

**Own Occupation** means the occupation you routinely perform for the Employer at the time Disability begins..

**Physical Disease** means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician. Physical Disease includes Pregnancy.

**Physician** means a licensed medical professional under the laws of a state of the United States of America, acting within the scope of such license, who is permitted by law to prescribe medications and practice independent of supervision.

For the purpose of this Group Policy, Physician will not include you or your Spouse, or the brother, sister, parent or child of either an Insured Person or an Insured Person's Spouse.

**Plan Effective Date** means the date on which the Group Policy (with respect to the Employer) becomes effective.

**Plan Number** means the number used by us to reference an Employer and the terms of coverage specified under that Employer's Joinder Agreement.

**Policyowner** means National Insurance Services of Wisconsin Insurance Trust.

**Predisability Earnings** is defined in Section XII.

**Pre-existing Condition** is defined in Section XVII.

**Pregnancy** means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

**Prior Plan** means an Employer's group long term disability insurance plan in effect on the day immediately preceding the Plan Effective Date under this Group Policy.

**Proof of Loss** is defined in Section XX.

**Regular Care of a Physician** means:

1. that you personally visit a Physician as frequently as is medically required according to standard medical practice, but in no event less than annually, to effectively manage and treat your disabling condition(s);
2. that your Physician is rendering appropriate treatment and care for the disabling condition(s) which conform(s) with standard medical practice and is the most appropriate for the disabling condition(s), according to standard medical practice; and
3. that you are complying with all aspects of the treatment plan prescribed by the Physician.

**Retirement Date** means the date you retire as defined by your Employer.

**Special Condition** means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following:

1. Chronic headaches;
2. Chronic pain;
3. Tinnitus (ringing of the ears);
4. Chronic Fatigue Syndrome.

**Spouse** means a person to whom you are legally married and from whom you are not legally separated.

**Substance Abuse** means a condition listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305.

**Waiting Period** is defined in Section II and the "Schedule of Benefits".

**Work Earnings** means your gross monthly earnings from work performed while Disabled.

If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings, we:

1. will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis;
2. will not be limited to the taxable income you report to the Internal Revenue Service;
3. may ignore expenses under section 179 of the IRC as a deduction from your gross earnings;
4. may ignore depreciation as a deduction from your gross earnings;
5. may adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine Work Earnings by averaging your earnings over the most recent 3 month period.

GLDI-C500-(0413)-FL

## I. INSURING CLAUSE

- A. If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy, after we receive satisfactory Proof of Loss.

GLDI-c600(0413)

## II. ELIGIBILITY FOR INSURANCE

- A. To be eligible for insurance under the Group Policy, you must be an Eligible Person. An **Eligible Person** is an Employee who has met the following requirements:
1. You must be an Employee. **Employee** means an individual who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes.
  2. You must be a citizen or legal resident of the United States or Canada, and you must reside in the United States or Canada;
  3. You must be Actively at Work and capable of sustained Active Work on the effective date of your coverage and on the effective date of any subsequent increase in LTD coverage because of an Eligible Class of Group Policy change.
    - a) **Active Work** and **Actively at Work** mean performing all the Material Duties of your Own Occupation at your Employer's usual place of business, and satisfying the Minimum Hourly Work Requirement. Actively at Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days.
    - b) **Minimum Hourly Work Requirement** means the work hours over a given time period that are required of you by your Employer in order to be eligible for coverage. Your Minimum Hourly Work Requirement is specified in the Schedule of Benefits.
    - c) **Material Duties** means the duties generally required by employers in the national economy of those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will working an average of more than 40 hours per week be considered a Material Duty.
  4. You cannot be a part-time employee, temporary or seasonal employee, full-time member of the armed forces of any country, leased employee or independent contractor.
  5. You must satisfy your Waiting Period. **Waiting Period** means the period of time that you must be Actively at Work as an Employee before your coverage may become effective. Your Waiting Period is specified in the "Schedule of Benefits".

GLDI-C700-(0413)

## III. BECOMING INSURED

- A. To become an Insured Person under the Group Policy, you must be an Eligible Person and meet the following requirements as each may apply:
1. If Evidence of Insurability is required, you must provide such Evidence of Insurability and be approved for coverage by us. The Schedule of Benefits specifies when Evidence of Insurability is required.
  2. Evidence of Insurability.
    - a) Providing **Evidence of Insurability** means that an applicant must:

- (1) complete and sign our Evidence of Insurability application and return the original application to us no later than 60 days from the date of signing; and
  - (2) authorize us to obtain information about the applicant's health; and
  - (3) provide any additional information about the applicant's insurability that we may reasonably require.
- b) If you, your Spouse or your dependents are required to provide Evidence of Insurability, you will be responsible for all costs associated with providing Evidence of Insurability.
  - c) In each case where Evidence of Insurability is required, we base our decision whether to approve coverage on the information provided during the underwriting process. If we learn that the information relied on to approve coverage was incorrect, or that relevant information was omitted, we may retroactively rescind coverage and deny claims.
3. If the insurance you wish to obtain is Contributory insurance, you must apply in writing and remit the required premiums.

## B. Effective Date of Your Insurance

### 1. Initial Enrollment

- a) Noncontributory insurance not subject to Evidence of Insurability, or which is subject to Evidence of Insurability and has been approved by us, becomes effective on the date you become an Eligible Person. If, however, you initially waive participation in such coverage and then later wish to participate, you will be treated as a Late Enrollee, subject to Evidence of Insurability.
- b) Contributory insurance subject to Evidence of Insurability becomes effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- c) Contributory insurance not subject to Evidence of Insurability. Provided that you apply prior to, or within 31 days of becoming an Eligible Person, Contributory insurance not subject to Evidence of Insurability becomes effective on the date you become an Eligible Person. If you do not apply for such coverage prior to, or within 31 days of becoming an Eligible Person and subsequently wish to obtain coverage, you will be a Late Enrollee, subject to Evidence of Insurability.

### 2. Increases in Existing Coverage and Late Enrollee Applications

- a) Where Evidence of Insurability is required, increases of existing coverage and Late Enrollee applications become effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- b) Where Evidence of Insurability is not required, an increase of existing coverage becomes effective on the date that you become eligible for such coverage.

3. If you are incapable of sustained Active Work due to a Disability on the day before the scheduled effective date of your insurance, such insurance will not become effective until the day after you are capable of sustained Active Work and complete one day of Active Work as an Eligible Person.



#### **IV. WAIVER OF PREMIUM**

- A. Premium payments are required during the Elimination Period. However, payment of premium is waived while LTD Benefits are payable. Upon your return to Active Work, premium payments will again be payable.

GLDI-C900-(0413)

#### **V. WHEN YOUR INSURANCE ENDS** **This provision applies to you if you are not Disabled.**

- A. Except as otherwise provided for under this section, your coverage will cease on the earliest of the following dates:
1. the date your Employer's coverage under the Group Policy terminates;
  2. the date you cease to be an Eligible Person;
  3. the date that your premium payment is not paid when required;
  4. your Retirement Date.
- B. Approved FMLA Leave of Absence - Contributory or Noncontributory Coverage
1. If you are on a FMLA leave, coverage will continue until the later of the leave period required by the Federal Family and Medical Leave Act of 1993, as amended, or the leave period required by applicable state law, provided that:
    - a) the FMLA leave is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your leave must be available to Us at Our request
    - b) FMLA leaves of absence and the right to continue coverage during FMLA leaves are available to all Employees in the same Eligible Class under the Group Policy; and
    - c) the Employer remits the required premium for coverage.
  2. The Elimination Period can be satisfied and benefits may be payable during a FMLA leave subject to all other contract provisions. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the leave, or the salary for which premium was paid.
- C. Paid Leave of Absence. If you are on a paid leave of absence, coverage will continue subject to the following:
1. Noncontributory coverage
    - a) Coverage will continue provided that:
      - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
      - (2) paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
      - (3) the Employer remits the required premium for coverage.
    - b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
    - c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end or 12 months from the date the paid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end, or 12 months from the date the paid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during a paid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

D. Unpaid Leave of Absence - If you are on an unpaid leave of absence, coverage will continue subject to the following:

1. Noncontributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your unpaid leave of absence must be made available to Us at Our request; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.
- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount your covered salary.

Such documentation about your unpaid leave of absence must be made available to Us at Our request; and

- (2) unpaid leaves of absence and the right to continue coverage during unpaid leave of absence are available to all Employees in the same Eligible Class under the Group Policy; and
- (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.

- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during an unpaid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

E. Layoffs - Contributory or Noncontributory Coverage

1. If you are on a leave of absence due to a lay-off, coverage will continue through the end of the month following the month in which you last worked prior to the layoff provided that any premium for you is paid for that period.

GLDI-C1000-(0413)

**VI. RULES FOR TRANSFER OF EMPLOYEES FROM PRIOR PLAN**

- A. If you were eligible for insurance and insured under the Prior Plan on the day before the Plan Effective Date, you can become insured on the Plan Effective Date without meeting the Active Work requirement under Section II.A.3.
- B. The LTD Benefit will be the lesser of the monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force, or the LTD Benefit as determined under the other provisions of this Group Policy. However, no benefits will be payable to you under the Group Policy if any benefits are payable to you under the Prior Plan.
- C. If you were eligible for insurance under the Prior Plan for more than 31 days but were not insured under the Prior Plan, you must provide Evidence of Insurability and be approved by us to become insured.
- D. Continuation of Coverage and Pre-existing Conditions. In calculating the coverage period for determining whether the Pre-existing Condition Exclusion applies, we will include any period of continuous coverage under the Prior Plan immediately preceding the date you became insured under the Group Policy.

GLDI-C1100-(0413)

## VII. REINSTATEMENT OF COVERAGE

- A. If your coverage ends, you may become covered again as an Insured Person, subject to the following:
1. If you cease to be an Eligible Person and coverage ends, and then you return to Active Work with the Employer again within 3 months, the Waiting Period will be waived on the first day of your return to Active Work and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph, the Pre-existing Condition Exclusion will be applied as if there had been no gap in coverage.
  2. If your coverage ends because you fail to make the required contribution while on an approved Family Medical Leave Act (FMLA) leave of absence, and then you return to Active Work and enroll for coverage within 31 days of the earlier of:
    - a) the end of the period of leave you and your Employer agreed upon; or
    - b) the end of the 12 week period following the date your leave began,then the Waiting Period will be waived and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph and a Pre-existing Condition Exclusion applies, such Exclusion will be applied as if there had been no gap in coverage.
  3. In all other cases, if your coverage ends because you fail to make the required contribution, you must provide Evidence of Insurability to become covered again.
  4. In no event will insurance coverage be retroactive.

GLDI-C1200-(0413)

## VIII. DEFINITION OF DISABILITY

- A. **Disability or Disabled** means that during the Elimination Period and your Own Occupation Period you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- B. After your Own Occupation Period ends, **Disability and Disabled** mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of Any Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- C. Loss of License or Certification. For an Insured Person whose occupation requires a license, a restriction or loss of license does not, in itself, constitute a Disability.

D. Your Own Occupation Period and Any Occupation Period are specified in the Schedule of Benefits.

GLDI-C1300-(0413)

### **IX. CUMULATIVE ELIMINATION PERIOD**

A. If, during the Elimination Period, you return to Active Work at your Own Occupation or Any Occupation with your Employer and you then become Disabled again from the same or related cause(s), the Elimination Period will be determined as follows:

1. If your return to Active Work is for a total of 30 or less Working Days, the Elimination Period will be counted from the first day of the first period of Disability. The number of days you return to work will be added to and extend the Elimination Period by that number of days.
2. If the return to Active Work is for a total of more than 30 Working Days, the Elimination Period will start over and apply in full to the new period of Disability.

B. For the purposes of this provision, any day for which you receive pay will be considered a working day.

GLDI-C1400-(0413)

### **X. RECURRENT DISABILITY**

A. If you return to work for your Employer from a Disability for which benefits were payable under the Group Policy and then become Disabled again due to the same or related cause, we will treat the separate periods of Disability as one period of continuous Disability, provided you are continuously insured under the Group Policy during the period of recovery and the period of recovery does not exceed 6 months. Benefits resume on the date your Disability recurs.

B. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again due to an unrelated cause, we will treat the subsequent Disability as a new claim, subject to all of the terms of the Group Policy.

C. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again more than 6 months after you return to work, the subsequent Disability will be treated as a new claim, subject to all of the terms of the Group Policy.

D. For the purposes of this provision, if your occupation with the Employer does not allow you to be Actively at Work for the entire calendar year due to a seasonal or regularly scheduled employment break, we will consider you to have returned to work if you would have been able to return to work had work been regularly scheduled.

GLDI-C1500-(0413)

### **XI. WHEN LTD BENEFITS END**

A. Your LTD Benefits end automatically on the earliest of the following:

1. The date you are no longer Disabled;
2. The date your Maximum Benefit Period ends;
3. The date you die;
4. The date you become eligible for coverage under any other group LTD plan under which you become insured through employment;
5. The date you fail to provide satisfactory objective medical evidence of continued Disability;
6. The date you fail to comply with our request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of our choice;

7. The date you refuse to accept an accommodated position, offered by your Employer, which you are able to perform, whether it is in your Own Occupation or Any Occupation;
8. The date at which you have resided outside of the United States or Canada for 6 months;
9. The date you are confined in a penal or correctional institution or under house arrest;
10. The date you fail to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds;
11. The date you are able to work and earn 80% of your Indexed Predisability Earnings but choose not to.

GLDI-C1600-(0413)

## **XII. PREDISABILITY EARNINGS**

- A. Predisability Earnings means your earnings in effect on your last full day of Active Work prior to becoming Disabled. Unless otherwise specifically provided for under the Group Policy, any subsequent change in your earnings will not affect your Predisability Earnings.
- B. Methods of Calculating Predisability Earnings
  1. Salaried Employees. Your monthly Predisability Earnings are equal to your annual Predisability Earnings divided by twelve.
  2. Hourly Employees. If you are paid hourly, your monthly Predisability Earnings will be based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, not to exceed 173.33 hours. If you do not have regular work hours, your monthly Predisability Earnings are based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), not to exceed 173.33 hours.
- C. Predisability Earnings includes the following:
  1. your base rate of pay.
- D. Predisability Earnings does not include the following:
  1. commissions;
  2. bonuses;
  3. overtime pay;
  4. pay for extracurricular activities;
  5. longevity pay;
  6. extra duty pay;
  7. supplemental pay;
  8. shift differential;
  9. your Employer's contributions to your health insurance premium;
  10. your Employer's contributions to a Tax Sheltered Annuity (TSA);
  11. your Employer's contributions on your behalf to any deferred compensation arrangement, pension plan, or other fringe benefits;
  12. any other extra compensation.

- E. Notwithstanding Section A above, in no event will your monthly Predisability Earnings exceed either the monthly salary for which premiums have been paid or the Maximum Monthly Covered Salary.

GLDI-C1700-(0413)

### **XIII. LTD BENEFIT CALCULATION**

- A. Your monthly **Gross LTD Benefit** is equal to the lesser of your monthly Predisability Earnings times the LTD Benefit Percentage, or the Maximum Monthly Benefit.
- B. Your monthly **LTD Benefit** is calculated as follows:
1. During the Work Incentive Period, Your LTD Benefit will be equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit);
  2. Upon expiration of the Work Incentive Period, your LTD Benefit will be calculated as follows (subject to the Minimum Monthly Benefit):  $(A \div B) \times C$ , where:  
A = monthly Indexed Predisability Earnings minus Work Earnings for that same period.  
B = monthly Indexed Predisability Earnings.  
C = monthly Gross LTD Benefit minus monthly Deductible Income (exclusive of Work Earnings).

GLDI-1800-(04/13)

### **XIV. DEDUCTIBLE INCOME**

- A. Your Gross LTD Benefit will always be reduced by Deductible Income which is available to you or which you are eligible to receive as a result of your Disability, whether or not you apply for and receive such payments or benefits. The Deductible Income that we will subtract from your Gross LTD Benefit is listed below.
- B. To receive the full measure of income under the Group Policy, you must apply for all Deductible Income for which you may be eligible as soon as you are entitled to such benefits. If you do not apply for and actively pursue in good faith all Deductible Income for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are entitled to Deductible Income, we will estimate the amount of those benefits and reduce the Gross LTD Benefit by that estimated amount as of the date on which we deem you were eligible to receive Deductible Income. Integration of the estimated amount of Deductible Income that we have determined is available to you will continue until you provide us with proof that you have filed the appropriate application(s) and continue to actively pursue Deductible Income.
- Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you receive the Deductible Income in another month.
- C. If you are paid Deductible Income in a lump sum, we will use the period of time to which the Deductible Income applies. If no period of time is stated, we will make a reasonable estimate.
- D. We will not estimate the amount of Deductible Income nor reduce your Gross LTD Benefit by any amounts for which applications or administrative appeals for Deductible Income are pending, provided that you:
1. apply for in good faith and pursue to our satisfaction all Deductible Income for which we determine you might be eligible;

2. designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
3. keep us informed on a timely basis of the status of all applications for Deductible Income;
4. sign a Reimbursement Agreement; and
5. pursue administrative appeals of Deductible Income denials.

E. **Deductible Income** includes the following:

1. Any excess of Sick pay (including donated amounts and paid time off) plus your LTD Benefit over 100% of your Predisability Earnings immediately prior to the onset of your Disability.
2. Annual or personal leave pay, severance pay, or other salary continuation, except vacation pay, payable to you by your Employer;
3. Work Earnings as follows:
  - a) During the First 12 months of Disability with Work Earnings (the “Work Incentive Period”), if the total amount of your Gross LTD Benefit plus the amount you receive from Work Earnings exceeds 100% of your Predisability Earnings, the amount in excess of 100% of your Predisability Earnings will be included in Deductible Income;
  - b) Upon expiration of the Work Incentive Period, your Work Earnings will be offset as provided in Section XIII.
4. Any amount you receive or are eligible to receive because of your Disability under any of the following:
  - a) a Workers’ Compensation Law to the extent we, at our discretion, determine that these amounts are of the general character as payments provided under the Group Policy for Disability;
  - b) the Jones Act;
  - c) Maritime Doctrine of Maintenance, Wages or Cure;
  - d) Longshoremen’s and Harbor Worker’s Act;
  - e) any similar act or law;
5. The amount that you, your Spouse and children receive or are eligible to receive because of your disability or retirement benefits under:
  - a) the United States Social Security Act;
  - b) the Canada Pension Plan;
  - c) the Quebec Pension Plan;
  - d) the Railroad Retirement Act; or
  - e) any similar Plan or Act;

Benefits your Spouse or a child receive or are eligible to receive because of your Disability are Deductible Income regardless of the marital status, custody, or place of residence;

6. Any amount you receive or are eligible to receive because of your Disability under any state disability income benefit law or similar law;



7. Retirement plans
  - a) Any disability or retirement benefits you receive or are eligible to receive because of your Disability under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members;
  - b) If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income to age 65 with no survivor benefit will be used to determine Deductible Income;
  - c) Your and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan;
8. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law;
9. Any amount you receive or are eligible to receive from or on behalf of a third party because of your Disability, whether by judgment, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees;
10. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed;
11. Any amount you receive under any "no fault" motor vehicle plan
12. Any amount you receive or are eligible to receive because of your Disability under any group insurance coverage.

F. **Deductible Income** does not include the following:

1. Any cost of living increases in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical or surgical expense;
3. Reasonable attorneys' fees incurred in connection with a claim for Deductible Income;
4. Benefits from any individual disability insurance policy;
5. Early retirement benefits under the Federal Social Security Act which are not received;
6. Group credit or mortgage disability insurance benefits;
7. Accelerated benefits paid under a life insurance policy;
8. Under your Employer's retirement plan, any amount you could have received upon termination of employment without being disabled or retired;
9. Benefits from the following:
  - a) Profit sharing plan;
  - b) Thrift or savings plan;

- c) Deferred compensation plan;
- d) Plan under IRC Section 401(k), 408(k), or 457;
- e) Individual Retirement Account (IRA);
- f) Tax Sheltered Annuity (TSA) under IRC Section 403(b);
- g) Stock ownership plan;
- h) Keogh (HR-10) plan;
- i) Retirement plan under a professional service corporation with respect to principals.

GLDI-C1900-(0413)

## **XV. BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

- A. During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:
1. any amendment to the Group Policy or your Employer's coverage under the Group Policy that is effective after you become Disabled.
  2. termination of the Group Policy or your Employer's coverage under the Group Policy after you become Disabled.

GLDI-C2000-(0413)

## **XVI. EFFECT OF NEW DISABILITY**

- A. If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled, subject to the following:
1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period;
  2. The "Exclusions" and "Limitations" sections will apply to the new cause of Disability.

GLDI-C2100-(0413)

## **XVII. EXCLUSIONS**

- A. **War.** You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties.
- B. **Criminal Conduct.** You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
- C. **Military Leave.** You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country.
- D. **Imprisonment.** No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- E. **Intentionally Self-Inflicted Injury-Suicide.** You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane or insane.

## F. Pre-existing Conditions

1. Your current LTD coverage. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months and have been Actively at Work for at least 1 full day after the end of that 12 months.
2. If you are not covered for a Disability because of the Pre-existing Condition exclusion for Your current LTD coverage, you are not covered for that same Disability for any LTD coverage increase because of an Eligible Class or Group Policy change.
3. LTD coverage increase because of an Eligible Class or Group Policy change. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months from the effective date of the LTD coverage increase and have been Actively at Work for at least 1 full day after the end of that 12 months.
4. **Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 months period just before the effective date of your insurance under the Group Policy or the effective date of the LTD coverage increase.

GLDI-C2200-(0413)-FL

## XVIII. LIMITATIONS

### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 12 months during your lifetime. 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 Mental Disorders or Substance Abuse, either separate or combined.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a Substance Abuse program available to you through either: (i) another group plan of your employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to you. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:
  - a) the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
  - b) the date you are no longer participating in the rehabilitative program;
  - c) the date you refuse to participate in an available rehabilitative program; or
  - d) the date you complete the rehabilitative program.
3. Exception to 12 month limitation.
  - a) If at the end of that 12 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.

- b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 days period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

#### B. Special Conditions

1. When Disability is due in whole or in part to Special Conditions, the Maximum Benefit Period is 12 months while not Hospital confined. This maximum applies to any and all such periods of Disability during your lifetime.

C. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.

D. Payment Limit. In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

GLDI-C2300-(0413)

### **XIX. RESPONSIBILITIES OF DISABLED INSURED PERSONS**

#### A. Your Obligations During A Period Of Disability

1. You must make a good faith effort to recover from, or reduce the severity of, your Disability and the resulting loss of income, or you will forfeit benefits. The Group Policy requires you to take a variety of actions in this regard, including, but not limited to, the following:
  - a) You must accept any position within a broad definition of Own Occupation that you can perform and which your Employer or another employer makes available during the Own Occupation Period regardless of whether the compensation for such work is less than your Predisability Earnings. The income earned will be treated as Work Earnings.
  - b) You must arrange for and use the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment that would likely improve your condition or end your Disability, and that does not pose unreasonable risks.
  - c) You must submit periodic evidence from your Physician that substantiates, to our satisfaction, that you remain Disabled. This required evidence includes, but is not limited to, objective medical and/or psychiatric evidence from a Physician that confirms your Disability. Subjective complaints alone will not be considered conclusive evidence of a Disability. The attending Physician must be able to provide objective medical evidence to support his/her opinion as to why you are not able to perform the Material Duties of your Own Occupation or Any Occupation. You must obtain and provide this information at your own expense.
  - d) Where they exist, you must engage in appropriate medical and/or occupational rehabilitation programs that are reasonably expected to enable you to return to work. You must notify us when you participate in such a program.
  - e) You must appeal denials of Deductible Income and actively pursue such appeals in good faith.
  - f) You must promptly provide us with all information that we reasonably decide is necessary to verify and administer your claim for benefits.

2. Return to Work Responsibility

- a) During the Own Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 80% of your Indexed Predisability Earnings, but you elect not to work.
- b) During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and are able to earn at least 80% of your Indexed Predisability Earnings, but elect not to work.
- c) Any earnings you receive from work you perform, or that you could receive if you worked as much as you are able to considering your Disability, that are less than 100% of your Indexed Predisability Earnings will be treated as Work Earnings.

3. Duty to Furnish Information. To receive benefits under the Group Policy, you must authorize and direct medical care providers and sources of earnings or Deductible Income to provide us with all information and records that we reasonably determine to be relevant to the determination of benefits or eligibility for benefits. We do not pay fees charged for submitting this information to us. Any such costs will be your responsibility.

B. Our Right to Examine. We may require you to be examined by a Physician, other medical practitioner and/or vocational expert of our choice, in addition to your obligation to be under the Regular Care of a Physician as specified above. In such case, we will pay for the additional examination. You must cooperate fully with the Physician, medical practitioner or vocational expert and give full effort to such examinations. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Company representative.

C. Insured Person's Failure to Comply

- 1. We have the right to suspend benefits during any portion of a Disability in which you fail to comply with any of the requirements set forth in this Certificate.
- 2. We have the further right to terminate irrevocably all further benefits under the Group Policy when benefits have been suspended for a period of 6 consecutive months due to your failure to comply with any of the requirements of the Group Policy.

GLDI-C2400-(0413)

**XX. CLAIMS**

A. Notice of Claim

- 1. Written notice of claim should be given to us within 30 days of the date the Elimination Period ends, if that is possible. If that is not possible, you must notify us as soon as it is reasonably possible to do so.
- 2. When we receive a written notice of claim, we will send you our claim forms for filing Proof of Loss. If you do not receive the forms within 15 days after written notice of claim is sent, you can send us written Proof of Loss without waiting for the forms.

B. Proof of Loss

- 1. Proof of Loss means all the information necessary to determine that a loss occurred:
  - a) for which the Group Policy provides benefits; and
  - b) which is not subject to any exclusions; and
  - c) which meets all other conditions for benefits.

2. Written Proof of Loss must be furnished to us at our home office no later than 90 days after the end of the Elimination Period. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible, but not later than one year following the end of the 90 day period. These limits will not apply while an Insured Person lacks legal capacity.
3. Any items we may reasonably require in support of a claim, such as completed claims statements and a signed authorization for us to obtain information including tax information, must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied. No benefits will be paid until we receive Proof of Loss satisfactory to us.

C. Investigation of Claim

1. We may investigate a claim at any time.
2. At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend benefits if you fail to attend an examination, give full effort or cooperate with the examiner.

D. Payment of Claims

1. We will pay LTD Benefits within 30 days after we receive satisfactory Proof of Loss, but not before satisfaction of the Elimination Period.
2. Claim Payment Method. LTD Benefit payments that you qualify for will be paid to you as specified in the "Schedule of Benefits". Payments for partial weekly benefits will be pro-rated based on a 7 day week. Payments for partial monthly benefits will be pro-rated based on a 30 day month.
3. LTD Benefits payable at the time of your death will be paid to the person(s) receiving the "Survivor Benefit" if applicable. If no "Survivor Benefit" is paid, the unpaid LTD Benefits will be paid to your estate.

E. Notice of Adverse Decision on Claim

1. We will notify you of an adverse benefit determination within a reasonable period of time, but not later than 45 days after we receive satisfactory Proof of Loss. This period may be extended by us for up to 30 days, provided that we determine that such an extension is necessary due to matters beyond our control, and provided that we notify you prior to the end of the initial 45 day period, of the circumstances requiring the extension of time and the date by which we expect to render a decision.
2. If, prior to the end of the first 30 day extension period, we determine that, due to matters beyond our control, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that we notify you prior to the expiration of the first 30 day extension period, of the circumstances requiring the extension and the date as of which we expect to render a decision.
3. In the case of any extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be given at least 45 days within which to provide the specified information.
4. If we deny any part of your claim, you will receive a written notice of denial containing the following:
  - a) the reasons for our decision;
  - b) reference to the provisions of the Group Policy on which our decision is based;
  - c) a description of any additional information needed to support your claim;
  - d) information concerning your right to a review of our decision.

F. Review Procedure

1. If all or part of a claim is denied, you may request a review. A request for a review must be in writing and received by us within 120 days after you receive notice of the denial.
2. You may send us written comments or other items to support the claim and may review any non-privileged information that relates to the request for review.
3. We will review the claim promptly after we receive the request. We will send you a notice of our decision within 45 days after we receive the request, unless special circumstances require an extension. If we determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the expiration of the initial 45 day period. In no event will such extension exceed a period of 60 days from the end of the initial period.

G. Assignment. The rights and benefits under the Group Policy are not assignable.

GLDI-C2500-(0413)

**XXI. RIGHT TO REIMBURSEMENT**

- A. If we make benefit payments to you in excess of the amounts required by the provisions of this Group Policy or, if you receive retroactive benefits from any Deductible Income source for periods of time during which we paid benefits to you, you must reimburse us for any such excess, duplicate, or erroneous payments.
- B. Before any LTD Benefits are paid to you, you must execute and deliver to us a Reimbursement Agreement, provided by us, setting forth specific terms of reimbursement.
- C. Upon request, you must execute and deliver to us such documents as may be required, and do whatever else may be necessary, to secure our rights to recover any excess, duplicate, or erroneous payments.
- D. You must reimburse us in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this Policy. Such reimbursement will be due and payable immediately upon our notification to you. At our option, subsequent payment of benefits or the refund of any premium owed to you by us may be reduced or applied by us directly toward such reimbursement obligation. If you delay in notifying us of your receipt of Deductible Income or in making reimbursement to us, we will have the right to charge interest at a reasonable rate on the delinquent amount owed to us.
- E. Our acceptance of premium or other fees, or our providing or paying of benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to us at law or in equity.
- F. The Minimum Monthly Benefit may be applied to recover an outstanding overpayment.

GLDI-C2600-(0413)

**XXII. SUBROGATION**

- A. If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.
- B. If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.

If suit or action is filed, we may record a notice of payments of LTD Benefits and such notice will constitute a lien on any judgment recovered.

- C. If you or your legal representatives fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgment recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, will be paid to you or as the court may direct.

GLDI-C2700-(0413)

### **XXIII. ALLOCATION OF AUTHORITY**

- A. Except for those functions which the Group Policy specifically reserves to the Policyowner or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims and to interpret the Group Policy and resolve all questions arising in the administration, interpretation and application of the Group Policy.
- B. Our authority includes, but is not limited to the following:
1. the right to resolve all matters when a review has been requested;
  2. the right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
  3. the right to determine the following:
    - a) eligibility for insurance;
    - b) entitlement to benefits;
    - c) the amount of benefits payable;
    - d) the sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.
- C. Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

GLDI-C2800-(0413)

### **XXIV. TIME LIMITS ON LEGAL ACTIONS**

- A. No action at law or in equity may be brought until 60 days after we have received Proof of Loss. No such action may be brought more than five years after the earlier of the following:
1. the date we receive Proof of Loss;
  2. the time within which Proof of Loss is required to be given.

GLDI-C2900-(0413)-FL

### **XXV. INCONTESTABILITY PROVISIONS**

- A. Incontestability of Insurance
1. Any statement made to obtain or to increase insurance is a representation and not a warranty.
  2. No misrepresentation will be used as a basis for reducing or denying a claim or contesting the validity of insurance unless:
    - a) the insurance would not have been approved if we had known the truth; and
    - b) we have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.



3. After insurance has been in effect for two years during the lifetime of the Insured Person, we will not use a misrepresentation as a basis for reducing or denying a claim, unless it was a fraudulent misrepresentation.

**B. Incontestability of the Group Policy or Employer Coverage under the Group Policy**

1. Any statements made by the Policyowner to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.
2. No misrepresentation by the Policyowner or your Employer will be used as a basis for denying a claim, or for denying the validity of the Group Policy or your Employer's coverage under the Group Policy unless:
  - a) the Group Policy would not have been issued or your Employer's coverage under the Group Policy would not have been approved if we had known the truth; and
  - b) we have given the Policyowner or Employer a copy of a written instrument signed by the Policyowner or Employer which contains the misrepresentation.
3. The validity of the Group Policy or your Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

GLDI-C3000-(0413)

**XXVI. CLERICAL ERROR AND MISSTATEMENT**

**A. Clerical Error**

1. Clerical error by us, the Policyowner, your Employer, or their respective employees or representatives will not:
  - a) cause a person to become insured under the Group Policy or a provision of it.
  - b) invalidate insurance otherwise validly in force.
  - c) continue insurance otherwise validly terminated.
  - d) cause an Employer to obtain coverage under the Group Policy or a provision of it.
2. In the event that a clerical error results in an incorrect rate, we reserve the right to adjust the rate accordingly.

**B.** The payment of premium, by itself, will not obligate us to provide benefits to anyone who is not eligible for coverage under the Group Policy.

**C.** Your Employer acts on its own behalf as your agent, and not as our agent. Your Employer has no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

**D. Misstatement of Age or Gender**

1. If the age or gender, or both, of a person has been misstated, we will make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
  - a) the amount of insurance based on the correct age and gender; and
  - b) the difference between the premiums paid and the premiums which would have been paid if the age and gender had been correctly stated.

GLDI-C3100-(0413)

## **XXVII. FRAUD**

- A. It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the Group Policy and recovery of any amounts we have paid.

GLDI-C3200-(0413)

## **XXVIII. TERMINATION OR AMENDMENT OF THE GROUP POLICY AND EMPLOYER COVERAGE**

- A. The Group Policy may be terminated, changed or amended in whole or in part by us or the Policyowner according to the terms of the Group Policy. Any such change or amendment may apply to current or future Employers and Eligible Persons covered under the Group Policy or to any separate classes or categories thereof. An Employer's coverage under the Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy.
- B. We may change the Group Policy and any Employer's coverage under the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyowner's or Employer's consent.
- C. We may terminate an Employer's coverage on any premium due date by giving the Employer not less than 45 days advance notice. An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Eligible Persons, at any time by giving us advanced written notice at least 45 days prior to such termination. Insurance will terminate automatically for nonpayment of premium.
- D. Benefits are limited to the terms of your Employer's coverage under the Group Policy, including any valid amendments. No change or amendment of your Employer's coverage will be valid unless it is approved in writing by one of our executive officers and delivered to your Employer. The Policyowner, your Employer and their respective employees or representatives have no right or authority to change or amend the Group Policy or your Employer's coverage under the Group Policy or to waive any terms or provisions thereof without our signed, written approval.

GLDI-C3300-(0413)-FL

## **XXIX. CONVERSION OF INSURANCE BENEFIT**

- A. When your insurance ends under the Group Policy, you may buy LTD conversion insurance if you meet the following requirements:
1. Your insurance ends for a reason other than the following:
    - a) termination or amendment of the Group Policy or your Employer's coverage under the Group Policy;
    - b) your failure to make a required premium contribution;
    - c) your retirement.
  2. You have been continuously insured under the Group Policy and the Prior Plan together for at least 12 months on the date your insurance ends;
  3. You are not Disabled on the date your insurance ends;
  4. You are a citizen or resident of the United States or Canada;
  5. You apply in writing and pay the first premium to us within 31 days after your insurance ends.

- B. Your LTD conversion insurance becomes effective on the day immediately following your last day of coverage under the Group Policy.
- C. The maximum LTD conversion insurance benefit you may select is the smallest of the following:
  - 1. \$2,000 (However, if you provide satisfactory Evidence of Insurability, this upper limit is a maximum of \$10,000);
  - 2. 50% of your insured Predisability Earnings on the date your insurance ended; and
  - 3. the LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.
- D. The maximum LTD conversion insurance benefit is reduced by Deductible Income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

GLDI-C5300-(0413)

### **XXX. REASONABLE ACCOMMODATION EXPENSE BENEFIT**

- A. If you return to work in Any Occupation for any employer (but not including self-employment) as a result of a reasonable accommodation made by such employer, we will pay your employer a Reasonable Accommodation Expense Benefit of up to the greater of \$1000 or the equivalent of 2 months of your Monthly LTD Benefit, but not to exceed the expenses incurred.
- B. The Reasonable Accommodation Expense Benefit is payable only if:
  - 1. the reasonable accommodation is approved by us in writing prior to its implementation; and
  - 2. the reasonable accommodation meets the federal standards of a reasonable accommodation under the Americans With Disabilities Act of 1991, as amended.

GLDI-C6200-(0413)

### **XXXI. REHABILITATION BENEFIT**

- A. While you are Disabled, you may qualify to participate in a Rehabilitation Plan. **Rehabilitation Plan** means a written plan, program or course of medical treatment or vocational training or education that is intended to prepare you to return to work full time.
- B. To participate in a Rehabilitation Plan, you must apply in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to evaluate, approve and/or terminate your Rehabilitation Plan at any time..
- C. While you are participating in an approved Rehabilitation Plan, your LTD Benefit will be reduced by 50% of any income earned by you for work done under the Rehabilitation Plan. If the sum of your Gross LTD Benefit and Work Earnings exceeds 100% of Predisability Earnings, the excess will be included in Deductible Income. At no time will LTD Benefits be paid beyond the Maximum Benefit Period or be less than the Minimum Monthly Benefit.

GLDI-C6300-(0413)

## **XXXII. SURVIVOR BENEFIT**

- A. If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivor Benefit as follows:
1. The Survivor Benefit will consist of a lump sum equal to 3 times the amount of your last Gross LTD Benefit.
  2. The Survivor Benefit will first be applied to reduce any overpayment of your claim.
  3. The Survivor Benefit will be paid at our option to any one of the following:
    - a) Your surviving Spouse;
    - b) Your surviving unmarried children, including adopted children, under age 25;
    - c) Your surviving Spouse's unmarried children, including adopted children, under age 25;
    - d) Your estate.

GLDI-C6800-(0413)

## **NOTICE**

This is a description of the identities of and relationships among the insurer, administrator, and policyholder of this coverage.

Insurer: Madison National Life Insurance Company, Inc. (MNL) is the insurance underwriter of this coverage. There is no ownership affiliation between MNL and National Insurance Services of Wisconsin.

Administrator: National Insurance Services of Wisconsin (NIS) manages the National Insurance Services of Wisconsin Insurance Trust and the Schools Insurance Fund of Wisconsin. NIS is the administrator of the trust listed below. NIS also provides administrative services for coverage issued to groups through the trusts, including but not limited to billing, client service, and contract and certificate issuance.

Policyholder: National Insurance Services of Wisconsin Insurance Trust

# GROUP LONG TERM DISABILITY INSURANCE

St. Johns River Water Management  
Palatka, Florida

All Employees whose annual Earnings are \$30,000 or more  
but equal to or less than \$40,000

# Certificate of Insurance

## GROUP LONG TERM DISABILITY INSURANCE

St. Johns River Water Management  
Palatka, Florida

All Employees whose annual Earnings are \$30,000 or more  
but equal to or less than \$40,000

The  
**Municipal POOL**  
Administered by Ochs, Inc.

Policy underwritten by:  
 **Madison National  
Life Insurance Company**  
Independence Holding Group

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

1241 John Q. Hammons Drive · Madison, WI 53717

**GROUP LONG TERM DISABILITY INSURANCE  
CERTIFICATE OF COVERAGE**

The Group Policy has been issued to the Policyowner. No coverage under the Group Policy is in effect until approved in writing by Madison National Life Insurance Company, Inc.

The Employer must apply for group long term disability insurance coverage under the Group Policy and join the Policyowner by submitting a completed Joinder Agreement and agreeing to pay premiums. The Group Policy contains numerous optional and variable provisions. The options and variables we have approved for the Employer's coverage under the Group Policy are contained in the Joinder Agreement and the Certificate(s) of Coverage. Only those provisions of the Group Policy which appear in the Joinder Agreement and the Certificate(s) of Coverage will apply to the Employer's coverage under the Group Policy. All provisions on this and the following pages are part of the Certificate of Coverage.

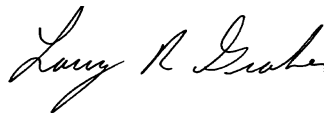
The Group Policy is on file and available for review at the main office of the Policyholder. The Certificate summarizes and explains the parts of the Group Policy that apply to you. This certificate is not an insurance policy. In the event of any conflict between the Group Policy and the Certificate, the Group Policy will control.

This Certificate replaces any other Certificates previously provided to you under the Group Policy.

Unless defined differently within a particular provision, the terms "you" and "your" mean the Eligible Person. "We", "us" and "our" mean Madison National Life Insurance Company. Other defined terms appear with their initial letters capitalized. References to section headings appear in quotation marks.

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

By



Larry R. Graber  
President

**The benefits of the policy providing your coverage are governed primarily by the law of a state other than Florida.**



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**Please be advised that should you have any questions or complaints regarding this insurance, you may telephone us toll-free at 1-800-356-9601.**

### **SCHEDULE OF BENEFITS**

Employer(s):	St Johns River Water Management
Plan Number:	1588
Original Plan Effective Date:	October 1, 2015
Eligible Class:	Class 02: All Employees whose annual Earnings are \$30,000 or more but equal to or less than \$40,000
Employer Premium Contribution:	100%
Elimination Period:	90 consecutive calendar days
Minimum Hourly Work Requirement:	20 hours per week
Waiting Period:	Employees hired on February 1st will be effective on March 1st; Employees not hired on February 1st - 30 days
Evidence of Insurability:	Required for Late Enrollees, Increases and amounts exceeding the Guarantee Issue, except as specified under the Becoming Insured section
Employee Eligibility Date:	Employees hired on February 1st - Upon completion of the Waiting Period; Employees not hired on February 1st - First of the month following completion of the Waiting Period
Minimum Participation Requirement:	100%
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while on Paid or Unpaid Leave; Coverage with premium payment until the end of the month following the month in which a Layoff began

Definition of Disability: Zero Day

Own Occupation Period: 60 months following the end of the Elimination Period

Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period

Cumulative Elimination Period: 30 Working Days

Recurrent Disability: 6 months

Predisability Earnings: Base pay only

Maximum Monthly Covered Salary: \$14,100

LTD Benefit Percentage: 66.67%

Maximum Monthly Benefit: \$9,400

Guarantee Issue: \$9,400

Minimum Monthly Benefit: \$100

Maximum Benefit Period:

Age at Disablement	Benefit Duration
Under age 61	SSNRA, but not less than 60 months
61	SSNRA, but not less than 48 months
62	SSNRA, but not less than 42 months
63	SSNRA, but not less than 36 months
64	SSNRA, but not less than 30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Work Incentive Period: First 12 months of Disability with Work Earnings

Sick Pay:	Sick pay plus LTD Benefit to 100% of Predisability Earnings
Social Security Integration:	Full Family
Freeze Type:	General Freeze
Pre-existing Condition Exclusion:	3 months/12 months - Initial amounts and coverage increases
Mental Disorder Limitation:	12 Months Lifetime unless hospital confined, with recovery
Substance Abuse Limitation:	12 Months Lifetime unless hospital confined, with recovery
Special Conditions Limitation:	12 Months Lifetime
Claim Payment Method:	Monthly
Conversion of Insurance Benefit:	Included
Reasonable Accommodation Expense Benefit:	Included
Rehabilitation Benefit:	Included
Survivor Benefit:	Included

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## DEFINITIONS

**Active Work** and **Actively at Work** are defined in Section II.

**Any Occupation** means any job for which you are qualified by education, training, or experience regardless of whether you are working in that or another occupation.

**Contributory** means that you pay all or a portion of the premium for insurance.

**CPI-W** means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

**Deductible Income** is defined in Section XIV.

**Disability** and **Disabled** are defined in Section VIII.

**Eligible Class** means an employment classification defined by the Employer and specified in the "Schedule of Benefits". You must be a member of an Eligible Class in order to be eligible for insurance under the Group Policy.

**Eligible Person** is defined in Section II.

**Elimination Period** means the period of time that you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable during the Elimination Period. Your Elimination Period is specified in the "Schedule of Benefits".

**Employee** is defined in Section II.

**Employer** means an employer (including approved affiliates and subsidiaries) participating in National Insurance Services of Wisconsin Insurance Trust and to which we have assigned a Plan Number and issued a Joinder Agreement.

**Evidence of Insurability** is defined in Section III.

**Group Policy** with respect to the Policyowner means the group LTD insurance policy issued by us to the Policyowner. Group Policy with respect to an Employer means only those provisions of the Group Policy, including the options and variables requested by the Employer, that we have approved for that Employer with respect to its eligible employees. The Employer's coverage under the Group Policy is described in the Joinder Agreement provided by us to the Employer and identified by the Plan Number.

**Gross LTD Benefit** is defined in Section XIII.

**Guarantee Issue** is the amount of coverage provided, up to the Maximum Monthly Benefit, which is not subject to Evidence of Insurability.

**Hospital** means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted annually by the rate of increase in the CPI-W. During the first year of Disability, Indexed Predisability Earnings are the same as the Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability using the above method. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings may increase or remain the same, but will never decrease, even if the CPI-W decreases.

**Injury** means a bodily injury that is the direct result of an accident, that is not related to any other cause, and which in and of itself results in your Disability. Benefits will be payable to you only if the Injury occurs while you are insured under the Group Policy.

**Insured Person** means an Eligible Person whose coverage has become effective under the Group Policy.

**Joinder Agreement** means the document entered into between the Policyowner, the Employer and us describing the coverage requested by the Employer with respect to its Employees, which has been approved by us and assigned a Plan Number.

**Late Enrollee** means an Employee who applies for coverage under the Group Policy more than 31 days after becoming an Eligible Person.

**LTD** means long term disability.

**LTD Benefit** means the net benefit payment due to you after deductions are applied to your Gross LTD Benefit as provided for under the Group Policy. Your LTD Benefit is calculated under Section XIII.

**Material Duties** is defined in Section II.

**Maximum Benefit Period** means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Elimination Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. Your Maximum Benefit Period is specified in the "Schedule of Benefits".

**Mental Disorder** means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease.

**Noncontributory** means the Employer pays the entire premium for insurance.

**Own Occupation** means the occupation you routinely perform for the Employer at the time Disability begins..

**Physical Disease** means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician. Physical Disease includes Pregnancy.

**Physician** means a licensed medical professional under the laws of a state of the United States of America, acting within the scope of such license, who is permitted by law to prescribe medications and practice independent of supervision.

For the purpose of this Group Policy, Physician will not include you or your Spouse, or the brother, sister, parent or child of either an Insured Person or an Insured Person's Spouse.

**Plan Effective Date** means the date on which the Group Policy (with respect to the Employer) becomes effective.

**Plan Number** means the number used by us to reference an Employer and the terms of coverage specified under that Employer's Joinder Agreement.

**Policyowner** means National Insurance Services of Wisconsin Insurance Trust.

**Predisability Earnings** is defined in Section XII.

**Pre-existing Condition** is defined in Section XVII.

**Pregnancy** means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

**Prior Plan** means an Employer's group long term disability insurance plan in effect on the day immediately preceding the Plan Effective Date under this Group Policy.

**Proof of Loss** is defined in Section XX.

**Regular Care of a Physician** means:

1. that you personally visit a Physician as frequently as is medically required according to standard medical practice, but in no event less than annually, to effectively manage and treat your disabling condition(s);
2. that your Physician is rendering appropriate treatment and care for the disabling condition(s) which conform(s) with standard medical practice and is the most appropriate for the disabling condition(s), according to standard medical practice; and
3. that you are complying with all aspects of the treatment plan prescribed by the Physician.

**Retirement Date** means the date you retire as defined by your Employer.

**Special Condition** means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following:

1. Chronic headaches;
2. Chronic pain;
3. Tinnitus (ringing of the ears);
4. Chronic Fatigue Syndrome.

**Spouse** means a person to whom you are legally married and from whom you are not legally separated.

**Substance Abuse** means a condition listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305.

**Waiting Period** is defined in Section II and the "Schedule of Benefits".

**Work Earnings** means your gross monthly earnings from work performed while Disabled.

If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings, we:

1. will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis;
2. will not be limited to the taxable income you report to the Internal Revenue Service;
3. may ignore expenses under section 179 of the IRC as a deduction from your gross earnings;
4. may ignore depreciation as a deduction from your gross earnings;
5. may adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine Work Earnings by averaging your earnings over the most recent 3 month period.

GLDI-C500-(0413)-FL



## I. INSURING CLAUSE

- A. If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy, after we receive satisfactory Proof of Loss.

GLDI-c600(0413)

## II. ELIGIBILITY FOR INSURANCE

- A. To be eligible for insurance under the Group Policy, you must be an Eligible Person. An **Eligible Person** is an Employee who has met the following requirements:

1. You must be an Employee. **Employee** means an individual who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes.
2. You must be a citizen or legal resident of the United States or Canada, and you must reside in the United States or Canada;
3. You must be Actively at Work and capable of sustained Active Work on the effective date of your coverage and on the effective date of any subsequent increase in LTD coverage because of an Eligible Class of Group Policy change.
  - a) **Active Work** and **Actively at Work** mean performing all the Material Duties of your Own Occupation at your Employer's usual place of business, and satisfying the Minimum Hourly Work Requirement. Actively at Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days.
  - b) **Minimum Hourly Work Requirement** means the work hours over a given time period that are required of you by your Employer in order to be eligible for coverage. Your Minimum Hourly Work Requirement is specified in the Schedule of Benefits.
  - c) **Material Duties** means the duties generally required by employers in the national economy of those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will working an average of more than 40 hours per week be considered a Material Duty.
4. You cannot be a part-time employee, temporary or seasonal employee, full-time member of the armed forces of any country, leased employee or independent contractor.
5. You must satisfy your Waiting Period. **Waiting Period** means the period of time that you must be Actively at Work as an Employee before your coverage may become effective. Your Waiting Period is specified in the "Schedule of Benefits".

GLDI-C700-(0413)

## III. BECOMING INSURED

- A. To become an Insured Person under the Group Policy, you must be an Eligible Person and meet the following requirements as each may apply:
1. If Evidence of Insurability is required, you must provide such Evidence of Insurability and be approved for coverage by us. The Schedule of Benefits specifies when Evidence of Insurability is required.
  2. Evidence of Insurability.
    - a) Providing **Evidence of Insurability** means that an applicant must:

- (1) complete and sign our Evidence of Insurability application and return the original application to us no later than 60 days from the date of signing; and
    - (2) authorize us to obtain information about the applicant's health; and
    - (3) provide any additional information about the applicant's insurability that we may reasonably require.
  - b) If you, your Spouse or your dependents are required to provide Evidence of Insurability, you will be responsible for all costs associated with providing Evidence of Insurability.
  - c) In each case where Evidence of Insurability is required, we base our decision whether to approve coverage on the information provided during the underwriting process. If we learn that the information relied on to approve coverage was incorrect, or that relevant information was omitted, we may retroactively rescind coverage and deny claims.
3. If the insurance you wish to obtain is Contributory insurance, you must apply in writing and remit the required premiums.

## B. Effective Date of Your Insurance

### 1. Initial Enrollment

- a) Noncontributory insurance not subject to Evidence of Insurability, or which is subject to Evidence of Insurability and has been approved by us, becomes effective on the date you become an Eligible Person. If, however, you initially waive participation in such coverage and then later wish to participate, you will be treated as a Late Enrollee, subject to Evidence of Insurability.
- b) Contributory insurance subject to Evidence of Insurability becomes effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- c) Contributory insurance not subject to Evidence of Insurability. Provided that you apply prior to, or within 31 days of becoming an Eligible Person, Contributory insurance not subject to Evidence of Insurability becomes effective on the date you become an Eligible Person. If you do not apply for such coverage prior to, or within 31 days of becoming an Eligible Person and subsequently wish to obtain coverage, you will be a Late Enrollee, subject to Evidence of Insurability.

### 2. Increases in Existing Coverage and Late Enrollee Applications

- a) Where Evidence of Insurability is required, increases of existing coverage and Late Enrollee applications become effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
  - b) Where Evidence of Insurability is not required, an increase of existing coverage becomes effective on the date that you become eligible for such coverage.
3. If you are incapable of sustained Active Work due to a Disability on the day before the scheduled effective date of your insurance, such insurance will not become effective until the day after you are capable of sustained Active Work and complete one day of Active Work as an Eligible Person.

#### **IV. WAIVER OF PREMIUM**

- A. Premium payments are required during the Elimination Period. However, payment of premium is waived while LTD Benefits are payable. Upon your return to Active Work, premium payments will again be payable.

GLDI-C900-(0413)

#### **V. WHEN YOUR INSURANCE ENDS** **This provision applies to you if you are not Disabled.**

- A. Except as otherwise provided for under this section, your coverage will cease on the earliest of the following dates:
1. the date your Employer's coverage under the Group Policy terminates;
  2. the date you cease to be an Eligible Person;
  3. the date that your premium payment is not paid when required;
  4. your Retirement Date.
- B. Approved FMLA Leave of Absence - Contributory or Noncontributory Coverage
1. If you are on a FMLA leave, coverage will continue until the later of the leave period required by the Federal Family and Medical Leave Act of 1993, as amended, or the leave period required by applicable state law, provided that:
    - a) the FMLA leave is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your leave must be available to Us at Our request
    - b) FMLA leaves of absence and the right to continue coverage during FMLA leaves are available to all Employees in the same Eligible Class under the Group Policy; and
    - c) the Employer remits the required premium for coverage.
  2. The Elimination Period can be satisfied and benefits may be payable during a FMLA leave subject to all other contract provisions. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the leave, or the salary for which premium was paid.
- C. Paid Leave of Absence. If you are on a paid leave of absence, coverage will continue subject to the following:
1. Noncontributory coverage
    - a) Coverage will continue provided that:
      - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
      - (2) paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
      - (3) the Employer remits the required premium for coverage.
    - b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
    - c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end or 12 months from the date the paid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end, or 12 months from the date the paid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during a paid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

D. Unpaid Leave of Absence - If you are on an unpaid leave of absence, coverage will continue subject to the following:

1. Noncontributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your unpaid leave of absence must be made available to Us at Our request; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.
- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount your covered salary.

Such documentation about your unpaid leave of absence must be made available to Us at Our request; and

- (2) unpaid leaves of absence and the right to continue coverage during unpaid leave of absence are available to all Employees in the same Eligible Class under the Group Policy; and
- (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.

- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during an unpaid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

E. Layoffs - Contributory or Noncontributory Coverage

1. If you are on a leave of absence due to a lay-off, coverage will continue through the end of the month following the month in which you last worked prior to the layoff provided that any premium for you is paid for that period.

GLDI-C1000-(0413)

## **VI. RULES FOR TRANSFER OF EMPLOYEES FROM PRIOR PLAN**

- A. If you were eligible for insurance and insured under the Prior Plan on the day before the Plan Effective Date, you can become insured on the Plan Effective Date without meeting the Active Work requirement under Section II.A.3.
- B. The LTD Benefit will be the lesser of the monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force, or the LTD Benefit as determined under the other provisions of this Group Policy. However, no benefits will be payable to you under the Group Policy if any benefits are payable to you under the Prior Plan.
- C. If you were eligible for insurance under the Prior Plan for more than 31 days but were not insured under the Prior Plan, you must provide Evidence of Insurability and be approved by us to become insured.
- D. Continuation of Coverage and Pre-existing Conditions. In calculating the coverage period for determining whether the Pre-existing Condition Exclusion applies, we will include any period of continuous coverage under the Prior Plan immediately preceding the date you became insured under the Group Policy.

GLDI-C1100-(0413)

## VII. REINSTATEMENT OF COVERAGE

- A. If your coverage ends, you may become covered again as an Insured Person, subject to the following:
1. If you cease to be an Eligible Person and coverage ends, and then you return to Active Work with the Employer again within 3 months, the Waiting Period will be waived on the first day of your return to Active Work and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph, the Pre-existing Condition Exclusion will be applied as if there had been no gap in coverage.
  2. If your coverage ends because you fail to make the required contribution while on an approved Family Medical Leave Act (FMLA) leave of absence, and then you return to Active Work and enroll for coverage within 31 days of the earlier of:
    - a) the end of the period of leave you and your Employer agreed upon; or
    - b) the end of the 12 week period following the date your leave began,then the Waiting Period will be waived and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph and a Pre-existing Condition Exclusion applies, such Exclusion will be applied as if there had been no gap in coverage.
  3. In all other cases, if your coverage ends because you fail to make the required contribution, you must provide Evidence of Insurability to become covered again.
  4. In no event will insurance coverage be retroactive.

GLDI-C1200-(0413)

## VIII. DEFINITION OF DISABILITY

- A. **Disability or Disabled** means that during the Elimination Period and your Own Occupation Period you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- B. After your Own Occupation Period ends, **Disability and Disabled** mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of Any Occupation, and, due to such inability, your Work Earnings are less than 66.67% of your Indexed Predisability Earnings, and you are incapable of earning 66.67% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- C. Loss of License or Certification. For an Insured Person whose occupation requires a license, a restriction or loss of license does not, in itself, constitute a Disability.

D. Your Own Occupation Period and Any Occupation Period are specified in the Schedule of Benefits.

GLDI-C1300-(0413)

### **IX. CUMULATIVE ELIMINATION PERIOD**

A. If, during the Elimination Period, you return to Active Work at your Own Occupation or Any Occupation with your Employer and you then become Disabled again from the same or related cause(s), the Elimination Period will be determined as follows:

1. If your return to Active Work is for a total of 30 or less Working Days, the Elimination Period will be counted from the first day of the first period of Disability. The number of days you return to work will be added to and extend the Elimination Period by that number of days.
2. If the return to Active Work is for a total of more than 30 Working Days, the Elimination Period will start over and apply in full to the new period of Disability.

B. For the purposes of this provision, any day for which you receive pay will be considered a working day.

GLDI-C1400-(0413)

### **X. RECURRENT DISABILITY**

A. If you return to work for your Employer from a Disability for which benefits were payable under the Group Policy and then become Disabled again due to the same or related cause, we will treat the separate periods of Disability as one period of continuous Disability, provided you are continuously insured under the Group Policy during the period of recovery and the period of recovery does not exceed 6 months. Benefits resume on the date your Disability recurs.

B. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again due to an unrelated cause, we will treat the subsequent Disability as a new claim, subject to all of the terms of the Group Policy.

C. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again more than 6 months after you return to work, the subsequent Disability will be treated as a new claim, subject to all of the terms of the Group Policy.

D. For the purposes of this provision, if your occupation with the Employer does not allow you to be Actively at Work for the entire calendar year due to a seasonal or regularly scheduled employment break, we will consider you to have returned to work if you would have been able to return to work had work been regularly scheduled.

GLDI-C1500-(0413)

### **XI. WHEN LTD BENEFITS END**

A. Your LTD Benefits end automatically on the earliest of the following:

1. The date you are no longer Disabled;
2. The date your Maximum Benefit Period ends;
3. The date you die;
4. The date you become eligible for coverage under any other group LTD plan under which you become insured through employment;
5. The date you fail to provide satisfactory objective medical evidence of continued Disability;
6. The date you fail to comply with our request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of our choice;

7. The date you refuse to accept an accommodated position, offered by your Employer, which you are able to perform, whether it is in your Own Occupation or Any Occupation;
8. The date at which you have resided outside of the United States or Canada for 6 months;
9. The date you are confined in a penal or correctional institution or under house arrest;
10. The date you fail to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds;
11. The date you are able to work and earn 80% of your Indexed Predisability Earnings but choose not to.

GLDI-C1600-(0413)

## **XII. PREDISABILITY EARNINGS**

- A. Predisability Earnings means your earnings in effect on your last full day of Active Work prior to becoming Disabled. Unless otherwise specifically provided for under the Group Policy, any subsequent change in your earnings will not affect your Predisability Earnings.
- B. Methods of Calculating Predisability Earnings
  1. Salaried Employees. Your monthly Predisability Earnings are equal to your annual Predisability Earnings divided by twelve.
  2. Hourly Employees. If you are paid hourly, your monthly Predisability Earnings will be based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, not to exceed 173.33 hours. If you do not have regular work hours, your monthly Predisability Earnings are based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), not to exceed 173.33 hours.
- C. Predisability Earnings includes the following:
  1. your base rate of pay.
- D. Predisability Earnings does not include the following:
  1. commissions;
  2. bonuses;
  3. overtime pay;
  4. pay for extracurricular activities;
  5. longevity pay;
  6. extra duty pay;
  7. supplemental pay;
  8. shift differential;
  9. your Employer's contributions to your health insurance premium;
  10. your Employer's contributions to a Tax Sheltered Annuity (TSA);
  11. your Employer's contributions on your behalf to any deferred compensation arrangement, pension plan, or other fringe benefits;
  12. any other extra compensation.



- E. Notwithstanding Section A above, in no event will your monthly Predisability Earnings exceed either the monthly salary for which premiums have been paid or the Maximum Monthly Covered Salary.

GLDI-C1700-(0413)

### **XIII. LTD BENEFIT CALCULATION**

- A. Your monthly **Gross LTD Benefit** is equal to the lesser of your monthly Predisability Earnings times the LTD Benefit Percentage, or the Maximum Monthly Benefit.
- B. Your monthly **LTD Benefit** is calculated as follows:
1. During the Work Incentive Period, Your LTD Benefit will be equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit);
  2. Upon expiration of the Work Incentive Period, your LTD Benefit will be calculated as follows (subject to the Minimum Monthly Benefit):  $(A \div B) \times C$ , where:  
A = monthly Indexed Predisability Earnings minus Work Earnings for that same period.  
B = monthly Indexed Predisability Earnings.  
C = monthly Gross LTD Benefit minus monthly Deductible Income (exclusive of Work Earnings).

GLDI-1800-(04/13)

### **XIV. DEDUCTIBLE INCOME**

- A. Your Gross LTD Benefit will always be reduced by Deductible Income which is available to you or which you are eligible to receive as a result of your Disability, whether or not you apply for and receive such payments or benefits. The Deductible Income that we will subtract from your Gross LTD Benefit is listed below.
- B. To receive the full measure of income under the Group Policy, you must apply for all Deductible Income for which you may be eligible as soon as you are entitled to such benefits. If you do not apply for and actively pursue in good faith all Deductible Income for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are entitled to Deductible Income, we will estimate the amount of those benefits and reduce the Gross LTD Benefit by that estimated amount as of the date on which we deem you were eligible to receive Deductible Income. Integration of the estimated amount of Deductible Income that we have determined is available to you will continue until you provide us with proof that you have filed the appropriate application(s) and continue to actively pursue Deductible Income.
- Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you receive the Deductible Income in another month.
- C. If you are paid Deductible Income in a lump sum, we will use the period of time to which the Deductible Income applies. If no period of time is stated, we will make a reasonable estimate.
- D. We will not estimate the amount of Deductible Income nor reduce your Gross LTD Benefit by any amounts for which applications or administrative appeals for Deductible Income are pending, provided that you:
1. apply for in good faith and pursue to our satisfaction all Deductible Income for which we determine you might be eligible;

2. designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
3. keep us informed on a timely basis of the status of all applications for Deductible Income;
4. sign a Reimbursement Agreement; and
5. pursue administrative appeals of Deductible Income denials.

**E. Deductible Income** includes the following:

1. Any excess of Sick pay (including donated amounts and paid time off) plus your LTD Benefit over 100% of your Predisability Earnings immediately prior to the onset of your Disability.
2. Annual or personal leave pay, severance pay, or other salary continuation, except vacation pay, payable to you by your Employer;
3. Work Earnings as follows:
  - a) During the First 12 months of Disability with Work Earnings (the “Work Incentive Period”), if the total amount of your Gross LTD Benefit plus the amount you receive from Work Earnings exceeds 100% of your Predisability Earnings, the amount in excess of 100% of your Predisability Earnings will be included in Deductible Income;
  - b) Upon expiration of the Work Incentive Period, your Work Earnings will be offset as provided in Section XIII.
4. Any amount you receive or are eligible to receive because of your Disability under any of the following:
  - a) a Workers’ Compensation Law to the extent we, at our discretion, determine that these amounts are of the general character as payments provided under the Group Policy for Disability;
  - b) the Jones Act;
  - c) Maritime Doctrine of Maintenance, Wages or Cure;
  - d) Longshoremen’s and Harbor Worker’s Act;
  - e) any similar act or law;
5. The amount that you, your Spouse and children receive or are eligible to receive because of your disability or retirement benefits under:
  - a) the United States Social Security Act;
  - b) the Canada Pension Plan;
  - c) the Quebec Pension Plan;
  - d) the Railroad Retirement Act; or
  - e) any similar Plan or Act;

Benefits your Spouse or a child receive or are eligible to receive because of your Disability are Deductible Income regardless of the marital status, custody, or place of residence;

6. Any amount you receive or are eligible to receive because of your Disability under any state disability income benefit law or similar law;

7. Retirement plans
  - a) Any disability or retirement benefits you receive or are eligible to receive because of your Disability under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members;
  - b) If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income to age 65 with no survivor benefit will be used to determine Deductible Income;
  - c) Your and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan;
8. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law;
9. Any amount you receive or are eligible to receive from or on behalf of a third party because of your Disability, whether by judgment, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees;
10. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed;
11. Any amount you receive under any "no fault" motor vehicle plan
12. Any amount you receive or are eligible to receive because of your Disability under any group insurance coverage.

F. **Deductible Income** does not include the following:

1. Any cost of living increases in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical or surgical expense;
3. Reasonable attorneys' fees incurred in connection with a claim for Deductible Income;
4. Benefits from any individual disability insurance policy;
5. Early retirement benefits under the Federal Social Security Act which are not received;
6. Group credit or mortgage disability insurance benefits;
7. Accelerated benefits paid under a life insurance policy;
8. Under your Employer's retirement plan, any amount you could have received upon termination of employment without being disabled or retired;
9. Benefits from the following:
  - a) Profit sharing plan;
  - b) Thrift or savings plan;

- c) Deferred compensation plan;
- d) Plan under IRC Section 401(k), 408(k), or 457;
- e) Individual Retirement Account (IRA);
- f) Tax Sheltered Annuity (TSA) under IRC Section 403(b);
- g) Stock ownership plan;
- h) Keogh (HR-10) plan;
- i) Retirement plan under a professional service corporation with respect to principals.

GLDI-C1900-(0413)

## **XV. BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

- A. During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:
  - 1. any amendment to the Group Policy or your Employer's coverage under the Group Policy that is effective after you become Disabled.
  - 2. termination of the Group Policy or your Employer's coverage under the Group Policy after you become Disabled.

GLDI-C2000-(0413)

## **XVI. EFFECT OF NEW DISABILITY**

- A. If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled, subject to the following:
  - 1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period;
  - 2. The "Exclusions" and "Limitations" sections will apply to the new cause of Disability.

GLDI-C2100-(0413)

## **XVII. EXCLUSIONS**

- A. War. You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties.
- B. Criminal Conduct. You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
- C. Military Leave. You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country.
- D. Imprisonment. No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- E. Intentionally Self-Inflicted Injury-Suicide. You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane or insane.

## F. Pre-existing Conditions

1. Your current LTD coverage. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months and have been Actively at Work for at least 1 full day after the end of that 12 months.
2. If you are not covered for a Disability because of the Pre-existing Condition exclusion for Your current LTD coverage, you are not covered for that same Disability for any LTD coverage increase because of an Eligible Class or Group Policy change.
3. LTD coverage increase because of an Eligible Class or Group Policy change. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months from the effective date of the LTD coverage increase and have been Actively at Work for at least 1 full day after the end of that 12 months.
4. **Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 months period just before the effective date of your insurance under the Group Policy or the effective date of the LTD coverage increase.

GLDI-C2200-(0413)-FL

## XVIII. LIMITATIONS

### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 12 months during your lifetime. 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 Mental Disorders or Substance Abuse, either separate or combined.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a Substance Abuse program available to you through either: (i) another group plan of your employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to you. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:
  - a) the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
  - b) the date you are no longer participating in the rehabilitative program;
  - c) the date you refuse to participate in an available rehabilitative program; or
  - d) the date you complete the rehabilitative program.
3. Exception to 12 month limitation.
  - a) If at the end of that 12 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.

- b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 days period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

#### B. Special Conditions

1. When Disability is due in whole or in part to Special Conditions, the Maximum Benefit Period is 12 months while not Hospital confined. This maximum applies to any and all such periods of Disability during your lifetime.

C. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.

D. Payment Limit. In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

GLDI-C2300-(0413)

### **XIX. RESPONSIBILITIES OF DISABLED INSURED PERSONS**

#### A. Your Obligations During A Period Of Disability

1. You must make a good faith effort to recover from, or reduce the severity of, your Disability and the resulting loss of income, or you will forfeit benefits. The Group Policy requires you to take a variety of actions in this regard, including, but not limited to, the following:
  - a) You must accept any position within a broad definition of Own Occupation that you can perform and which your Employer or another employer makes available during the Own Occupation Period regardless of whether the compensation for such work is less than your Predisability Earnings. The income earned will be treated as Work Earnings.
  - b) You must arrange for and use the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment that would likely improve your condition or end your Disability, and that does not pose unreasonable risks.
  - c) You must submit periodic evidence from your Physician that substantiates, to our satisfaction, that you remain Disabled. This required evidence includes, but is not limited to, objective medical and/or psychiatric evidence from a Physician that confirms your Disability. Subjective complaints alone will not be considered conclusive evidence of a Disability. The attending Physician must be able to provide objective medical evidence to support his/her opinion as to why you are not able to perform the Material Duties of your Own Occupation or Any Occupation. You must obtain and provide this information at your own expense.
  - d) Where they exist, you must engage in appropriate medical and/or occupational rehabilitation programs that are reasonably expected to enable you to return to work. You must notify us when you participate in such a program.
  - e) You must appeal denials of Deductible Income and actively pursue such appeals in good faith.
  - f) You must promptly provide us with all information that we reasonably decide is necessary to verify and administer your claim for benefits.

2. Return to Work Responsibility

- a) During the Own Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 80% of your Indexed Predisability Earnings, but you elect not to work.
- b) During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and are able to earn at least 80% of your Indexed Predisability Earnings, but elect not to work.
- c) Any earnings you receive from work you perform, or that you could receive if you worked as much as you are able to considering your Disability, that are less than 100% of your Indexed Predisability Earnings will be treated as Work Earnings.

3. Duty to Furnish Information. To receive benefits under the Group Policy, you must authorize and direct medical care providers and sources of earnings or Deductible Income to provide us with all information and records that we reasonably determine to be relevant to the determination of benefits or eligibility for benefits. We do not pay fees charged for submitting this information to us. Any such costs will be your responsibility.

B. Our Right to Examine. We may require you to be examined by a Physician, other medical practitioner and/or vocational expert of our choice, in addition to your obligation to be under the Regular Care of a Physician as specified above. In such case, we will pay for the additional examination. You must cooperate fully with the Physician, medical practitioner or vocational expert and give full effort to such examinations. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Company representative.

C. Insured Person's Failure to Comply

- 1. We have the right to suspend benefits during any portion of a Disability in which you fail to comply with any of the requirements set forth in this Certificate.
- 2. We have the further right to terminate irrevocably all further benefits under the Group Policy when benefits have been suspended for a period of 6 consecutive months due to your failure to comply with any of the requirements of the Group Policy.

GLDI-C2400-(0413)

**XX. CLAIMS**

A. Notice of Claim

- 1. Written notice of claim should be given to us within 30 days of the date the Elimination Period ends, if that is possible. If that is not possible, you must notify us as soon as it is reasonably possible to do so.
- 2. When we receive a written notice of claim, we will send you our claim forms for filing Proof of Loss. If you do not receive the forms within 15 days after written notice of claim is sent, you can send us written Proof of Loss without waiting for the forms.

B. Proof of Loss

- 1. Proof of Loss means all the information necessary to determine that a loss occurred:
  - a) for which the Group Policy provides benefits; and
  - b) which is not subject to any exclusions; and
  - c) which meets all other conditions for benefits.

2. Written Proof of Loss must be furnished to us at our home office no later than 90 days after the end of the Elimination Period. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible, but not later than one year following the end of the 90 day period. These limits will not apply while an Insured Person lacks legal capacity.
3. Any items we may reasonably require in support of a claim, such as completed claims statements and a signed authorization for us to obtain information including tax information, must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied. No benefits will be paid until we receive Proof of Loss satisfactory to us.

C. Investigation of Claim

1. We may investigate a claim at any time.
2. At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend benefits if you fail to attend an examination, give full effort or cooperate with the examiner.

D. Payment of Claims

1. We will pay LTD Benefits within 30 days after we receive satisfactory Proof of Loss, but not before satisfaction of the Elimination Period.
2. Claim Payment Method. LTD Benefit payments that you qualify for will be paid to you as specified in the "Schedule of Benefits". Payments for partial weekly benefits will be pro-rated based on a 7 day week. Payments for partial monthly benefits will be pro-rated based on a 30 day month.
3. LTD Benefits payable at the time of your death will be paid to the person(s) receiving the "Survivor Benefit" if applicable. If no "Survivor Benefit" is paid, the unpaid LTD Benefits will be paid to your estate.

E. Notice of Adverse Decision on Claim

1. We will notify you of an adverse benefit determination within a reasonable period of time, but not later than 45 days after we receive satisfactory Proof of Loss. This period may be extended by us for up to 30 days, provided that we determine that such an extension is necessary due to matters beyond our control, and provided that we notify you prior to the end of the initial 45 day period, of the circumstances requiring the extension of time and the date by which we expect to render a decision.
2. If, prior to the end of the first 30 day extension period, we determine that, due to matters beyond our control, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that we notify you prior to the expiration of the first 30 day extension period, of the circumstances requiring the extension and the date as of which we expect to render a decision.
3. In the case of any extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be given at least 45 days within which to provide the specified information.
4. If we deny any part of your claim, you will receive a written notice of denial containing the following:
  - a) the reasons for our decision;
  - b) reference to the provisions of the Group Policy on which our decision is based;
  - c) a description of any additional information needed to support your claim;
  - d) information concerning your right to a review of our decision.



F. Review Procedure

1. If all or part of a claim is denied, you may request a review. A request for a review must be in writing and received by us within 120 days after you receive notice of the denial.
2. You may send us written comments or other items to support the claim and may review any non-privileged information that relates to the request for review.
3. We will review the claim promptly after we receive the request. We will send you a notice of our decision within 45 days after we receive the request, unless special circumstances require an extension. If we determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the expiration of the initial 45 day period. In no event will such extension exceed a period of 60 days from the end of the initial period.

G. Assignment. The rights and benefits under the Group Policy are not assignable.

GLDI-C2500-(0413)

**XXI. RIGHT TO REIMBURSEMENT**

- A. If we make benefit payments to you in excess of the amounts required by the provisions of this Group Policy or, if you receive retroactive benefits from any Deductible Income source for periods of time during which we paid benefits to you, you must reimburse us for any such excess, duplicate, or erroneous payments.
- B. Before any LTD Benefits are paid to you, you must execute and deliver to us a Reimbursement Agreement, provided by us, setting forth specific terms of reimbursement.
- C. Upon request, you must execute and deliver to us such documents as may be required, and do whatever else may be necessary, to secure our rights to recover any excess, duplicate, or erroneous payments.
- D. You must reimburse us in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this Policy. Such reimbursement will be due and payable immediately upon our notification to you. At our option, subsequent payment of benefits or the refund of any premium owed to you by us may be reduced or applied by us directly toward such reimbursement obligation. If you delay in notifying us of your receipt of Deductible Income or in making reimbursement to us, we will have the right to charge interest at a reasonable rate on the delinquent amount owed to us.
- E. Our acceptance of premium or other fees, or our providing or paying of benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to us at law or in equity.
- F. The Minimum Monthly Benefit may be applied to recover an outstanding overpayment.

GLDI-C2600-(0413)

**XXII. SUBROGATION**

- A. If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.
- B. If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.

If suit or action is filed, we may record a notice of payments of LTD Benefits and such notice will constitute a lien on any judgment recovered.

- C. If you or your legal representatives fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgment recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, will be paid to you or as the court may direct.

GLDI-C2700-(0413)

### **XXIII. ALLOCATION OF AUTHORITY**

- A. Except for those functions which the Group Policy specifically reserves to the Policyowner or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims and to interpret the Group Policy and resolve all questions arising in the administration, interpretation and application of the Group Policy.
- B. Our authority includes, but is not limited to the following:
1. the right to resolve all matters when a review has been requested;
  2. the right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
  3. the right to determine the following:
    - a) eligibility for insurance;
    - b) entitlement to benefits;
    - c) the amount of benefits payable;
    - d) the sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.
- C. Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

GLDI-C2800-(0413)

### **XXIV. TIME LIMITS ON LEGAL ACTIONS**

- A. No action at law or in equity may be brought until 60 days after we have received Proof of Loss. No such action may be brought more than five years after the earlier of the following:
1. the date we receive Proof of Loss;
  2. the time within which Proof of Loss is required to be given.

GLDI-C2900-(0413)-FL

### **XXV. INCONTESTABILITY PROVISIONS**

- A. Incontestability of Insurance
1. Any statement made to obtain or to increase insurance is a representation and not a warranty.
  2. No misrepresentation will be used as a basis for reducing or denying a claim or contesting the validity of insurance unless:
    - a) the insurance would not have been approved if we had known the truth; and
    - b) we have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

3. After insurance has been in effect for two years during the lifetime of the Insured Person, we will not use a misrepresentation as a basis for reducing or denying a claim, unless it was a fraudulent misrepresentation.

**B. Incontestability of the Group Policy or Employer Coverage under the Group Policy**

1. Any statements made by the Policyowner to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.
2. No misrepresentation by the Policyowner or your Employer will be used as a basis for denying a claim, or for denying the validity of the Group Policy or your Employer's coverage under the Group Policy unless:
  - a) the Group Policy would not have been issued or your Employer's coverage under the Group Policy would not have been approved if we had known the truth; and
  - b) we have given the Policyowner or Employer a copy of a written instrument signed by the Policyowner or Employer which contains the misrepresentation.
3. The validity of the Group Policy or your Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

GLDI-C3000-(0413)

**XXVI. CLERICAL ERROR AND MISSTATEMENT**

**A. Clerical Error**

1. Clerical error by us, the Policyowner, your Employer, or their respective employees or representatives will not:
  - a) cause a person to become insured under the Group Policy or a provision of it.
  - b) invalidate insurance otherwise validly in force.
  - c) continue insurance otherwise validly terminated.
  - d) cause an Employer to obtain coverage under the Group Policy or a provision of it.
2. In the event that a clerical error results in an incorrect rate, we reserve the right to adjust the rate accordingly.

**B.** The payment of premium, by itself, will not obligate us to provide benefits to anyone who is not eligible for coverage under the Group Policy.

**C.** Your Employer acts on its own behalf as your agent, and not as our agent. Your Employer has no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

**D. Misstatement of Age or Gender**

1. If the age or gender, or both, of a person has been misstated, we will make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
  - a) the amount of insurance based on the correct age and gender; and
  - b) the difference between the premiums paid and the premiums which would have been paid if the age and gender had been correctly stated.

GLDI-C3100-(0413)

## **XXVII. FRAUD**

- A. It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the Group Policy and recovery of any amounts we have paid.

GLDI-C3200-(0413)

## **XXVIII. TERMINATION OR AMENDMENT OF THE GROUP POLICY AND EMPLOYER COVERAGE**

- A. The Group Policy may be terminated, changed or amended in whole or in part by us or the Policyowner according to the terms of the Group Policy. Any such change or amendment may apply to current or future Employers and Eligible Persons covered under the Group Policy or to any separate classes or categories thereof. An Employer's coverage under the Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy.
- B. We may change the Group Policy and any Employer's coverage under the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyowner's or Employer's consent.
- C. We may terminate an Employer's coverage on any premium due date by giving the Employer not less than 45 days advance notice. An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Eligible Persons, at any time by giving us advanced written notice at least 45 days prior to such termination. Insurance will terminate automatically for nonpayment of premium.
- D. Benefits are limited to the terms of your Employer's coverage under the Group Policy, including any valid amendments. No change or amendment of your Employer's coverage will be valid unless it is approved in writing by one of our executive officers and delivered to your Employer. The Policyowner, your Employer and their respective employees or representatives have no right or authority to change or amend the Group Policy or your Employer's coverage under the Group Policy or to waive any terms or provisions thereof without our signed, written approval.

GLDI-C3300-(0413)-FL

## **XXIX. CONVERSION OF INSURANCE BENEFIT**

- A. When your insurance ends under the Group Policy, you may buy LTD conversion insurance if you meet the following requirements:
  - 1. Your insurance ends for a reason other than the following:
    - a) termination or amendment of the Group Policy or your Employer's coverage under the Group Policy;
    - b) your failure to make a required premium contribution;
    - c) your retirement.
  - 2. You have been continuously insured under the Group Policy and the Prior Plan together for at least 12 months on the date your insurance ends;
  - 3. You are not Disabled on the date your insurance ends;
  - 4. You are a citizen or resident of the United States or Canada;
  - 5. You apply in writing and pay the first premium to us within 31 days after your insurance ends.

- B. Your LTD conversion insurance becomes effective on the day immediately following your last day of coverage under the Group Policy.
- C. The maximum LTD conversion insurance benefit you may select is the smallest of the following:
  - 1. \$2,000 (However, if you provide satisfactory Evidence of Insurability, this upper limit is a maximum of \$10,000);
  - 2. 50% of your insured Predisability Earnings on the date your insurance ended; and
  - 3. the LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.
- D. The maximum LTD conversion insurance benefit is reduced by Deductible Income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

GLDI-C5300-(0413)

### **XXX. REASONABLE ACCOMMODATION EXPENSE BENEFIT**

- A. If you return to work in Any Occupation for any employer (but not including self-employment) as a result of a reasonable accommodation made by such employer, we will pay your employer a Reasonable Accommodation Expense Benefit of up to the greater of \$1000 or the equivalent of 2 months of your Monthly LTD Benefit, but not to exceed the expenses incurred.
- B. The Reasonable Accommodation Expense Benefit is payable only if:
  - 1. the reasonable accommodation is approved by us in writing prior to its implementation; and
  - 2. the reasonable accommodation meets the federal standards of a reasonable accommodation under the Americans With Disabilities Act of 1991, as amended.

GLDI-C6200-(0413)

### **XXXI. REHABILITATION BENEFIT**

- A. While you are Disabled, you may qualify to participate in a Rehabilitation Plan. **Rehabilitation Plan** means a written plan, program or course of medical treatment or vocational training or education that is intended to prepare you to return to work full time.
- B. To participate in a Rehabilitation Plan, you must apply in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to evaluate, approve and/or terminate your Rehabilitation Plan at any time..
- C. While you are participating in an approved Rehabilitation Plan, your LTD Benefit will be reduced by 50% of any income earned by you for work done under the Rehabilitation Plan. If the sum of your Gross LTD Benefit and Work Earnings exceeds 100% of Predisability Earnings, the excess will be included in Deductible Income. At no time will LTD Benefits be paid beyond the Maximum Benefit Period or be less than the Minimum Monthly Benefit.

GLDI-C6300-(0413)

## **XXXII. SURVIVOR BENEFIT**

- A. If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivor Benefit as follows:
1. The Survivor Benefit will consist of a lump sum equal to 3 times the amount of your last Gross LTD Benefit.
  2. The Survivor Benefit will first be applied to reduce any overpayment of your claim.
  3. The Survivor Benefit will be paid at our option to any one of the following:
    - a) Your surviving Spouse;
    - b) Your surviving unmarried children, including adopted children, under age 25;
    - c) Your surviving Spouse's unmarried children, including adopted children, under age 25;
    - d) Your estate.

GLDI-C6800-(0413)

## **NOTICE**

This is a description of the identities of and relationships among the insurer, administrator, and policyholder of this coverage.

Insurer: Madison National Life Insurance Company, Inc. (MNL) is the insurance underwriter of this coverage. There is no ownership affiliation between MNL and National Insurance Services of Wisconsin.

Administrator: National Insurance Services of Wisconsin (NIS) manages the National Insurance Services of Wisconsin Insurance Trust and the Schools Insurance Fund of Wisconsin. NIS is the administrator of the trust listed below. NIS also provides administrative services for coverage issued to groups through the trusts, including but not limited to billing, client service, and contract and certificate issuance.

Policyholder: National Insurance Services of Wisconsin Insurance Trust

**GROUP LONG TERM DISABILITY  
INSURANCE**

St. Johns River Water Management  
Palatka, Florida

All Employees whose annual Earnings are less than \$30,000



# Certificate of Insurance

## GROUP LONG TERM DISABILITY INSURANCE

St. Johns River Water Management  
Palatka, Florida

All Employees whose annual Earnings are less than \$30,000

The  
**Municipal POOL**  
Administered by Ochs, Inc.

Policy underwritten by:  
 **Madison National  
Life Insurance Company**  
Independence Holding Group

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

1241 John Q. Hammons Drive · Madison, WI 53717

**GROUP LONG TERM DISABILITY INSURANCE  
CERTIFICATE OF COVERAGE**

The Group Policy has been issued to the Policyowner. No coverage under the Group Policy is in effect until approved in writing by Madison National Life Insurance Company, Inc.

The Employer must apply for group long term disability insurance coverage under the Group Policy and join the Policyowner by submitting a completed Joinder Agreement and agreeing to pay premiums. The Group Policy contains numerous optional and variable provisions. The options and variables we have approved for the Employer's coverage under the Group Policy are contained in the Joinder Agreement and the Certificate(s) of Coverage. Only those provisions of the Group Policy which appear in the Joinder Agreement and the Certificate(s) of Coverage will apply to the Employer's coverage under the Group Policy. All provisions on this and the following pages are part of the Certificate of Coverage.

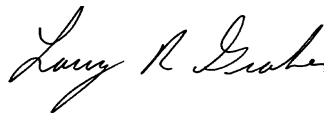
The Group Policy is on file and available for review at the main office of the Policyholder. The Certificate summarizes and explains the parts of the Group Policy that apply to you. This certificate is not an insurance policy. In the event of any conflict between the Group Policy and the Certificate, the Group Policy will control.

This Certificate replaces any other Certificates previously provided to you under the Group Policy.

Unless defined differently within a particular provision, the terms "you" and "your" mean the Eligible Person. "We", "us" and "our" mean Madison National Life Insurance Company. Other defined terms appear with their initial letters capitalized. References to section headings appear in quotation marks.

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

By



Larry R. Graber  
President

**The benefits of the policy providing your coverage are governed primarily by the law of a state other than Florida.**

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**Please be advised that should you have any questions or complaints regarding this insurance, you may telephone us toll-free at 1-800-356-9601.**

### **SCHEDULE OF BENEFITS**

Employer(s):	St Johns River Water Management
Plan Number:	1588
Original Plan Effective Date:	October 1, 2015
Eligible Class:	Class 03: All Employees whose annual Earnings are less than \$30,000
Employer Premium Contribution:	100%
Elimination Period:	90 consecutive calendar days
Minimum Hourly Work Requirement:	20 hours per week
Waiting Period:	Employees hired on February 1st will be effective on March 1st; Employees not hired on February 1st - 30 days
Evidence of Insurability:	Required for Late Enrollees, Increases and amounts exceeding the Guarantee Issue, except as specified under the Becoming Insured section
Employee Eligibility Date:	Employees hired on February 1st - Upon completion of the Waiting Period; Employees not hired on February 1st - First of the month following completion of the Waiting Period
Minimum Participation Requirement:	100%
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while on Paid or Unpaid Leave; Coverage with premium payment until the end of the month following the month in which a Layoff began

Definition of Disability: Zero Day

Own Occupation Period: 24 months following the end of the Elimination Period

Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period

Cumulative Elimination Period: 30 Working Days

Recurrent Disability: 6 months

Predisability Earnings: Base pay only

Maximum Monthly Covered Salary: \$14,100

LTD Benefit Percentage: 66.67%

Maximum Monthly Benefit: \$9,400

Guarantee Issue: \$9,400

Minimum Monthly Benefit: \$100

Maximum Benefit Period:

Age at Disablement	Benefit Duration
Under age 61	SSNRA, but not less than 60 months
61	SSNRA, but not less than 48 months
62	SSNRA, but not less than 42 months
63	SSNRA, but not less than 36 months
64	SSNRA, but not less than 30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Work Incentive Period: First 12 months of Disability with Work Earnings

Sick Pay:	Sick pay plus LTD Benefit to 100% of Predisability Earnings
Social Security Integration:	Full Family
Freeze Type:	General Freeze
Pre-existing Condition Exclusion:	3 months/12 months - Initial amounts and coverage increases
Mental Disorder Limitation:	12 Months Lifetime unless hospital confined, with recovery
Substance Abuse Limitation:	12 Months Lifetime unless hospital confined, with recovery
Special Conditions Limitation:	12 Months Lifetime
Claim Payment Method:	Monthly
Conversion of Insurance Benefit:	Included
Reasonable Accommodation Expense Benefit:	Included
Rehabilitation Benefit:	Included
Survivor Benefit:	Included

GLDI-C400-(0413)-FL

## DEFINITIONS

**Active Work** and **Actively at Work** are defined in Section II.

**Any Occupation** means any job for which you are qualified by education, training, or experience regardless of whether you are working in that or another occupation.

**Contributory** means that you pay all or a portion of the premium for insurance.

**CPI-W** means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

**Deductible Income** is defined in Section XIV.

**Disability** and **Disabled** are defined in Section VIII.

**Eligible Class** means an employment classification defined by the Employer and specified in the "Schedule of Benefits". You must be a member of an Eligible Class in order to be eligible for insurance under the Group Policy.

**Eligible Person** is defined in Section II.

**Elimination Period** means the period of time that you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable during the Elimination Period. Your Elimination Period is specified in the "Schedule of Benefits".

**Employee** is defined in Section II.

**Employer** means an employer (including approved affiliates and subsidiaries) participating in National Insurance Services of Wisconsin Insurance Trust and to which we have assigned a Plan Number and issued a Joinder Agreement.

**Evidence of Insurability** is defined in Section III.

**Group Policy** with respect to the Policyowner means the group LTD insurance policy issued by us to the Policyowner. Group Policy with respect to an Employer means only those provisions of the Group Policy, including the options and variables requested by the Employer, that we have approved for that Employer with respect to its eligible employees. The Employer's coverage under the Group Policy is described in the Joinder Agreement provided by us to the Employer and identified by the Plan Number.

**Gross LTD Benefit** is defined in Section XIII.

**Guarantee Issue** is the amount of coverage provided, up to the Maximum Monthly Benefit, which is not subject to Evidence of Insurability.

**Hospital** means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted annually by the rate of increase in the CPI-W. During the first year of Disability, Indexed Predisability Earnings are the same as the Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability using the above method. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings may increase or remain the same, but will never decrease, even if the CPI-W decreases.

**Injury** means a bodily injury that is the direct result of an accident, that is not related to any other cause, and which in and of itself results in your Disability. Benefits will be payable to you only if the Injury occurs while you are insured under the Group Policy.

**Insured Person** means an Eligible Person whose coverage has become effective under the Group Policy.

**Joinder Agreement** means the document entered into between the Policyowner, the Employer and us describing the coverage requested by the Employer with respect to its Employees, which has been approved by us and assigned a Plan Number.

**Late Enrollee** means an Employee who applies for coverage under the Group Policy more than 31 days after becoming an Eligible Person.

**LTD** means long term disability.

**LTD Benefit** means the net benefit payment due to you after deductions are applied to your Gross LTD Benefit as provided for under the Group Policy. Your LTD Benefit is calculated under Section XIII.

**Material Duties** is defined in Section II.

**Maximum Benefit Period** means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Elimination Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. Your Maximum Benefit Period is specified in the "Schedule of Benefits".

**Mental Disorder** means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease.

**Noncontributory** means the Employer pays the entire premium for insurance.

**Own Occupation** means the occupation you routinely perform for the Employer at the time Disability begins..

**Physical Disease** means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician. Physical Disease includes Pregnancy.

**Physician** means a licensed medical professional under the laws of a state of the United States of America, acting within the scope of such license, who is permitted by law to prescribe medications and practice independent of supervision.

For the purpose of this Group Policy, Physician will not include you or your Spouse, or the brother, sister, parent or child of either an Insured Person or an Insured Person's Spouse.

**Plan Effective Date** means the date on which the Group Policy (with respect to the Employer) becomes effective.



**Plan Number** means the number used by us to reference an Employer and the terms of coverage specified under that Employer's Joinder Agreement.

**Policyowner** means National Insurance Services of Wisconsin Insurance Trust.

**Predisability Earnings** is defined in Section XII.

**Pre-existing Condition** is defined in Section XVII.

**Pregnancy** means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

**Prior Plan** means an Employer's group long term disability insurance plan in effect on the day immediately preceding the Plan Effective Date under this Group Policy.

**Proof of Loss** is defined in Section XX.

**Regular Care of a Physician** means:

1. that you personally visit a Physician as frequently as is medically required according to standard medical practice, but in no event less than annually, to effectively manage and treat your disabling condition(s);
2. that your Physician is rendering appropriate treatment and care for the disabling condition(s) which conform(s) with standard medical practice and is the most appropriate for the disabling condition(s), according to standard medical practice; and
3. that you are complying with all aspects of the treatment plan prescribed by the Physician.

**Retirement Date** means the date you retire as defined by your Employer.

**Special Condition** means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following:

1. Chronic headaches;
2. Chronic pain;
3. Tinnitus (ringing of the ears);
4. Chronic Fatigue Syndrome.

**Spouse** means a person to whom you are legally married and from whom you are not legally separated.

**Substance Abuse** means a condition listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305.

**Waiting Period** is defined in Section II and the "Schedule of Benefits".

**Work Earnings** means your gross monthly earnings from work performed while Disabled.

If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings, we:

1. will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis;
2. will not be limited to the taxable income you report to the Internal Revenue Service;
3. may ignore expenses under section 179 of the IRC as a deduction from your gross earnings;
4. may ignore depreciation as a deduction from your gross earnings;
5. may adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine Work Earnings by averaging your earnings over the most recent 3 month period.

GLDI-C500-(0413)-FL

## I. INSURING CLAUSE

- A. If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy, after we receive satisfactory Proof of Loss.

GLDI-c600(0413)

## II. ELIGIBILITY FOR INSURANCE

- A. To be eligible for insurance under the Group Policy, you must be an Eligible Person. An **Eligible Person** is an Employee who has met the following requirements:
1. You must be an Employee. **Employee** means an individual who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes.
  2. You must be a citizen or legal resident of the United States or Canada, and you must reside in the United States or Canada;
  3. You must be Actively at Work and capable of sustained Active Work on the effective date of your coverage and on the effective date of any subsequent increase in LTD coverage because of an Eligible Class of Group Policy change.
    - a) **Active Work** and **Actively at Work** mean performing all the Material Duties of your Own Occupation at your Employer's usual place of business, and satisfying the Minimum Hourly Work Requirement. Actively at Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days.
    - b) **Minimum Hourly Work Requirement** means the work hours over a given time period that are required of you by your Employer in order to be eligible for coverage. Your Minimum Hourly Work Requirement is specified in the Schedule of Benefits.
    - c) **Material Duties** means the duties generally required by employers in the national economy of those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will working an average of more than 40 hours per week be considered a Material Duty.
  4. You cannot be a part-time employee, temporary or seasonal employee, full-time member of the armed forces of any country, leased employee or independent contractor.
  5. You must satisfy your Waiting Period. **Waiting Period** means the period of time that you must be Actively at Work as an Employee before your coverage may become effective. Your Waiting Period is specified in the "Schedule of Benefits".

GLDI-C700-(0413)

## III. BECOMING INSURED

- A. To become an Insured Person under the Group Policy, you must be an Eligible Person and meet the following requirements as each may apply:
1. If Evidence of Insurability is required, you must provide such Evidence of Insurability and be approved for coverage by us. The Schedule of Benefits specifies when Evidence of Insurability is required.
  2. Evidence of Insurability.
    - a) Providing **Evidence of Insurability** means that an applicant must:

- (1) complete and sign our Evidence of Insurability application and return the original application to us no later than 60 days from the date of signing; and
  - (2) authorize us to obtain information about the applicant's health; and
  - (3) provide any additional information about the applicant's insurability that we may reasonably require.
- b) If you, your Spouse or your dependents are required to provide Evidence of Insurability, you will be responsible for all costs associated with providing Evidence of Insurability.
  - c) In each case where Evidence of Insurability is required, we base our decision whether to approve coverage on the information provided during the underwriting process. If we learn that the information relied on to approve coverage was incorrect, or that relevant information was omitted, we may retroactively rescind coverage and deny claims.
3. If the insurance you wish to obtain is Contributory insurance, you must apply in writing and remit the required premiums.

## B. Effective Date of Your Insurance

### 1. Initial Enrollment

- a) Noncontributory insurance not subject to Evidence of Insurability, or which is subject to Evidence of Insurability and has been approved by us, becomes effective on the date you become an Eligible Person. If, however, you initially waive participation in such coverage and then later wish to participate, you will be treated as a Late Enrollee, subject to Evidence of Insurability.
- b) Contributory insurance subject to Evidence of Insurability becomes effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- c) Contributory insurance not subject to Evidence of Insurability. Provided that you apply prior to, or within 31 days of becoming an Eligible Person, Contributory insurance not subject to Evidence of Insurability becomes effective on the date you become an Eligible Person. If you do not apply for such coverage prior to, or within 31 days of becoming an Eligible Person and subsequently wish to obtain coverage, you will be a Late Enrollee, subject to Evidence of Insurability.

### 2. Increases in Existing Coverage and Late Enrollee Applications

- a) Where Evidence of Insurability is required, increases of existing coverage and Late Enrollee applications become effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
  - b) Where Evidence of Insurability is not required, an increase of existing coverage becomes effective on the date that you become eligible for such coverage.
3. If you are incapable of sustained Active Work due to a Disability on the day before the scheduled effective date of your insurance, such insurance will not become effective until the day after you are capable of sustained Active Work and complete one day of Active Work as an Eligible Person.

#### **IV. WAIVER OF PREMIUM**

- A. Premium payments are required during the Elimination Period. However, payment of premium is waived while LTD Benefits are payable. Upon your return to Active Work, premium payments will again be payable.

GLDI-C900-(0413)

#### **V. WHEN YOUR INSURANCE ENDS** **This provision applies to you if you are not Disabled.**

- A. Except as otherwise provided for under this section, your coverage will cease on the earliest of the following dates:
1. the date your Employer's coverage under the Group Policy terminates;
  2. the date you cease to be an Eligible Person;
  3. the date that your premium payment is not paid when required;
  4. your Retirement Date.
- B. Approved FMLA Leave of Absence - Contributory or Noncontributory Coverage
1. If you are on a FMLA leave, coverage will continue until the later of the leave period required by the Federal Family and Medical Leave Act of 1993, as amended, or the leave period required by applicable state law, provided that:
    - a) the FMLA leave is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your leave must be available to Us at Our request
    - b) FMLA leaves of absence and the right to continue coverage during FMLA leaves are available to all Employees in the same Eligible Class under the Group Policy; and
    - c) the Employer remits the required premium for coverage.
  2. The Elimination Period can be satisfied and benefits may be payable during a FMLA leave subject to all other contract provisions. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the leave, or the salary for which premium was paid.
- C. Paid Leave of Absence. If you are on a paid leave of absence, coverage will continue subject to the following:
1. Noncontributory coverage
    - a) Coverage will continue provided that:
      - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
      - (2) paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
      - (3) the Employer remits the required premium for coverage.
    - b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
    - c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end or 12 months from the date the paid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end, or 12 months from the date the paid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during a paid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

D. Unpaid Leave of Absence - If you are on an unpaid leave of absence, coverage will continue subject to the following:

1. Noncontributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your unpaid leave of absence must be made available to Us at Our request; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.
- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount your covered salary.

Such documentation about your unpaid leave of absence must be made available to Us at Our request; and

- (2) unpaid leaves of absence and the right to continue coverage during unpaid leave of absence are available to all Employees in the same Eligible Class under the Group Policy; and
- (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.

- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during an unpaid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

E. Layoffs - Contributory or Noncontributory Coverage

1. If you are on a leave of absence due to a lay-off, coverage will continue through the end of the month following the month in which you last worked prior to the layoff provided that any premium for you is paid for that period.

GLDI-C1000-(0413)

**VI. RULES FOR TRANSFER OF EMPLOYEES FROM PRIOR PLAN**

- A. If you were eligible for insurance and insured under the Prior Plan on the day before the Plan Effective Date, you can become insured on the Plan Effective Date without meeting the Active Work requirement under Section II.A.3.
- B. The LTD Benefit will be the lesser of the monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force, or the LTD Benefit as determined under the other provisions of this Group Policy. However, no benefits will be payable to you under the Group Policy if any benefits are payable to you under the Prior Plan.
- C. If you were eligible for insurance under the Prior Plan for more than 31 days but were not insured under the Prior Plan, you must provide Evidence of Insurability and be approved by us to become insured.
- D. Continuation of Coverage and Pre-existing Conditions. In calculating the coverage period for determining whether the Pre-existing Condition Exclusion applies, we will include any period of continuous coverage under the Prior Plan immediately preceding the date you became insured under the Group Policy.

GLDI-C1100-(0413)

## VII. REINSTATEMENT OF COVERAGE

- A. If your coverage ends, you may become covered again as an Insured Person, subject to the following:
1. If you cease to be an Eligible Person and coverage ends, and then you return to Active Work with the Employer again within 3 months, the Waiting Period will be waived on the first day of your return to Active Work and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph, the Pre-existing Condition Exclusion will be applied as if there had been no gap in coverage.
  2. If your coverage ends because you fail to make the required contribution while on an approved Family Medical Leave Act (FMLA) leave of absence, and then you return to Active Work and enroll for coverage within 31 days of the earlier of:
    - a) the end of the period of leave you and your Employer agreed upon; or
    - b) the end of the 12 week period following the date your leave began,then the Waiting Period will be waived and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph and a Pre-existing Condition Exclusion applies, such Exclusion will be applied as if there had been no gap in coverage.
  3. In all other cases, if your coverage ends because you fail to make the required contribution, you must provide Evidence of Insurability to become covered again.
  4. In no event will insurance coverage be retroactive.

GLDI-C1200-(0413)

## VIII. DEFINITION OF DISABILITY

- A. **Disability or Disabled** means that during the Elimination Period and your Own Occupation Period you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- B. After your Own Occupation Period ends, **Disability and Disabled** mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of Any Occupation, and, due to such inability, your Work Earnings are less than 66.67% of your Indexed Predisability Earnings, and you are incapable of earning 66.67% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- C. **Loss of License or Certification.** For an Insured Person whose occupation requires a license, a restriction or loss of license does not, in itself, constitute a Disability.



D. Your Own Occupation Period and Any Occupation Period are specified in the Schedule of Benefits.

GLDI-C1300-(0413)

### **IX. CUMULATIVE ELIMINATION PERIOD**

A. If, during the Elimination Period, you return to Active Work at your Own Occupation or Any Occupation with your Employer and you then become Disabled again from the same or related cause(s), the Elimination Period will be determined as follows:

1. If your return to Active Work is for a total of 30 or less Working Days, the Elimination Period will be counted from the first day of the first period of Disability. The number of days you return to work will be added to and extend the Elimination Period by that number of days.
2. If the return to Active Work is for a total of more than 30 Working Days, the Elimination Period will start over and apply in full to the new period of Disability.

B. For the purposes of this provision, any day for which you receive pay will be considered a working day.

GLDI-C1400-(0413)

### **X. RECURRENT DISABILITY**

A. If you return to work for your Employer from a Disability for which benefits were payable under the Group Policy and then become Disabled again due to the same or related cause, we will treat the separate periods of Disability as one period of continuous Disability, provided you are continuously insured under the Group Policy during the period of recovery and the period of recovery does not exceed 6 months. Benefits resume on the date your Disability recurs.

B. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again due to an unrelated cause, we will treat the subsequent Disability as a new claim, subject to all of the terms of the Group Policy.

C. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again more than 6 months after you return to work, the subsequent Disability will be treated as a new claim, subject to all of the terms of the Group Policy.

D. For the purposes of this provision, if your occupation with the Employer does not allow you to be Actively at Work for the entire calendar year due to a seasonal or regularly scheduled employment break, we will consider you to have returned to work if you would have been able to return to work had work been regularly scheduled.

GLDI-C1500-(0413)

### **XI. WHEN LTD BENEFITS END**

A. Your LTD Benefits end automatically on the earliest of the following:

1. The date you are no longer Disabled;
2. The date your Maximum Benefit Period ends;
3. The date you die;
4. The date you become eligible for coverage under any other group LTD plan under which you become insured through employment;
5. The date you fail to provide satisfactory objective medical evidence of continued Disability;
6. The date you fail to comply with our request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of our choice;

7. The date you refuse to accept an accommodated position, offered by your Employer, which you are able to perform, whether it is in your Own Occupation or Any Occupation;
8. The date at which you have resided outside of the United States or Canada for 6 months;
9. The date you are confined in a penal or correctional institution or under house arrest;
10. The date you fail to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds;
11. The date you are able to work and earn 80% of your Indexed Predisability Earnings but choose not to.

GLDI-C1600-(0413)

## **XII. PREDISABILITY EARNINGS**

- A. Predisability Earnings means your earnings in effect on your last full day of Active Work prior to becoming Disabled. Unless otherwise specifically provided for under the Group Policy, any subsequent change in your earnings will not affect your Predisability Earnings.
- B. Methods of Calculating Predisability Earnings
  1. Salaried Employees. Your monthly Predisability Earnings are equal to your annual Predisability Earnings divided by twelve.
  2. Hourly Employees. If you are paid hourly, your monthly Predisability Earnings will be based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, not to exceed 173.33 hours. If you do not have regular work hours, your monthly Predisability Earnings are based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), not to exceed 173.33 hours.
- C. Predisability Earnings includes the following:
  1. your base rate of pay.
- D. Predisability Earnings does not include the following:
  1. commissions;
  2. bonuses;
  3. overtime pay;
  4. pay for extracurricular activities;
  5. longevity pay;
  6. extra duty pay;
  7. supplemental pay;
  8. shift differential;
  9. your Employer's contributions to your health insurance premium;
  10. your Employer's contributions to a Tax Sheltered Annuity (TSA);
  11. your Employer's contributions on your behalf to any deferred compensation arrangement, pension plan, or other fringe benefits;
  12. any other extra compensation.

- E. Notwithstanding Section A above, in no event will your monthly Predisability Earnings exceed either the monthly salary for which premiums have been paid or the Maximum Monthly Covered Salary.

GLDI-C1700-(0413)

### **XIII. LTD BENEFIT CALCULATION**

- A. Your monthly **Gross LTD Benefit** is equal to the lesser of your monthly Predisability Earnings times the LTD Benefit Percentage, or the Maximum Monthly Benefit.
- B. Your monthly **LTD Benefit** is calculated as follows:
1. During the Work Incentive Period, Your LTD Benefit will be equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit);
  2. Upon expiration of the Work Incentive Period, your LTD Benefit will be calculated as follows (subject to the Minimum Monthly Benefit):  $(A \div B) \times C$ , where:  
A = monthly Indexed Predisability Earnings minus Work Earnings for that same period.  
B = monthly Indexed Predisability Earnings.  
C = monthly Gross LTD Benefit minus monthly Deductible Income (exclusive of Work Earnings).

GLDI-1800-(04/13)

### **XIV. DEDUCTIBLE INCOME**

- A. Your Gross LTD Benefit will always be reduced by Deductible Income which is available to you or which you are eligible to receive as a result of your Disability, whether or not you apply for and receive such payments or benefits. The Deductible Income that we will subtract from your Gross LTD Benefit is listed below.
- B. To receive the full measure of income under the Group Policy, you must apply for all Deductible Income for which you may be eligible as soon as you are entitled to such benefits. If you do not apply for and actively pursue in good faith all Deductible Income for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are entitled to Deductible Income, we will estimate the amount of those benefits and reduce the Gross LTD Benefit by that estimated amount as of the date on which we deem you were eligible to receive Deductible Income. Integration of the estimated amount of Deductible Income that we have determined is available to you will continue until you provide us with proof that you have filed the appropriate application(s) and continue to actively pursue Deductible Income.
- Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you receive the Deductible Income in another month.
- C. If you are paid Deductible Income in a lump sum, we will use the period of time to which the Deductible Income applies. If no period of time is stated, we will make a reasonable estimate.
- D. We will not estimate the amount of Deductible Income nor reduce your Gross LTD Benefit by any amounts for which applications or administrative appeals for Deductible Income are pending, provided that you:
1. apply for in good faith and pursue to our satisfaction all Deductible Income for which we determine you might be eligible;

2. designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
3. keep us informed on a timely basis of the status of all applications for Deductible Income;
4. sign a Reimbursement Agreement; and
5. pursue administrative appeals of Deductible Income denials.

**E. Deductible Income** includes the following:

1. Any excess of Sick pay (including donated amounts and paid time off) plus your LTD Benefit over 100% of your Predisability Earnings immediately prior to the onset of your Disability.
2. Annual or personal leave pay, severance pay, or other salary continuation, except vacation pay, payable to you by your Employer;
3. Work Earnings as follows:
  - a) During the First 12 months of Disability with Work Earnings (the “Work Incentive Period”), if the total amount of your Gross LTD Benefit plus the amount you receive from Work Earnings exceeds 100% of your Predisability Earnings, the amount in excess of 100% of your Predisability Earnings will be included in Deductible Income;
  - b) Upon expiration of the Work Incentive Period, your Work Earnings will be offset as provided in Section XIII.
4. Any amount you receive or are eligible to receive because of your Disability under any of the following:
  - a) a Workers’ Compensation Law to the extent we, at our discretion, determine that these amounts are of the general character as payments provided under the Group Policy for Disability;
  - b) the Jones Act;
  - c) Maritime Doctrine of Maintenance, Wages or Cure;
  - d) Longshoremen’s and Harbor Worker’s Act;
  - e) any similar act or law;
5. The amount that you, your Spouse and children receive or are eligible to receive because of your disability or retirement benefits under:
  - a) the United States Social Security Act;
  - b) the Canada Pension Plan;
  - c) the Quebec Pension Plan;
  - d) the Railroad Retirement Act; or
  - e) any similar Plan or Act;

Benefits your Spouse or a child receive or are eligible to receive because of your Disability are Deductible Income regardless of the marital status, custody, or place of residence;

6. Any amount you receive or are eligible to receive because of your Disability under any state disability income benefit law or similar law;

7. Retirement plans
  - a) Any disability or retirement benefits you receive or are eligible to receive because of your Disability under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members;
  - b) If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income to age 65 with no survivor benefit will be used to determine Deductible Income;
  - c) Your and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan;
8. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law;
9. Any amount you receive or are eligible to receive from or on behalf of a third party because of your Disability, whether by judgment, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees;
10. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed;
11. Any amount you receive under any "no fault" motor vehicle plan
12. Any amount you receive or are eligible to receive because of your Disability under any group insurance coverage.

F. **Deductible Income** does not include the following:

1. Any cost of living increases in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical or surgical expense;
3. Reasonable attorneys' fees incurred in connection with a claim for Deductible Income;
4. Benefits from any individual disability insurance policy;
5. Early retirement benefits under the Federal Social Security Act which are not received;
6. Group credit or mortgage disability insurance benefits;
7. Accelerated benefits paid under a life insurance policy;
8. Under your Employer's retirement plan, any amount you could have received upon termination of employment without being disabled or retired;
9. Benefits from the following:
  - a) Profit sharing plan;
  - b) Thrift or savings plan;

- c) Deferred compensation plan;
- d) Plan under IRC Section 401(k), 408(k), or 457;
- e) Individual Retirement Account (IRA);
- f) Tax Sheltered Annuity (TSA) under IRC Section 403(b);
- g) Stock ownership plan;
- h) Keogh (HR-10) plan;
- i) Retirement plan under a professional service corporation with respect to principals.

GLDI-C1900-(0413)

## **XV. BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

- A. During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:
  - 1. any amendment to the Group Policy or your Employer's coverage under the Group Policy that is effective after you become Disabled.
  - 2. termination of the Group Policy or your Employer's coverage under the Group Policy after you become Disabled.

GLDI-C2000-(0413)

## **XVI. EFFECT OF NEW DISABILITY**

- A. If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled, subject to the following:
  - 1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period;
  - 2. The "Exclusions" and "Limitations" sections will apply to the new cause of Disability.

GLDI-C2100-(0413)

## **XVII. EXCLUSIONS**

- A. War. You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties.
- B. Criminal Conduct. You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
- C. Military Leave. You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country.
- D. Imprisonment. No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- E. Intentionally Self-Inflicted Injury-Suicide. You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane or insane.

## F. Pre-existing Conditions

1. Your current LTD coverage. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months and have been Actively at Work for at least 1 full day after the end of that 12 months.
2. If you are not covered for a Disability because of the Pre-existing Condition exclusion for Your current LTD coverage, you are not covered for that same Disability for any LTD coverage increase because of an Eligible Class or Group Policy change.
3. LTD coverage increase because of an Eligible Class or Group Policy change. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months from the effective date of the LTD coverage increase and have been Actively at Work for at least 1 full day after the end of that 12 months.
4. **Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 months period just before the effective date of your insurance under the Group Policy or the effective date of the LTD coverage increase.

GLDI-C2200-(0413)-FL

## XVIII. LIMITATIONS

### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 12 months during your lifetime. 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 Mental Disorders or Substance Abuse, either separate or combined.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a Substance Abuse program available to you through either: (i) another group plan of your employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to you. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:
  - a) the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
  - b) the date you are no longer participating in the rehabilitative program;
  - c) the date you refuse to participate in an available rehabilitative program; or
  - d) the date you complete the rehabilitative program.
3. Exception to 12 month limitation.
  - a) If at the end of that 12 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.

- b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 days period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

#### B. Special Conditions

1. When Disability is due in whole or in part to Special Conditions, the Maximum Benefit Period is 12 months while not Hospital confined. This maximum applies to any and all such periods of Disability during your lifetime.

C. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.

D. Payment Limit. In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

GLDI-C2300-(0413)

### **XIX. RESPONSIBILITIES OF DISABLED INSURED PERSONS**

#### A. Your Obligations During A Period Of Disability

1. You must make a good faith effort to recover from, or reduce the severity of, your Disability and the resulting loss of income, or you will forfeit benefits. The Group Policy requires you to take a variety of actions in this regard, including, but not limited to, the following:
  - a) You must accept any position within a broad definition of Own Occupation that you can perform and which your Employer or another employer makes available during the Own Occupation Period regardless of whether the compensation for such work is less than your Predisability Earnings. The income earned will be treated as Work Earnings.
  - b) You must arrange for and use the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment that would likely improve your condition or end your Disability, and that does not pose unreasonable risks.
  - c) You must submit periodic evidence from your Physician that substantiates, to our satisfaction, that you remain Disabled. This required evidence includes, but is not limited to, objective medical and/or psychiatric evidence from a Physician that confirms your Disability. Subjective complaints alone will not be considered conclusive evidence of a Disability. The attending Physician must be able to provide objective medical evidence to support his/her opinion as to why you are not able to perform the Material Duties of your Own Occupation or Any Occupation. You must obtain and provide this information at your own expense.
  - d) Where they exist, you must engage in appropriate medical and/or occupational rehabilitation programs that are reasonably expected to enable you to return to work. You must notify us when you participate in such a program.
  - e) You must appeal denials of Deductible Income and actively pursue such appeals in good faith.
  - f) You must promptly provide us with all information that we reasonably decide is necessary to verify and administer your claim for benefits.



2. Return to Work Responsibility

- a) During the Own Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 80% of your Indexed Predisability Earnings, but you elect not to work.
- b) During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and are able to earn at least 80% of your Indexed Predisability Earnings, but elect not to work.
- c) Any earnings you receive from work you perform, or that you could receive if you worked as much as you are able to considering your Disability, that are less than 100% of your Indexed Predisability Earnings will be treated as Work Earnings.

3. Duty to Furnish Information. To receive benefits under the Group Policy, you must authorize and direct medical care providers and sources of earnings or Deductible Income to provide us with all information and records that we reasonably determine to be relevant to the determination of benefits or eligibility for benefits. We do not pay fees charged for submitting this information to us. Any such costs will be your responsibility.

B. Our Right to Examine. We may require you to be examined by a Physician, other medical practitioner and/or vocational expert of our choice, in addition to your obligation to be under the Regular Care of a Physician as specified above. In such case, we will pay for the additional examination. You must cooperate fully with the Physician, medical practitioner or vocational expert and give full effort to such examinations. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Company representative.

C. Insured Person's Failure to Comply

- 1. We have the right to suspend benefits during any portion of a Disability in which you fail to comply with any of the requirements set forth in this Certificate.
- 2. We have the further right to terminate irrevocably all further benefits under the Group Policy when benefits have been suspended for a period of 6 consecutive months due to your failure to comply with any of the requirements of the Group Policy.

GLDI-C2400-(0413)

**XX. CLAIMS**

A. Notice of Claim

- 1. Written notice of claim should be given to us within 30 days of the date the Elimination Period ends, if that is possible. If that is not possible, you must notify us as soon as it is reasonably possible to do so.
- 2. When we receive a written notice of claim, we will send you our claim forms for filing Proof of Loss. If you do not receive the forms within 15 days after written notice of claim is sent, you can send us written Proof of Loss without waiting for the forms.

B. Proof of Loss

- 1. Proof of Loss means all the information necessary to determine that a loss occurred:
  - a) for which the Group Policy provides benefits; and
  - b) which is not subject to any exclusions; and
  - c) which meets all other conditions for benefits.

2. Written Proof of Loss must be furnished to us at our home office no later than 90 days after the end of the Elimination Period. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible, but not later than one year following the end of the 90 day period. These limits will not apply while an Insured Person lacks legal capacity.
3. Any items we may reasonably require in support of a claim, such as completed claims statements and a signed authorization for us to obtain information including tax information, must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied. No benefits will be paid until we receive Proof of Loss satisfactory to us.

C. Investigation of Claim

1. We may investigate a claim at any time.
2. At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend benefits if you fail to attend an examination, give full effort or cooperate with the examiner.

D. Payment of Claims

1. We will pay LTD Benefits within 30 days after we receive satisfactory Proof of Loss, but not before satisfaction of the Elimination Period.
2. Claim Payment Method. LTD Benefit payments that you qualify for will be paid to you as specified in the "Schedule of Benefits". Payments for partial weekly benefits will be pro-rated based on a 7 day week. Payments for partial monthly benefits will be pro-rated based on a 30 day month.
3. LTD Benefits payable at the time of your death will be paid to the person(s) receiving the "Survivor Benefit" if applicable. If no "Survivor Benefit" is paid, the unpaid LTD Benefits will be paid to your estate.

E. Notice of Adverse Decision on Claim

1. We will notify you of an adverse benefit determination within a reasonable period of time, but not later than 45 days after we receive satisfactory Proof of Loss. This period may be extended by us for up to 30 days, provided that we determine that such an extension is necessary due to matters beyond our control, and provided that we notify you prior to the end of the initial 45 day period, of the circumstances requiring the extension of time and the date by which we expect to render a decision.
2. If, prior to the end of the first 30 day extension period, we determine that, due to matters beyond our control, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that we notify you prior to the expiration of the first 30 day extension period, of the circumstances requiring the extension and the date as of which we expect to render a decision.
3. In the case of any extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be given at least 45 days within which to provide the specified information.
4. If we deny any part of your claim, you will receive a written notice of denial containing the following:
  - a) the reasons for our decision;
  - b) reference to the provisions of the Group Policy on which our decision is based;
  - c) a description of any additional information needed to support your claim;
  - d) information concerning your right to a review of our decision.

F. Review Procedure

1. If all or part of a claim is denied, you may request a review. A request for a review must be in writing and received by us within 120 days after you receive notice of the denial.
2. You may send us written comments or other items to support the claim and may review any non-privileged information that relates to the request for review.
3. We will review the claim promptly after we receive the request. We will send you a notice of our decision within 45 days after we receive the request, unless special circumstances require an extension. If we determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the expiration of the initial 45 day period. In no event will such extension exceed a period of 60 days from the end of the initial period.

G. Assignment. The rights and benefits under the Group Policy are not assignable.

GLDI-C2500-(0413)

**XXI. RIGHT TO REIMBURSEMENT**

- A. If we make benefit payments to you in excess of the amounts required by the provisions of this Group Policy or, if you receive retroactive benefits from any Deductible Income source for periods of time during which we paid benefits to you, you must reimburse us for any such excess, duplicate, or erroneous payments.
- B. Before any LTD Benefits are paid to you, you must execute and deliver to us a Reimbursement Agreement, provided by us, setting forth specific terms of reimbursement.
- C. Upon request, you must execute and deliver to us such documents as may be required, and do whatever else may be necessary, to secure our rights to recover any excess, duplicate, or erroneous payments.
- D. You must reimburse us in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this Policy. Such reimbursement will be due and payable immediately upon our notification to you. At our option, subsequent payment of benefits or the refund of any premium owed to you by us may be reduced or applied by us directly toward such reimbursement obligation. If you delay in notifying us of your receipt of Deductible Income or in making reimbursement to us, we will have the right to charge interest at a reasonable rate on the delinquent amount owed to us.
- E. Our acceptance of premium or other fees, or our providing or paying of benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to us at law or in equity.
- F. The Minimum Monthly Benefit may be applied to recover an outstanding overpayment.

GLDI-C2600-(0413)

**XXII. SUBROGATION**

- A. If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.
- B. If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.

If suit or action is filed, we may record a notice of payments of LTD Benefits and such notice will constitute a lien on any judgment recovered.

- C. If you or your legal representatives fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgment recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, will be paid to you or as the court may direct.

GLDI-C2700-(0413)

### **XXIII. ALLOCATION OF AUTHORITY**

- A. Except for those functions which the Group Policy specifically reserves to the Policyowner or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims and to interpret the Group Policy and resolve all questions arising in the administration, interpretation and application of the Group Policy.
- B. Our authority includes, but is not limited to the following:
1. the right to resolve all matters when a review has been requested;
  2. the right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
  3. the right to determine the following:
    - a) eligibility for insurance;
    - b) entitlement to benefits;
    - c) the amount of benefits payable;
    - d) the sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.
- C. Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

GLDI-C2800-(0413)

### **XXIV. TIME LIMITS ON LEGAL ACTIONS**

- A. No action at law or in equity may be brought until 60 days after we have received Proof of Loss. No such action may be brought more than five years after the earlier of the following:
1. the date we receive Proof of Loss;
  2. the time within which Proof of Loss is required to be given.

GLDI-C2900-(0413)-FL

### **XXV. INCONTESTABILITY PROVISIONS**

- A. Incontestability of Insurance
1. Any statement made to obtain or to increase insurance is a representation and not a warranty.
  2. No misrepresentation will be used as a basis for reducing or denying a claim or contesting the validity of insurance unless:
    - a) the insurance would not have been approved if we had known the truth; and
    - b) we have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

3. After insurance has been in effect for two years during the lifetime of the Insured Person, we will not use a misrepresentation as a basis for reducing or denying a claim, unless it was a fraudulent misrepresentation.
- B. Incontestability of the Group Policy or Employer Coverage under the Group Policy
1. Any statements made by the Policyowner to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.
  2. No misrepresentation by the Policyowner or your Employer will be used as a basis for denying a claim, or for denying the validity of the Group Policy or your Employer's coverage under the Group Policy unless:
    - a) the Group Policy would not have been issued or your Employer's coverage under the Group Policy would not have been approved if we had known the truth; and
    - b) we have given the Policyowner or Employer a copy of a written instrument signed by the Policyowner or Employer which contains the misrepresentation.
  3. The validity of the Group Policy or your Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

GLDI-C3000-(0413)

## **XXVI. CLERICAL ERROR AND MISSTATEMENT**

- A. Clerical Error
1. Clerical error by us, the Policyowner, your Employer, or their respective employees or representatives will not:
    - a) cause a person to become insured under the Group Policy or a provision of it.
    - b) invalidate insurance otherwise validly in force.
    - c) continue insurance otherwise validly terminated.
    - d) cause an Employer to obtain coverage under the Group Policy or a provision of it.
  2. In the event that a clerical error results in an incorrect rate, we reserve the right to adjust the rate accordingly.
- B. The payment of premium, by itself, will not obligate us to provide benefits to anyone who is not eligible for coverage under the Group Policy.
- C. Your Employer acts on its own behalf as your agent, and not as our agent. Your Employer has no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.
- D. Misstatement of Age or Gender
1. If the age or gender, or both, of a person has been misstated, we will make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
    - a) the amount of insurance based on the correct age and gender; and
    - b) the difference between the premiums paid and the premiums which would have been paid if the age and gender had been correctly stated.

GLDI-C3100-(0413)

## **XXVII. FRAUD**

- A. It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the Group Policy and recovery of any amounts we have paid.

GLDI-C3200-(0413)

## **XXVIII. TERMINATION OR AMENDMENT OF THE GROUP POLICY AND EMPLOYER COVERAGE**

- A. The Group Policy may be terminated, changed or amended in whole or in part by us or the Policyowner according to the terms of the Group Policy. Any such change or amendment may apply to current or future Employers and Eligible Persons covered under the Group Policy or to any separate classes or categories thereof. An Employer's coverage under the Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy.
- B. We may change the Group Policy and any Employer's coverage under the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyowner's or Employer's consent.
- C. We may terminate an Employer's coverage on any premium due date by giving the Employer not less than 45 days advance notice. An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Eligible Persons, at any time by giving us advanced written notice at least 45 days prior to such termination. Insurance will terminate automatically for nonpayment of premium.
- D. Benefits are limited to the terms of your Employer's coverage under the Group Policy, including any valid amendments. No change or amendment of your Employer's coverage will be valid unless it is approved in writing by one of our executive officers and delivered to your Employer. The Policyowner, your Employer and their respective employees or representatives have no right or authority to change or amend the Group Policy or your Employer's coverage under the Group Policy or to waive any terms or provisions thereof without our signed, written approval.

GLDI-C3300-(0413)-FL

## **XXIX. CONVERSION OF INSURANCE BENEFIT**

- A. When your insurance ends under the Group Policy, you may buy LTD conversion insurance if you meet the following requirements:
1. Your insurance ends for a reason other than the following:
    - a) termination or amendment of the Group Policy or your Employer's coverage under the Group Policy;
    - b) your failure to make a required premium contribution;
    - c) your retirement.
  2. You have been continuously insured under the Group Policy and the Prior Plan together for at least 12 months on the date your insurance ends;
  3. You are not Disabled on the date your insurance ends;
  4. You are a citizen or resident of the United States or Canada;
  5. You apply in writing and pay the first premium to us within 31 days after your insurance ends.

- B. Your LTD conversion insurance becomes effective on the day immediately following your last day of coverage under the Group Policy.
- C. The maximum LTD conversion insurance benefit you may select is the smallest of the following:
  - 1. \$2,000 (However, if you provide satisfactory Evidence of Insurability, this upper limit is a maximum of \$10,000);
  - 2. 50% of your insured Predisability Earnings on the date your insurance ended; and
  - 3. the LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.
- D. The maximum LTD conversion insurance benefit is reduced by Deductible Income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

GLDI-C5300-(0413)

### **XXX. REASONABLE ACCOMMODATION EXPENSE BENEFIT**

- A. If you return to work in Any Occupation for any employer (but not including self-employment) as a result of a reasonable accommodation made by such employer, we will pay your employer a Reasonable Accommodation Expense Benefit of up to the greater of \$1000 or the equivalent of 2 months of your Monthly LTD Benefit, but not to exceed the expenses incurred.
- B. The Reasonable Accommodation Expense Benefit is payable only if:
  - 1. the reasonable accommodation is approved by us in writing prior to its implementation; and
  - 2. the reasonable accommodation meets the federal standards of a reasonable accommodation under the Americans With Disabilities Act of 1991, as amended.

GLDI-C6200-(0413)

### **XXXI. REHABILITATION BENEFIT**

- A. While you are Disabled, you may qualify to participate in a Rehabilitation Plan. **Rehabilitation Plan** means a written plan, program or course of medical treatment or vocational training or education that is intended to prepare you to return to work full time.
- B. To participate in a Rehabilitation Plan, you must apply in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to evaluate, approve and/or terminate your Rehabilitation Plan at any time..
- C. While you are participating in an approved Rehabilitation Plan, your LTD Benefit will be reduced by 50% of any income earned by you for work done under the Rehabilitation Plan. If the sum of your Gross LTD Benefit and Work Earnings exceeds 100% of Predisability Earnings, the excess will be included in Deductible Income. At no time will LTD Benefits be paid beyond the Maximum Benefit Period or be less than the Minimum Monthly Benefit.

GLDI-C6300-(0413)

## **XXXII. SURVIVOR BENEFIT**

- A. If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivor Benefit as follows:
1. The Survivor Benefit will consist of a lump sum equal to 3 times the amount of your last Gross LTD Benefit.
  2. The Survivor Benefit will first be applied to reduce any overpayment of your claim.
  3. The Survivor Benefit will be paid at our option to any one of the following:
    - a) Your surviving Spouse;
    - b) Your surviving unmarried children, including adopted children, under age 25;
    - c) Your surviving Spouse's unmarried children, including adopted children, under age 25;
    - d) Your estate.

GLDI-C6800-(0413)



## **NOTICE**

This is a description of the identities of and relationships among the insurer, administrator, and policyholder of this coverage.

Insurer: Madison National Life Insurance Company, Inc. (MNL) is the insurance underwriter of this coverage. There is no ownership affiliation between MNL and National Insurance Services of Wisconsin.

Administrator: National Insurance Services of Wisconsin (NIS) manages the National Insurance Services of Wisconsin Insurance Trust and the Schools Insurance Fund of Wisconsin. NIS is the administrator of the trust listed below. NIS also provides administrative services for coverage issued to groups through the trusts, including but not limited to billing, client service, and contract and certificate issuance.

Policyholder: National Insurance Services of Wisconsin Insurance Trust

**GROUP LONG TERM DISABILITY  
INSURANCE**

St. Johns River Water Management  
Palatka, Florida  
All Eligible Senior Management Employees

# Certificate of Insurance

## GROUP LONG TERM DISABILITY INSURANCE

St. Johns River Water Management  
Palatka, Florida  
All Eligible Senior Management Employees

The  
**Municipal POOL**  
Administered by Ochs, Inc.

Policy underwritten by:  
 **Madison National  
Life Insurance Company**  
Independence Holding Group

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

1241 John Q. Hammons Drive · Madison, WI 53717

**GROUP LONG TERM DISABILITY INSURANCE  
CERTIFICATE OF COVERAGE**

The Group Policy has been issued to the Policyowner. No coverage under the Group Policy is in effect until approved in writing by Madison National Life Insurance Company, Inc.

The Employer must apply for group long term disability insurance coverage under the Group Policy and join the Policyowner by submitting a completed Joinder Agreement and agreeing to pay premiums. The Group Policy contains numerous optional and variable provisions. The options and variables we have approved for the Employer's coverage under the Group Policy are contained in the Joinder Agreement and the Certificate(s) of Coverage. Only those provisions of the Group Policy which appear in the Joinder Agreement and the Certificate(s) of Coverage will apply to the Employer's coverage under the Group Policy. All provisions on this and the following pages are part of the Certificate of Coverage.

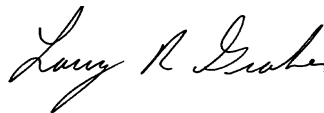
The Group Policy is on file and available for review at the main office of the Policyholder. The Certificate summarizes and explains the parts of the Group Policy that apply to you. This certificate is not an insurance policy. In the event of any conflict between the Group Policy and the Certificate, the Group Policy will control.

This Certificate replaces any other Certificates previously provided to you under the Group Policy.

Unless defined differently within a particular provision, the terms "you" and "your" mean the Eligible Person. "We", "us" and "our" mean Madison National Life Insurance Company. Other defined terms appear with their initial letters capitalized. References to section headings appear in quotation marks.

**MADISON NATIONAL LIFE INSURANCE COMPANY, INC.**

By



Larry R. Graber  
President

**The benefits of the policy providing your coverage are governed primarily by the law of a state other than Florida.**

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**Please be advised that should you have any questions or complaints regarding this insurance, you may telephone us toll-free at 1-800-356-9601.**

### **SCHEDULE OF BENEFITS**

Employer(s):	St Johns River Water Management
Plan Number:	1588
Original Plan Effective Date:	October 1, 2015
Eligible Class:	Class 04: All Eligible Senior Management Employees
Employer Premium Contribution:	100%
Elimination Period:	90 consecutive calendar days
Minimum Hourly Work Requirement:	20 hours per week
Waiting Period:	None
Evidence of Insurability:	Required for Late Enrollees, Increases and amounts exceeding the Guarantee Issue, except as specified under the Becoming Insured section
Employee Eligibility Date:	Upon completion of the Waiting Period
Minimum Participation Requirement:	100%
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while on Paid or Unpaid Leave; Coverage with premium payment until the end of the month following the month in which a Layoff began
Definition of Disability:	Zero Day
Own Occupation Period:	From the end of the Elimination Period to the end of the Maximum Benefit Period
Any Occupation Period:	N/A
Cumulative Elimination Period:	30 Working Days
Recurrent Disability:	6 months
Predisability Earnings:	Base pay only

Maximum Monthly Covered Salary: \$14,100

LTD Benefit Percentage: 66.67%

Maximum Monthly Benefit: \$9,400

Guarantee Issue: \$9,400

Minimum Monthly Benefit: \$100

Maximum Benefit Period:

Age at Disablement	Benefit Duration
Under age 61	SSNRA, but not less than 60 months
61	SSNRA, but not less than 48 months
62	SSNRA, but not less than 42 months
63	SSNRA, but not less than 36 months
64	SSNRA, but not less than 30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Work Incentive Period: First 12 months of Disability with Work Earnings

Sick Pay: Sick pay plus LTD Benefit to 100% of Predisability Earnings

Social Security Integration: Full Family

Freeze Type: General Freeze

Pre-existing Condition Exclusion: 3 months/12 months - Initial amounts and coverage increases

Mental Disorder Limitation: 12 Months Lifetime unless hospital confined, with recovery

Substance Abuse Limitation: 12 Months Lifetime unless hospital confined, with recovery

Special Conditions Limitation:	12 Months Lifetime
Claim Payment Method:	Monthly
Conversion of Insurance Benefit:	Included
Reasonable Accommodation Expense Benefit:	Included
Rehabilitation Benefit:	Included
Survivor Benefit:	Included

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## DEFINITIONS

**Active Work** and **Actively at Work** are defined in Section II.

**Any Occupation** means any job for which you are qualified by education, training, or experience regardless of whether you are working in that or another occupation.

**Contributory** means that you pay all or a portion of the premium for insurance.

**CPI-W** means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

**Deductible Income** is defined in Section XIV.

**Disability** and **Disabled** are defined in Section VIII.

**Eligible Class** means an employment classification defined by the Employer and specified in the "Schedule of Benefits". You must be a member of an Eligible Class in order to be eligible for insurance under the Group Policy.

**Eligible Person** is defined in Section II.

**Elimination Period** means the period of time that you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable during the Elimination Period. Your Elimination Period is specified in the "Schedule of Benefits".

**Employee** is defined in Section II.

**Employer** means an employer (including approved affiliates and subsidiaries) participating in National Insurance Services of Wisconsin Insurance Trust and to which we have assigned a Plan Number and issued a Joinder Agreement.

**Evidence of Insurability** is defined in Section III.

**Group Policy** with respect to the Policyowner means the group LTD insurance policy issued by us to the Policyowner. Group Policy with respect to an Employer means only those provisions of the Group Policy, including the options and variables requested by the Employer, that we have approved for that Employer with respect to its eligible employees. The Employer's coverage under the Group Policy is described in the Joinder Agreement provided by us to the Employer and identified by the Plan Number.

**Gross LTD Benefit** is defined in Section XIII.

**Guarantee Issue** is the amount of coverage provided, up to the Maximum Monthly Benefit, which is not subject to Evidence of Insurability.

**Hospital** means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted annually by the rate of increase in the CPI-W. During the first year of Disability, Indexed Predisability Earnings are the same as the Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability using the above method. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings may increase or remain the same, but will never decrease, even if the CPI-W decreases.

**Injury** means a bodily injury that is the direct result of an accident, that is not related to any other cause, and which in and of itself results in your Disability. Benefits will be payable to you only if the Injury occurs while you are insured under the Group Policy.

**Insured Person** means an Eligible Person whose coverage has become effective under the Group Policy.

**Joinder Agreement** means the document entered into between the Policyowner, the Employer and us describing the coverage requested by the Employer with respect to its Employees, which has been approved by us and assigned a Plan Number.

**Late Enrollee** means an Employee who applies for coverage under the Group Policy more than 31 days after becoming an Eligible Person.

**LTD** means long term disability.

**LTD Benefit** means the net benefit payment due to you after deductions are applied to your Gross LTD Benefit as provided for under the Group Policy. Your LTD Benefit is calculated under Section XIII.

**Material Duties** is defined in Section II.

**Maximum Benefit Period** means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Elimination Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. Your Maximum Benefit Period is specified in the "Schedule of Benefits".

**Mental Disorder** means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease.

**Noncontributory** means the Employer pays the entire premium for insurance.

**Own Occupation** means the occupation you routinely perform for the Employer at the time Disability begins..

**Physical Disease** means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician. Physical Disease includes Pregnancy.

**Physician** means a licensed medical professional under the laws of a state of the United States of America, acting within the scope of such license, who is permitted by law to prescribe medications and practice independent of supervision.

For the purpose of this Group Policy, Physician will not include you or your Spouse, or the brother, sister, parent or child of either an Insured Person or an Insured Person's Spouse.

**Plan Effective Date** means the date on which the Group Policy (with respect to the Employer) becomes effective.

**Plan Number** means the number used by us to reference an Employer and the terms of coverage specified under that Employer's Joinder Agreement.

**Policyowner** means National Insurance Services of Wisconsin Insurance Trust.

**Predisability Earnings** is defined in Section XII.

**Pre-existing Condition** is defined in Section XVII.

**Pregnancy** means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

**Prior Plan** means an Employer's group long term disability insurance plan in effect on the day immediately preceding the Plan Effective Date under this Group Policy.

**Proof of Loss** is defined in Section XX.

**Regular Care of a Physician** means:

1. that you personally visit a Physician as frequently as is medically required according to standard medical practice, but in no event less than annually, to effectively manage and treat your disabling condition(s);
2. that your Physician is rendering appropriate treatment and care for the disabling condition(s) which conform(s) with standard medical practice and is the most appropriate for the disabling condition(s), according to standard medical practice; and
3. that you are complying with all aspects of the treatment plan prescribed by the Physician.

**Retirement Date** means the date you retire as defined by your Employer.

**Special Condition** means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following:

1. Chronic headaches;
2. Chronic pain;
3. Tinnitus (ringing of the ears);
4. Chronic Fatigue Syndrome.

**Spouse** means a person to whom you are legally married and from whom you are not legally separated.

**Substance Abuse** means a condition listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305.

**Waiting Period** is defined in Section II and the "Schedule of Benefits".

**Work Earnings** means your gross monthly earnings from work performed while Disabled.

If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings, we:

1. will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis;
2. will not be limited to the taxable income you report to the Internal Revenue Service;
3. may ignore expenses under section 179 of the IRC as a deduction from your gross earnings;
4. may ignore depreciation as a deduction from your gross earnings;
5. may adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine Work Earnings by averaging your earnings over the most recent 3 month period.

GLDI-C500-(0413)-FL

## I. INSURING CLAUSE

- A. If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy, after we receive satisfactory Proof of Loss.

GLDI-c600(0413)

## II. ELIGIBILITY FOR INSURANCE

- A. To be eligible for insurance under the Group Policy, you must be an Eligible Person. An **Eligible Person** is an Employee who has met the following requirements:

1. You must be an Employee. **Employee** means an individual who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes.
2. You must be a citizen or legal resident of the United States or Canada, and you must reside in the United States or Canada;
3. You must be Actively at Work and capable of sustained Active Work on the effective date of your coverage and on the effective date of any subsequent increase in LTD coverage because of an Eligible Class of Group Policy change.
  - a) **Active Work** and **Actively at Work** mean performing all the Material Duties of your Own Occupation at your Employer's usual place of business, and satisfying the Minimum Hourly Work Requirement. Actively at Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days.
  - b) **Minimum Hourly Work Requirement** means the work hours over a given time period that are required of you by your Employer in order to be eligible for coverage. Your Minimum Hourly Work Requirement is specified in the Schedule of Benefits.
  - c) **Material Duties** means the duties generally required by employers in the national economy of those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will working an average of more than 40 hours per week be considered a Material Duty.
4. You cannot be a part-time employee, temporary or seasonal employee, full-time member of the armed forces of any country, leased employee or independent contractor.
5. You must satisfy your Waiting Period. **Waiting Period** means the period of time that you must be Actively at Work as an Employee before your coverage may become effective. Your Waiting Period is specified in the "Schedule of Benefits".

GLDI-C700-(0413)

## III. BECOMING INSURED

- A. To become an Insured Person under the Group Policy, you must be an Eligible Person and meet the following requirements as each may apply:
1. If Evidence of Insurability is required, you must provide such Evidence of Insurability and be approved for coverage by us. The Schedule of Benefits specifies when Evidence of Insurability is required.
  2. Evidence of Insurability.
    - a) Providing **Evidence of Insurability** means that an applicant must:

- (1) complete and sign our Evidence of Insurability application and return the original application to us no later than 60 days from the date of signing; and
  - (2) authorize us to obtain information about the applicant's health; and
  - (3) provide any additional information about the applicant's insurability that we may reasonably require.
- b) If you, your Spouse or your dependents are required to provide Evidence of Insurability, you will be responsible for all costs associated with providing Evidence of Insurability.
  - c) In each case where Evidence of Insurability is required, we base our decision whether to approve coverage on the information provided during the underwriting process. If we learn that the information relied on to approve coverage was incorrect, or that relevant information was omitted, we may retroactively rescind coverage and deny claims.
3. If the insurance you wish to obtain is Contributory insurance, you must apply in writing and remit the required premiums.

## B. Effective Date of Your Insurance

### 1. Initial Enrollment

- a) Noncontributory insurance not subject to Evidence of Insurability, or which is subject to Evidence of Insurability and has been approved by us, becomes effective on the date you become an Eligible Person. If, however, you initially waive participation in such coverage and then later wish to participate, you will be treated as a Late Enrollee, subject to Evidence of Insurability.
- b) Contributory insurance subject to Evidence of Insurability becomes effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- c) Contributory insurance not subject to Evidence of Insurability. Provided that you apply prior to, or within 31 days of becoming an Eligible Person, Contributory insurance not subject to Evidence of Insurability becomes effective on the date you become an Eligible Person. If you do not apply for such coverage prior to, or within 31 days of becoming an Eligible Person and subsequently wish to obtain coverage, you will be a Late Enrollee, subject to Evidence of Insurability.

### 2. Increases in Existing Coverage and Late Enrollee Applications

- a) Where Evidence of Insurability is required, increases of existing coverage and Late Enrollee applications become effective on the first day of the month immediately following the month in which your Evidence of Insurability is approved by us, except that if such approval occurs on the first day of a month, such coverage becomes effective on that day.
- b) Where Evidence of Insurability is not required, an increase of existing coverage becomes effective on the date that you become eligible for such coverage.

3. If you are incapable of sustained Active Work due to a Disability on the day before the scheduled effective date of your insurance, such insurance will not become effective until the day after you are capable of sustained Active Work and complete one day of Active Work as an Eligible Person.

#### **IV. WAIVER OF PREMIUM**

- A. Premium payments are required during the Elimination Period. However, payment of premium is waived while LTD Benefits are payable. Upon your return to Active Work, premium payments will again be payable.

GLDI-C900-(0413)

#### **V. WHEN YOUR INSURANCE ENDS** **This provision applies to you if you are not Disabled.**

- A. Except as otherwise provided for under this section, your coverage will cease on the earliest of the following dates:
1. the date your Employer's coverage under the Group Policy terminates;
  2. the date you cease to be an Eligible Person;
  3. the date that your premium payment is not paid when required;
  4. your Retirement Date.
- B. Approved FMLA Leave of Absence - Contributory or Noncontributory Coverage
1. If you are on a FMLA leave, coverage will continue until the later of the leave period required by the Federal Family and Medical Leave Act of 1993, as amended, or the leave period required by applicable state law, provided that:
    - a) the FMLA leave is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your leave must be available to Us at Our request
    - b) FMLA leaves of absence and the right to continue coverage during FMLA leaves are available to all Employees in the same Eligible Class under the Group Policy; and
    - c) the Employer remits the required premium for coverage.
  2. The Elimination Period can be satisfied and benefits may be payable during a FMLA leave subject to all other contract provisions. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the leave, or the salary for which premium was paid.
- C. Paid Leave of Absence. If you are on a paid leave of absence, coverage will continue subject to the following:
1. Noncontributory coverage
    - a) Coverage will continue provided that:
      - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
      - (2) paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
      - (3) the Employer remits the required premium for coverage.
    - b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
    - c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end or 12 months from the date the paid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the paid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your paid leave of absence must be made available to Us at Our request; and
  - (2) paid leaves of absence and the right to continue coverage during paid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.
- b) The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the paid leave of absence is scheduled to end, coverage extended during a paid leave of absence will terminate on the earlier of the date the paid leave of absence is scheduled to end, or 12 months from the date the paid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during a paid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

D. Unpaid Leave of Absence - If you are on an unpaid leave of absence, coverage will continue subject to the following:

1. Noncontributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount of your covered salary. Such documentation about your unpaid leave of absence must be made available to Us at Our request; and
  - (2) unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
  - (3) the Employer remits the required premium for coverage.
- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began.

2. Contributory Coverage

- a) Coverage will continue provided that:
  - (1) the unpaid leave of absence is approved in advance by the Employer and such approval includes documentation of the beginning and ending dates of the leave and the amount your covered salary.



Such documentation about your unpaid leave of absence must be made available to Us at Our request; and

- (2) unpaid leaves of absence and the right to continue coverage during unpaid leave of absence are available to all Employees in the same Eligible Class under the Group Policy; and
- (3) you continue to pay the required premium to the Employer without interruption and the Employer continues to remit premium to us on your behalf.

- b) No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
- c) Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end, or 12 months from the date the unpaid leave of absence began or the date you fail to pay premium as required.
- d) If you choose not to continue coverage or your coverage terminates during an unpaid leave of absence and you subsequently wish to obtain coverage, you will be treated as a Late Enrollee and be required to provide Evidence of Insurability.

E. Layoffs - Contributory or Noncontributory Coverage

1. If you are on a leave of absence due to a lay-off, coverage will continue through the end of the month following the month in which you last worked prior to the layoff provided that any premium for you is paid for that period.

GLDI-C1000-(0413)

**VI. RULES FOR TRANSFER OF EMPLOYEES FROM PRIOR PLAN**

- A. If you were eligible for insurance and insured under the Prior Plan on the day before the Plan Effective Date, you can become insured on the Plan Effective Date without meeting the Active Work requirement under Section II.A.3.
- B. The LTD Benefit will be the lesser of the monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force, or the LTD Benefit as determined under the other provisions of this Group Policy. However, no benefits will be payable to you under the Group Policy if any benefits are payable to you under the Prior Plan.
- C. If you were eligible for insurance under the Prior Plan for more than 31 days but were not insured under the Prior Plan, you must provide Evidence of Insurability and be approved by us to become insured.
- D. Continuation of Coverage and Pre-existing Conditions. In calculating the coverage period for determining whether the Pre-existing Condition Exclusion applies, we will include any period of continuous coverage under the Prior Plan immediately preceding the date you became insured under the Group Policy.

GLDI-C1100-(0413)

## VII. REINSTATEMENT OF COVERAGE

- A. If your coverage ends, you may become covered again as an Insured Person, subject to the following:
1. If you cease to be an Eligible Person and coverage ends, and then you return to Active Work with the Employer again within 3 months, the Waiting Period will be waived on the first day of your return to Active Work and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph, the Pre-existing Condition Exclusion will be applied as if there had been no gap in coverage.
  2. If your coverage ends because you fail to make the required contribution while on an approved Family Medical Leave Act (FMLA) leave of absence, and then you return to Active Work and enroll for coverage within 31 days of the earlier of:
    - a) the end of the period of leave you and your Employer agreed upon; or
    - b) the end of the 12 week period following the date your leave began,then the Waiting Period will be waived and you will not have to provide Evidence of Insurability. If you become covered again under this paragraph and a Pre-existing Condition Exclusion applies, such Exclusion will be applied as if there had been no gap in coverage.
  3. In all other cases, if your coverage ends because you fail to make the required contribution, you must provide Evidence of Insurability to become covered again.
  4. In no event will insurance coverage be retroactive.

GLDI-C1200-(0413)

## VIII. DEFINITION OF DISABILITY

- A. **Disability or Disabled** means that during the Elimination Period and your Own Occupation Period you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- B. After your Own Occupation Period ends, **Disability and Disabled** mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse, Special Conditions or Pregnancy, unable to perform one or more of the Material Duties of Any Occupation, and, due to such inability, your Work Earnings are less than 80% of your Indexed Predisability Earnings, and you are incapable of earning 80% or more of your Indexed Predisability Earnings.

Your Work Earnings may be Deductible Income. See the “LTD Benefit Calculation” and “Deductible Income” sections.

- C. **Loss of License or Certification.** For an Insured Person whose occupation requires a license, a restriction or loss of license does not, in itself, constitute a Disability.

D. Your Own Occupation Period and Any Occupation Period are specified in the Schedule of Benefits.

GLDI-C1300-(0413)

### **IX. CUMULATIVE ELIMINATION PERIOD**

A. If, during the Elimination Period, you return to Active Work at your Own Occupation or Any Occupation with your Employer and you then become Disabled again from the same or related cause(s), the Elimination Period will be determined as follows:

1. If your return to Active Work is for a total of 30 or less Working Days, the Elimination Period will be counted from the first day of the first period of Disability. The number of days you return to work will be added to and extend the Elimination Period by that number of days.
2. If the return to Active Work is for a total of more than 30 Working Days, the Elimination Period will start over and apply in full to the new period of Disability.

B. For the purposes of this provision, any day for which you receive pay will be considered a working day.

GLDI-C1400-(0413)

### **X. RECURRENT DISABILITY**

A. If you return to work for your Employer from a Disability for which benefits were payable under the Group Policy and then become Disabled again due to the same or related cause, we will treat the separate periods of Disability as one period of continuous Disability, provided you are continuously insured under the Group Policy during the period of recovery and the period of recovery does not exceed 6 months. Benefits resume on the date your Disability recurs.

B. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again due to an unrelated cause, we will treat the subsequent Disability as a new claim, subject to all of the terms of the Group Policy.

C. If you return to work for your Employer from a Disability covered under the Group Policy and then become Disabled again more than 6 months after you return to work, the subsequent Disability will be treated as a new claim, subject to all of the terms of the Group Policy.

D. For the purposes of this provision, if your occupation with the Employer does not allow you to be Actively at Work for the entire calendar year due to a seasonal or regularly scheduled employment break, we will consider you to have returned to work if you would have been able to return to work had work been regularly scheduled.

GLDI-C1500-(0413)

### **XI. WHEN LTD BENEFITS END**

A. Your LTD Benefits end automatically on the earliest of the following:

1. The date you are no longer Disabled;
2. The date your Maximum Benefit Period ends;
3. The date you die;
4. The date you become eligible for coverage under any other group LTD plan under which you become insured through employment;
5. The date you fail to provide satisfactory objective medical evidence of continued Disability;
6. The date you fail to comply with our request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of our choice;

7. The date you refuse to accept an accommodated position, offered by your Employer, which you are able to perform, whether it is in your Own Occupation or Any Occupation;
8. The date at which you have resided outside of the United States or Canada for 6 months;
9. The date you are confined in a penal or correctional institution or under house arrest;
10. The date you fail to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds;
11. The date you are able to work and earn 80% of your Indexed Predisability Earnings but choose not to.

GLDI-C1600-(0413)

## **XII. PREDISABILITY EARNINGS**

- A. Predisability Earnings means your earnings in effect on your last full day of Active Work prior to becoming Disabled. Unless otherwise specifically provided for under the Group Policy, any subsequent change in your earnings will not affect your Predisability Earnings.
- B. Methods of Calculating Predisability Earnings
  1. Salaried Employees. Your monthly Predisability Earnings are equal to your annual Predisability Earnings divided by twelve.
  2. Hourly Employees. If you are paid hourly, your monthly Predisability Earnings will be based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, not to exceed 173.33 hours. If you do not have regular work hours, your monthly Predisability Earnings are based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), not to exceed 173.33 hours.
- C. Predisability Earnings includes the following:
  1. your base rate of pay.
- D. Predisability Earnings does not include the following:
  1. commissions;
  2. bonuses;
  3. overtime pay;
  4. pay for extracurricular activities;
  5. longevity pay;
  6. extra duty pay;
  7. supplemental pay;
  8. shift differential;
  9. your Employer's contributions to your health insurance premium;
  10. your Employer's contributions to a Tax Sheltered Annuity (TSA);
  11. your Employer's contributions on your behalf to any deferred compensation arrangement, pension plan, or other fringe benefits;
  12. any other extra compensation.

- E. Notwithstanding Section A above, in no event will your monthly Predisability Earnings exceed either the monthly salary for which premiums have been paid or the Maximum Monthly Covered Salary.

GLDI-C1700-(0413)

### **XIII. LTD BENEFIT CALCULATION**

- A. Your monthly **Gross LTD Benefit** is equal to the lesser of your monthly Predisability Earnings times the LTD Benefit Percentage, or the Maximum Monthly Benefit.
- B. Your monthly **LTD Benefit** is calculated as follows:
1. During the Work Incentive Period, Your LTD Benefit will be equal to your monthly Gross LTD Benefit minus monthly Deductible Income (subject to the Minimum Monthly Benefit);
  2. Upon expiration of the Work Incentive Period, your LTD Benefit will be calculated as follows (subject to the Minimum Monthly Benefit):  $(A \div B) \times C$ , where:  
A = monthly Indexed Predisability Earnings minus Work Earnings for that same period.  
B = monthly Indexed Predisability Earnings.  
C = monthly Gross LTD Benefit minus monthly Deductible Income (exclusive of Work Earnings).

GLDI-1800-(04/13)

### **XIV. DEDUCTIBLE INCOME**

- A. Your Gross LTD Benefit will always be reduced by Deductible Income which is available to you or which you are eligible to receive as a result of your Disability, whether or not you apply for and receive such payments or benefits. The Deductible Income that we will subtract from your Gross LTD Benefit is listed below.
- B. To receive the full measure of income under the Group Policy, you must apply for all Deductible Income for which you may be eligible as soon as you are entitled to such benefits. If you do not apply for and actively pursue in good faith all Deductible Income for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are entitled to Deductible Income, we will estimate the amount of those benefits and reduce the Gross LTD Benefit by that estimated amount as of the date on which we deem you were eligible to receive Deductible Income. Integration of the estimated amount of Deductible Income that we have determined is available to you will continue until you provide us with proof that you have filed the appropriate application(s) and continue to actively pursue Deductible Income.
- Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you receive the Deductible Income in another month.
- C. If you are paid Deductible Income in a lump sum, we will use the period of time to which the Deductible Income applies. If no period of time is stated, we will make a reasonable estimate.
- D. We will not estimate the amount of Deductible Income nor reduce your Gross LTD Benefit by any amounts for which applications or administrative appeals for Deductible Income are pending, provided that you:
1. apply for in good faith and pursue to our satisfaction all Deductible Income for which we determine you might be eligible;

2. designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
3. keep us informed on a timely basis of the status of all applications for Deductible Income;
4. sign a Reimbursement Agreement; and
5. pursue administrative appeals of Deductible Income denials.

**E. Deductible Income** includes the following:

1. Any excess of Sick pay (including donated amounts and paid time off) plus your LTD Benefit over 100% of your Predisability Earnings immediately prior to the onset of your Disability.
2. Annual or personal leave pay, severance pay, or other salary continuation, except vacation pay, payable to you by your Employer;
3. Work Earnings as follows:
  - a) During the First 12 months of Disability with Work Earnings (the “Work Incentive Period”), if the total amount of your Gross LTD Benefit plus the amount you receive from Work Earnings exceeds 100% of your Predisability Earnings, the amount in excess of 100% of your Predisability Earnings will be included in Deductible Income;
  - b) Upon expiration of the Work Incentive Period, your Work Earnings will be offset as provided in Section XIII.
4. Any amount you receive or are eligible to receive because of your Disability under any of the following:
  - a) a Workers’ Compensation Law to the extent we, at our discretion, determine that these amounts are of the general character as payments provided under the Group Policy for Disability;
  - b) the Jones Act;
  - c) Maritime Doctrine of Maintenance, Wages or Cure;
  - d) Longshoremen’s and Harbor Worker’s Act;
  - e) any similar act or law;
5. The amount that you, your Spouse and children receive or are eligible to receive because of your disability or retirement benefits under:
  - a) the United States Social Security Act;
  - b) the Canada Pension Plan;
  - c) the Quebec Pension Plan;
  - d) the Railroad Retirement Act; or
  - e) any similar Plan or Act;

Benefits your Spouse or a child receive or are eligible to receive because of your Disability are Deductible Income regardless of the marital status, custody, or place of residence;

6. Any amount you receive or are eligible to receive because of your Disability under any state disability income benefit law or similar law;

7. Retirement plans
  - a) Any disability or retirement benefits you receive or are eligible to receive because of your Disability under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members;
  - b) If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income to age 65 with no survivor benefit will be used to determine Deductible Income;
  - c) Your and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan;
8. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law;
9. Any amount you receive or are eligible to receive from or on behalf of a third party because of your Disability, whether by judgment, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees;
10. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed;
11. Any amount you receive under any "no fault" motor vehicle plan
12. Any amount you receive or are eligible to receive because of your Disability under any group insurance coverage.

F. **Deductible Income** does not include the following:

1. Any cost of living increases in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical or surgical expense;
3. Reasonable attorneys' fees incurred in connection with a claim for Deductible Income;
4. Benefits from any individual disability insurance policy;
5. Early retirement benefits under the Federal Social Security Act which are not received;
6. Group credit or mortgage disability insurance benefits;
7. Accelerated benefits paid under a life insurance policy;
8. Under your Employer's retirement plan, any amount you could have received upon termination of employment without being disabled or retired;
9. Benefits from the following:
  - a) Profit sharing plan;
  - b) Thrift or savings plan;

- c) Deferred compensation plan;
- d) Plan under IRC Section 401(k), 408(k), or 457;
- e) Individual Retirement Account (IRA);
- f) Tax Sheltered Annuity (TSA) under IRC Section 403(b);
- g) Stock ownership plan;
- h) Keogh (HR-10) plan;
- i) Retirement plan under a professional service corporation with respect to principals.

GLDI-C1900-(0413)

## **XV. BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

- A. During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:
1. any amendment to the Group Policy or your Employer's coverage under the Group Policy that is effective after you become Disabled.
  2. termination of the Group Policy or your Employer's coverage under the Group Policy after you become Disabled.

GLDI-C2000-(0413)

## **XVI. EFFECT OF NEW DISABILITY**

- A. If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled, subject to the following:
1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period;
  2. The "Exclusions" and "Limitations" sections will apply to the new cause of Disability.

GLDI-C2100-(0413)

## **XVII. EXCLUSIONS**

- A. **War.** You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties.
- B. **Criminal Conduct.** You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
- C. **Military Leave.** You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country.
- D. **Imprisonment.** No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- E. **Intentionally Self-Inflicted Injury-Suicide.** You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane or insane.



## F. Pre-existing Conditions

1. Your current LTD coverage. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months and have been Actively at Work for at least 1 full day after the end of that 12 months.
2. If you are not covered for a Disability because of the Pre-existing Condition exclusion for Your current LTD coverage, you are not covered for that same Disability for any LTD coverage increase because of an Eligible Class or Group Policy change.
3. LTD coverage increase because of an Eligible Class or Group Policy change. You are not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless you have been continuously insured under the Group Policy for at least 12 months from the effective date of the LTD coverage increase and have been Actively at Work for at least 1 full day after the end of that 12 months.
4. **Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 months period just before the effective date of your insurance under the Group Policy or the effective date of the LTD coverage increase.

GLDI-C2200-(0413)-FL

## XVIII. LIMITATIONS

### A. Mental Disorders and Substance Abuse

1. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 12 months during your lifetime. 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 Mental Disorders or Substance Abuse, either separate or combined.
2. If your Disability is caused by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a Substance Abuse program available to you through either: (i) another group plan of your employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to you. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:
  - a) the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
  - b) the date you are no longer participating in the rehabilitative program;
  - c) the date you refuse to participate in an available rehabilitative program; or
  - d) the date you complete the rehabilitative program.
3. Exception to 12 month limitation.
  - a) If at the end of that 12 month period, you are confined to a Hospital or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, then the benefit period may be extended to include the time during which you remain confined, not to exceed the Maximum Benefit Period.

- b) Benefits will be payable for the length of the confinement and for up to 90 days following the end of the confinement. If you are Hospital confined again during the 90 days period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement.

#### B. Special Conditions

1. When Disability is due in whole or in part to Special Conditions, the Maximum Benefit Period is 12 months while not Hospital confined. This maximum applies to any and all such periods of Disability during your lifetime.

C. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.

D. Payment Limit. In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

GLDI-C2300-(0413)

### **XIX. RESPONSIBILITIES OF DISABLED INSURED PERSONS**

#### A. Your Obligations During A Period Of Disability

1. You must make a good faith effort to recover from, or reduce the severity of, your Disability and the resulting loss of income, or you will forfeit benefits. The Group Policy requires you to take a variety of actions in this regard, including, but not limited to, the following:
  - a) You must accept any position within a broad definition of Own Occupation that you can perform and which your Employer or another employer makes available during the Own Occupation Period regardless of whether the compensation for such work is less than your Predisability Earnings. The income earned will be treated as Work Earnings.
  - b) You must arrange for and use the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment that would likely improve your condition or end your Disability, and that does not pose unreasonable risks.
  - c) You must submit periodic evidence from your Physician that substantiates, to our satisfaction, that you remain Disabled. This required evidence includes, but is not limited to, objective medical and/or psychiatric evidence from a Physician that confirms your Disability. Subjective complaints alone will not be considered conclusive evidence of a Disability. The attending Physician must be able to provide objective medical evidence to support his/her opinion as to why you are not able to perform the Material Duties of your Own Occupation or Any Occupation. You must obtain and provide this information at your own expense.
  - d) Where they exist, you must engage in appropriate medical and/or occupational rehabilitation programs that are reasonably expected to enable you to return to work. You must notify us when you participate in such a program.
  - e) You must appeal denials of Deductible Income and actively pursue such appeals in good faith.
  - f) You must promptly provide us with all information that we reasonably decide is necessary to verify and administer your claim for benefits.

2. Return to Work Responsibility

- a) During the Own Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 80% of your Indexed Predisability Earnings, but you elect not to work.
- b) During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and are able to earn at least 80% of your Indexed Predisability Earnings, but elect not to work.
- c) Any earnings you receive from work you perform, or that you could receive if you worked as much as you are able to considering your Disability, that are less than 100% of your Indexed Predisability Earnings will be treated as Work Earnings.

3. Duty to Furnish Information. To receive benefits under the Group Policy, you must authorize and direct medical care providers and sources of earnings or Deductible Income to provide us with all information and records that we reasonably determine to be relevant to the determination of benefits or eligibility for benefits. We do not pay fees charged for submitting this information to us. Any such costs will be your responsibility.

B. Our Right to Examine. We may require you to be examined by a Physician, other medical practitioner and/or vocational expert of our choice, in addition to your obligation to be under the Regular Care of a Physician as specified above. In such case, we will pay for the additional examination. You must cooperate fully with the Physician, medical practitioner or vocational expert and give full effort to such examinations. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Company representative.

C. Insured Person's Failure to Comply

- 1. We have the right to suspend benefits during any portion of a Disability in which you fail to comply with any of the requirements set forth in this Certificate.
- 2. We have the further right to terminate irrevocably all further benefits under the Group Policy when benefits have been suspended for a period of 6 consecutive months due to your failure to comply with any of the requirements of the Group Policy.

GLDI-C2400-(0413)

**XX. CLAIMS**

A. Notice of Claim

- 1. Written notice of claim should be given to us within 30 days of the date the Elimination Period ends, if that is possible. If that is not possible, you must notify us as soon as it is reasonably possible to do so.
- 2. When we receive a written notice of claim, we will send you our claim forms for filing Proof of Loss. If you do not receive the forms within 15 days after written notice of claim is sent, you can send us written Proof of Loss without waiting for the forms.

B. Proof of Loss

- 1. Proof of Loss means all the information necessary to determine that a loss occurred:
  - a) for which the Group Policy provides benefits; and
  - b) which is not subject to any exclusions; and
  - c) which meets all other conditions for benefits.

2. Written Proof of Loss must be furnished to us at our home office no later than 90 days after the end of the Elimination Period. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible, but not later than one year following the end of the 90 day period. These limits will not apply while an Insured Person lacks legal capacity.
3. Any items we may reasonably require in support of a claim, such as completed claims statements and a signed authorization for us to obtain information including tax information, must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied. No benefits will be paid until we receive Proof of Loss satisfactory to us.

C. Investigation of Claim

1. We may investigate a claim at any time.
2. At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend benefits if you fail to attend an examination, give full effort or cooperate with the examiner.

D. Payment of Claims

1. We will pay LTD Benefits within 30 days after we receive satisfactory Proof of Loss, but not before satisfaction of the Elimination Period.
2. Claim Payment Method. LTD Benefit payments that you qualify for will be paid to you as specified in the "Schedule of Benefits". Payments for partial weekly benefits will be pro-rated based on a 7 day week. Payments for partial monthly benefits will be pro-rated based on a 30 day month.
3. LTD Benefits payable at the time of your death will be paid to the person(s) receiving the "Survivor Benefit" if applicable. If no "Survivor Benefit" is paid, the unpaid LTD Benefits will be paid to your estate.

E. Notice of Adverse Decision on Claim

1. We will notify you of an adverse benefit determination within a reasonable period of time, but not later than 45 days after we receive satisfactory Proof of Loss. This period may be extended by us for up to 30 days, provided that we determine that such an extension is necessary due to matters beyond our control, and provided that we notify you prior to the end of the initial 45 day period, of the circumstances requiring the extension of time and the date by which we expect to render a decision.
2. If, prior to the end of the first 30 day extension period, we determine that, due to matters beyond our control, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that we notify you prior to the expiration of the first 30 day extension period, of the circumstances requiring the extension and the date as of which we expect to render a decision.
3. In the case of any extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be given at least 45 days within which to provide the specified information.
4. If we deny any part of your claim, you will receive a written notice of denial containing the following:
  - a) the reasons for our decision;
  - b) reference to the provisions of the Group Policy on which our decision is based;
  - c) a description of any additional information needed to support your claim;
  - d) information concerning your right to a review of our decision.

F. Review Procedure

1. If all or part of a claim is denied, you may request a review. A request for a review must be in writing and received by us within 120 days after you receive notice of the denial.
2. You may send us written comments or other items to support the claim and may review any non-privileged information that relates to the request for review.
3. We will review the claim promptly after we receive the request. We will send you a notice of our decision within 45 days after we receive the request, unless special circumstances require an extension. If we determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the expiration of the initial 45 day period. In no event will such extension exceed a period of 60 days from the end of the initial period.

G. Assignment. The rights and benefits under the Group Policy are not assignable.

GLDI-C2500-(0413)

**XXI. RIGHT TO REIMBURSEMENT**

- A. If we make benefit payments to you in excess of the amounts required by the provisions of this Group Policy or, if you receive retroactive benefits from any Deductible Income source for periods of time during which we paid benefits to you, you must reimburse us for any such excess, duplicate, or erroneous payments.
- B. Before any LTD Benefits are paid to you, you must execute and deliver to us a Reimbursement Agreement, provided by us, setting forth specific terms of reimbursement.
- C. Upon request, you must execute and deliver to us such documents as may be required, and do whatever else may be necessary, to secure our rights to recover any excess, duplicate, or erroneous payments.
- D. You must reimburse us in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this Policy. Such reimbursement will be due and payable immediately upon our notification to you. At our option, subsequent payment of benefits or the refund of any premium owed to you by us may be reduced or applied by us directly toward such reimbursement obligation. If you delay in notifying us of your receipt of Deductible Income or in making reimbursement to us, we will have the right to charge interest at a reasonable rate on the delinquent amount owed to us.
- E. Our acceptance of premium or other fees, or our providing or paying of benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to us at law or in equity.
- F. The Minimum Monthly Benefit may be applied to recover an outstanding overpayment.

GLDI-C2600-(0413)

**XXII. SUBROGATION**

- A. If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.
- B. If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.

If suit or action is filed, we may record a notice of payments of LTD Benefits and such notice will constitute a lien on any judgment recovered.

- C. If you or your legal representatives fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgment recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, will be paid to you or as the court may direct.

GLDI-C2700-(0413)

### **XXIII. ALLOCATION OF AUTHORITY**

- A. Except for those functions which the Group Policy specifically reserves to the Policyowner or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims and to interpret the Group Policy and resolve all questions arising in the administration, interpretation and application of the Group Policy.
- B. Our authority includes, but is not limited to the following:
1. the right to resolve all matters when a review has been requested;
  2. the right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
  3. the right to determine the following:
    - a) eligibility for insurance;
    - b) entitlement to benefits;
    - c) the amount of benefits payable;
    - d) the sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.
- C. Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

GLDI-C2800-(0413)

### **XXIV. TIME LIMITS ON LEGAL ACTIONS**

- A. No action at law or in equity may be brought until 60 days after we have received Proof of Loss. No such action may be brought more than five years after the earlier of the following:
1. the date we receive Proof of Loss;
  2. the time within which Proof of Loss is required to be given.

GLDI-C2900-(0413)-FL

### **XXV. INCONTESTABILITY PROVISIONS**

- A. Incontestability of Insurance
1. Any statement made to obtain or to increase insurance is a representation and not a warranty.
  2. No misrepresentation will be used as a basis for reducing or denying a claim or contesting the validity of insurance unless:
    - a) the insurance would not have been approved if we had known the truth; and
    - b) we have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

3. After insurance has been in effect for two years during the lifetime of the Insured Person, we will not use a misrepresentation as a basis for reducing or denying a claim, unless it was a fraudulent misrepresentation.
- B. Incontestability of the Group Policy or Employer Coverage under the Group Policy
1. Any statements made by the Policyowner to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.
  2. No misrepresentation by the Policyowner or your Employer will be used as a basis for denying a claim, or for denying the validity of the Group Policy or your Employer's coverage under the Group Policy unless:
    - a) the Group Policy would not have been issued or your Employer's coverage under the Group Policy would not have been approved if we had known the truth; and
    - b) we have given the Policyowner or Employer a copy of a written instrument signed by the Policyowner or Employer which contains the misrepresentation.
  3. The validity of the Group Policy or your Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

GLDI-C3000-(0413)

## **XXVI. CLERICAL ERROR AND MISSTATEMENT**

- A. Clerical Error
1. Clerical error by us, the Policyowner, your Employer, or their respective employees or representatives will not:
    - a) cause a person to become insured under the Group Policy or a provision of it.
    - b) invalidate insurance otherwise validly in force.
    - c) continue insurance otherwise validly terminated.
    - d) cause an Employer to obtain coverage under the Group Policy or a provision of it.
  2. In the event that a clerical error results in an incorrect rate, we reserve the right to adjust the rate accordingly.
- B. The payment of premium, by itself, will not obligate us to provide benefits to anyone who is not eligible for coverage under the Group Policy.
- C. Your Employer acts on its own behalf as your agent, and not as our agent. Your Employer has no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.
- D. Misstatement of Age or Gender
1. If the age or gender, or both, of a person has been misstated, we will make an equitable adjustment of premiums, benefits or both. The adjustment will be based on:
    - a) the amount of insurance based on the correct age and gender; and
    - b) the difference between the premiums paid and the premiums which would have been paid if the age and gender had been correctly stated.

GLDI-C3100-(0413)

## **XXVII. FRAUD**

- A. It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the Group Policy and recovery of any amounts we have paid.

GLDI-C3200-(0413)

## **XXVIII. TERMINATION OR AMENDMENT OF THE GROUP POLICY AND EMPLOYER COVERAGE**

- A. The Group Policy may be terminated, changed or amended in whole or in part by us or the Policyowner according to the terms of the Group Policy. Any such change or amendment may apply to current or future Employers and Eligible Persons covered under the Group Policy or to any separate classes or categories thereof. An Employer's coverage under the Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy.
- B. We may change the Group Policy and any Employer's coverage under the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyowner's or Employer's consent.
- C. We may terminate an Employer's coverage on any premium due date by giving the Employer not less than 45 days advance notice. An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Eligible Persons, at any time by giving us advanced written notice at least 45 days prior to such termination. Insurance will terminate automatically for nonpayment of premium.
- D. Benefits are limited to the terms of your Employer's coverage under the Group Policy, including any valid amendments. No change or amendment of your Employer's coverage will be valid unless it is approved in writing by one of our executive officers and delivered to your Employer. The Policyowner, your Employer and their respective employees or representatives have no right or authority to change or amend the Group Policy or your Employer's coverage under the Group Policy or to waive any terms or provisions thereof without our signed, written approval.

GLDI-C3300-(0413)-FL

## **XXIX. CONVERSION OF INSURANCE BENEFIT**

- A. When your insurance ends under the Group Policy, you may buy LTD conversion insurance if you meet the following requirements:
1. Your insurance ends for a reason other than the following:
    - a) termination or amendment of the Group Policy or your Employer's coverage under the Group Policy;
    - b) your failure to make a required premium contribution;
    - c) your retirement.
  2. You have been continuously insured under the Group Policy and the Prior Plan together for at least 12 months on the date your insurance ends;
  3. You are not Disabled on the date your insurance ends;
  4. You are a citizen or resident of the United States or Canada;
  5. You apply in writing and pay the first premium to us within 31 days after your insurance ends.



- B. Your LTD conversion insurance becomes effective on the day immediately following your last day of coverage under the Group Policy.
- C. The maximum LTD conversion insurance benefit you may select is the smallest of the following:
  - 1. \$2,000 (However, if you provide satisfactory Evidence of Insurability, this upper limit is a maximum of \$10,000);
  - 2. 50% of your insured Predisability Earnings on the date your insurance ended; and
  - 3. the LTD Benefit payable if you had become Disabled on the day before your insurance ended and you had no Deductible Income.
- D. The maximum LTD conversion insurance benefit is reduced by Deductible Income. The certificate we will issue to you when your LTD conversion insurance becomes effective will contain other provisions which will also differ from the Group Policy.

GLDI-C5300-(0413)

### **XXX. REASONABLE ACCOMMODATION EXPENSE BENEFIT**

- A. If you return to work in Any Occupation for any employer (but not including self-employment) as a result of a reasonable accommodation made by such employer, we will pay your employer a Reasonable Accommodation Expense Benefit of up to the greater of \$1000 or the equivalent of 2 months of your Monthly LTD Benefit, but not to exceed the expenses incurred.
- B. The Reasonable Accommodation Expense Benefit is payable only if:
  - 1. the reasonable accommodation is approved by us in writing prior to its implementation; and
  - 2. the reasonable accommodation meets the federal standards of a reasonable accommodation under the Americans With Disabilities Act of 1991, as amended.

GLDI-C6200-(0413)

### **XXXI. REHABILITATION BENEFIT**

- A. While you are Disabled, you may qualify to participate in a Rehabilitation Plan. **Rehabilitation Plan** means a written plan, program or course of medical treatment or vocational training or education that is intended to prepare you to return to work full time.
- B. To participate in a Rehabilitation Plan, you must apply in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to evaluate, approve and/or terminate your Rehabilitation Plan at any time..
- C. While you are participating in an approved Rehabilitation Plan, your LTD Benefit will be reduced by 50% of any income earned by you for work done under the Rehabilitation Plan. If the sum of your Gross LTD Benefit and Work Earnings exceeds 100% of Predisability Earnings, the excess will be included in Deductible Income. At no time will LTD Benefits be paid beyond the Maximum Benefit Period or be less than the Minimum Monthly Benefit.

GLDI-C6300-(0413)

## **XXXII. SURVIVOR BENEFIT**

- A. If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivor Benefit as follows:
1. The Survivor Benefit will consist of a lump sum equal to 3 times the amount of your last Gross LTD Benefit.
  2. The Survivor Benefit will first be applied to reduce any overpayment of your claim.
  3. The Survivor Benefit will be paid at our option to any one of the following:
    - a) Your surviving Spouse;
    - b) Your surviving unmarried children, including adopted children, under age 25;
    - c) Your surviving Spouse's unmarried children, including adopted children, under age 25;
    - d) Your estate.

GLDI-C6800-(0413)

## **NOTICE**

This is a description of the identities of and relationships among the insurer, administrator, and policyholder of this coverage.

Insurer: Madison National Life Insurance Company, Inc. (MNL) is the insurance underwriter of this coverage. There is no ownership affiliation between MNL and National Insurance Services of Wisconsin.

Administrator: National Insurance Services of Wisconsin (NIS) manages the National Insurance Services of Wisconsin Insurance Trust and the Schools Insurance Fund of Wisconsin. NIS is the administrator of the trust listed below. NIS also provides administrative services for coverage issued to groups through the trusts, including but not limited to billing, client service, and contract and certificate issuance.

Policyholder: National Insurance Services of Wisconsin Insurance Trust