
**INSURANCE AND BENEFITS TRUST OF PEACE
OFFICERS RESEARCH ASSOCIATION OF CALIFORNIA**

4010 Truxel Road
Sacramento, CA 95834-3725
1-800-937-6722

CERTIFICATE AND SUMMARY PLAN DESCRIPTION

LONG TERM DISABILITY INCOME BENEFIT PLAN

Plan Sponsor has established a long term disability income benefit plan. Plan Sponsor is solely responsible for payment of LTD Benefits payable under the terms of this Plan during the Self-Funded Period and for payment of non-accidental Death Benefits under the Plan. Standard Insurance Company (The Standard) is solely responsible for payment of LTD Benefits payable under the Plan during the Insured Period, according to the terms of the Group Policy. Plan Sponsor's obligations under the Plan, and The Standard's obligations under the Group Policy are, and will remain, mutually exclusive. In no event will The Standard be liable for payment of non-accidental Death Benefits. The Standard has no authority or obligation with respect to management or investment of the assets of the Plan other than the Group Policy.

You will be covered as provided by the terms of the Plan. Possession of this Certificate does not necessarily mean you are covered. You are covered only if you meet the requirements set out in this Certificate.

Plan Sponsor has the right at anytime to amend or terminate the Plan or to require or change the amount of Member contributions. If your coverage is changed by an amendment to the Plan, Plan Sponsor will provide you with a revised Certificate or other notice. No agent has authority to change the Plan or to waive any of its provisions.

"You" and "your" mean the Member. "We", "us", and "our" mean Plan Sponsor and include The Standard during the Insured Period and during any period you are claiming LTD Benefits from The Standard. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in boldface type.

PC190-LTD-H

IMPORTANT NOTICE

To

Members covered under the PORAC
Group Long Term Disability Coverage Plan

Item 7. of the **Deductible Income** section of this Certificate states that the following benefits are deductible:

Any disability or retirement benefits you receive or are eligible to receive under your employer's retirement plan, including a previous employer's retirement plan through a peace officer's agency, unless receipt of such retirement benefits commenced prior to your date of Disability which is the basis of your current claim for LTD Benefits. This includes a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.

If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

Please note that disability and retirement benefits described in item 7. of the Deductible Income section (above) include amounts that you receive or are eligible to receive through the Deferred Retirement Option Program (D.R.O.P.). Such amounts will be computed to a 300-month installment regardless of the actual D.R.O.P. payment option you have selected. Deduction from LTD Benefits will commence when you are eligible to begin receiving payments from the D.R.O.P.

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COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) coverage. Other provisions, including exclusions, limitations, and Deductible Income, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

GENERAL PLAN INFORMATION

Plan Sponsor:	Insurance and Benefits Trust of Peace Officers Research Association of California
ASO Number:	610007-B
Group Policy Number:	430330-B
Participating Unit:	An independent Peace Officers' Association which has been approved for participation under the Plan by us and of which: <ol style="list-style-type: none">1. At least 50% of the employees are members in good standing of Peace Officers Research Association of California (PORAC); and2. At least 50% of the Members are covered under either this Plan or a long term disability insurance group policy issued by Standard (not including Members whose Medical History was disapproved).
Plan Effective Date:	July 1, 2000
Group Policy Effective Date:	July 1, 2000

BECOMING COVERED

To become covered you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Active Work Provisions** and **When Your Coverage Becomes Effective**.

Definition Of Member: You are a Member if you are (a) regularly working at least 30 hours each week, (b) a citizen or resident of the United States or Canada, and (c) one of the following:

1. An active employee in a Participating Unit, and a member in good standing of PORAC; or
2. An active employee for whom a collective bargaining agreement between the employer and a Participating Unit makes coverage under the Plan available to the employee.

You are not a Member if you are:

1. A temporary, seasonal or part-time employee; or
2. A full time member of the armed forces of any country.

Eligibility Waiting Period: You are eligible on the latest of the following dates:

1. The Plan Effective Date;
2. The date your Employer begins participating under the Plan; and

Medical History Statement
Required:

3. The date you become a Member.
 - a. If you apply for coverage more than 31 days after you become a Member.
 - b. If you join PORAC more than one year after you were first eligible to join.
 - c. If less than 10 Members in your Participating Unit are covered under the Plan on the date you apply.
 - d. For reinstatements if required.
 - e. For Members eligible but not covered under the Prior Plan.

Note: A Medical History Statement will not be required if you are covered under other group long term disability plan through the Plan Sponsor when you apply for coverage under this Plan.

SCHEDULE OF COVERAGE

LTD Benefit:	66 2/3% of the first \$10,500 of your Predisability Earnings, reduced by Deductible Income.
Maximum:	\$7,000 before reduction by Deductible Income.
Minimum:	A \$200 minimum benefit is provided while you are receiving sick leave pay for a nonoccupational Disability.
Assisted Living Benefit:	During the Own Occupation Period, the Assisted Living Benefit pays an additional 33 1/3% of the first \$10,500 of your Predisability Earnings, but not to exceed \$3,500. The Assisted Living Benefit is not reduced by Deductible Income.
Benefit Waiting Period:	0 days, for a Disability arising out of or in the course of any employment for wage or profit. 30 days, for any other Disability.
Self-Funded Period:	The first 5 years of each period of continuous Disability, and the period after the end of the Maximum Benefit Period during which LTD Benefits are payable under the Lifetime Disability Benefit provision.
Insured Period:	Begins with the 6th year of each period of continuous Disability and ends at the end of the Maximum Benefit Period.
Maximum Benefit Period:	Determined by your age when Disability begins, as follows:
For Specialized Non-safety Police Officers approved for coverage by the Plan Sponsor:	
Age	Maximum Benefit Period
61 or younger	To age 65, or 3 years 6 months, if longer.
62.....	3 years 6 months
63.....	3 years
64.....	2 years 6 months

65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older	1 year

For all other Non-safety Employees:

Age	Maximum Benefit Period
63 or younger	3 years
64.....	2 years 6 months
65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older	1 year

For Safety Employees:

Age	Maximum Benefit Period
61 or younger	To age 65, or 3 years 6 months, if longer.
62.....	3 years 6 months
63.....	3 years
64.....	2 years 6 months
65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older	1 year

DISABILITY PROVISIONS

Own Occupation Period:	For the Benefit Waiting Period and the next 24 months of continuous Disability.
Any Occupation Period:	From the end of the Own Occupation Period to the end of the Maximum Benefit Period.
Partial Disability:	Covered
Own Occupation Income Level:	50% of your Indexed Predisability Earnings
Any Occupation Income Level:	50% of your Indexed Predisability Earnings

See **Definition of Disability** for more information.

EXCLUSIONS AND LIMITATIONS

Preexisting Condition Exclusion:	Yes
Preexisting Condition Period:	The 12-month period just before your coverage becomes effective.
Exclusion Period:	24 months

Musculoskeletal And
Connective Tissue Disorder
Limitation:

Yes

Limitation Period:

24 months

Mental Disorder Limitation:

Yes

Limitation Period for
Safety employees:

3 months, unless your Participating Unit elects a Limitation
Period of 12 months

Limitation Period for
Non-safety employees:

6 months

See **Exclusions** and **Limitations** for these and other exclusions and limitations.

DEDUCTIBLE INCOME

Salary Continuation Offset:

If all eligible Members of
your Participating Unit are
covered under the Plan:

Deductible Income includes:

- For a Member who receives 50% or more of sick pay and annual leave pay* for which the Member is eligible from the employer, Deductible Income includes sick pay and annual leave pay, including donated amounts,* paid to the Member by the employer, if it exceeds the amount found in a., b., and c.
 - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your sick pay and annual leave pay to that amount.
 - b. Determine 100% of your Indexed Predisability Earnings.
 - c. If a. is greater than b., the difference will be Deductible Income.
- For a Member who receives less than 50% of sick pay and annual leave pay* for which the Member is eligible from the employer, Deductible Income includes 100% of sick pay and annual leave pay, including donated amounts, paid to the Member by the employer.
- For all Members, Deductible Income includes 100% of 4850 Pay and other salary continuation paid to the Member by the employer.

If less than 100% of eligible
Members of the Participating
Unit are covered under the Plan:

Deductible Income includes:

- For all Members, Deductible Income includes 100% of sick pay and annual leave pay, including donated amounts,*

4850 Pay and other salary continuation paid to the Member by the employer.

* During the first 60 days of continuous Disability, we will deduct 100% of sick pay and annual leave pay, including donated amounts, the Member receives or is eligible to receive from the employer.

NOTE: Vacation pay, Compensatory Time Off (CTO) pay, and a lump sum buy-back of sick pay and annual leave pay will not be considered Deductible Income.

Social Security Offset: Full Offset

See **Deductible Income** for this and other Deductible Income.

OTHER BENEFITS

Lifetime Disability Benefit: Yes, for Safety Employees and Specialized Non-safety Police Officers

Death Benefit: Yes, as provided under the section entitled **Death Benefit**.

Survivors Benefit Amount: A lump sum equal to 6 times your last LTD Benefit, after reductions by Deductible Income.

Estate Payment Allowed: No

COLA Benefit: Yes (However, no COLA Benefit is payable for a Disability arising out of or in the course of any employment for wage or profit.)

COLA Benefit Percentage: 5%

Maximum Adjusted Benefit: \$25,000

Leave of Absence Provision: Coverage is continued while on a leave of absence scheduled to last 30 days or less.

Continuity of Coverage: Yes

Predisability Earnings based on: Earnings in effect on your last full day of Active Work.

MEMBER CONTRIBUTIONS

Coverage is: Contributory or Noncontributory, as determined by your Participating Unit

The Participating Unit determines the amount of each Member's contribution, if any, toward the cost of coverage under the Plan.

Contribution Due Dates: The first day of each calendar month.

PLAN DATA

Name, Address of Plan Sponsor: Insurance and Benefits Trust of Peace
Officers Research Association of California
4010 Truxel Road
Sacramento, California 95834-3725

Plan Sponsor Tax ID Number: 68-6068469

Plan Number: 501

Type Of Administration: Contract and Insurer

Plan Administrator: Plan Sponsor
1-800-937-6722

Named Fiduciary: Plan Sponsor

Agent For Service
Of Legal Process: Plan Sponsor

Plan Trustee(s) Jeffrey Ricketts
Chairperson
c/o Plan Sponsor

Source Of Plan Funding: Employer/Member

Funding Medium Plan Sponsor's general assets during the Self-Funded Period
Standard Insurance Company's Group Policy during the
Insured Period

Plan Records Kept On: Fiscal Year Basis

Plan Year End Date: December 31

STATEMENT OF COVERAGE

If you become Disabled while covered under the Plan, we will pay benefits according to the terms of the Plan after we receive Proof Of Loss satisfactory to us. The Plan Sponsor is solely responsible for payment of LTD Benefits during the Self-Funded Period. In no event will the Plan Sponsor be liable for payment of LTD Benefits during the Insured Period. The Standard is solely responsible for payment of LTD Benefits during the Insured Period. In no event will The Standard be liable for payment of LTD Benefits during the Self-Funded Period.

If you die and your death is due to any cause other than an accident, the Plan Sponsor will pay Death Benefits according to the terms of the Plan after receiving Proof Of Loss satisfactory to the Plan Sponsor. Plan Sponsor is solely responsible for payment of Death Benefits for non-accidental deaths. In no event will The Standard be liable for payment of Death Benefits due to non-accidental causes.

If you die and your death is caused by an accident, The Standard will pay Death Benefits according to the terms of the group policy issued by The Standard to the Plan Sponsor and after receiving satisfactory Proof Of Loss. The Standard is solely responsible for payment of Death Benefits due to accidental causes. In no event will the Plan Sponsor be liable for payment of Death Benefits due to accidental causes.

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DEFINITION OF DISABILITY

You are Disabled if you meet one of the following definitions during the period it applies:

- A. Own Occupation Definition of Disability;
- B. Any Occupation Definition of Disability; or
- C. Partial Disability Definition.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as your regular and ordinary employment with the Employer. Your Own Occupation is not limited to your job with your Employer.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation.

A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of your Own Occupation. However, you will **not** be considered to be disabled from your Own Occupation if your employer is able to accommodate you in another position within the scope of your occupation for which you are reasonably fitted by education, training and experience. If you earn, in this position, more than or equal to 100% of your current base salary or there is no differential in salary, no benefits will be paid or payable.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license, or because you suffer a loss of Predisability Earnings as a result of disclosure of any Physical Disease, Injury, Pregnancy or Mental Disorder.

B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

C. Partial Disability Definition

1. During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you work in your Own Occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn more than the Own Occupation Income Level.
2. During the Any Occupation Period, you are Partially Disabled when you work in an occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn more than the Any Occupation Income Level in that occupation and in all other occupations for which you are reasonably fitted under the Any Occupation Definition of Disability.

You may work in another occupation while you meet the Own Occupation Definition of Disability. If you are Disabled from your Own Occupation, there is no limit on your Work Earnings in another occupation. Your Work Earnings may be Deductible Income. See **Return To Work Incentive** and **Deductible Income**.

Your Any Occupation Period, Any Occupation Income Level, Own Occupation Period, and Own Occupation Income Level are shown in the **Coverage Features**.

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ADDITIONAL BENEFITS FOR THE SEVERELY DISABLED

A. Assisted Living Benefit

If you meet the requirements in 1 through 3 below, we will pay Assisted Living Benefits according to the terms of the Plan after we receive Proof Of Loss satisfactory to us.

Assisted Living Benefit Requirements

1. You are Disabled and LTD Benefits are payable to you during the Own Occupation Period.
2. While you are Disabled:
 - a. You, due to loss of functional capacity as a result of Physical Disease or Injury, become unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance; or
 - b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.

B. Amount Of The Assisted Living Benefit

See the **Coverage Features** for the amount of the Assisted Living Benefit.

C. Becoming Covered For Assisted Living Benefits

You are eligible for Assisted Living Benefit coverage if you are covered under the Plan. Subject to the **Active Work Provision**, your Assisted Living Benefit coverage becomes effective on the date your LTD coverage becomes effective under the Plan.

D. Payment Of Assisted Living Benefits

We will pay Assisted Living Benefits within 60 days after Proof Of Loss is satisfied. Your Assisted Living Benefits will be paid to you at the same time LTD Benefits are payable.

E. Time Limits On Filing Proof Of Loss

Proof Of Loss for the Assisted Living Benefit must be provided within 90 days after the date the inability to perform Activities Of Daily Living or the Severe Cognitive Impairment begins. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

If Proof Of Loss is filed outside these time limits, the claim will be denied. These limits will not apply while the claimant lacks legal capacity.

F. When Assisted Living Benefits End

Assisted Living Benefits end automatically on the earliest of:

1. The date you no longer meet the requirements in item A. above.
2. The date the Own Occupation Period ends.
3. The date your LTD Benefits end.

G. When Assisted Living Benefits Coverage Ends

Assisted Living Benefit coverage ends automatically on the earliest of:

1. The date your LTD coverage under the Plan ends.
2. The date Assisted Living Benefit coverage terminates under the Plan.

H. Exclusions and Limitations

No Assisted Living Benefit will be paid for any period when you are confined for any reason in a penal or correctional institution.

No Assisted Living Benefit will be paid if your inability to perform Activities Of Daily Living or your Severe Cognitive Impairment is caused or contributed to by:

1. War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.
2. Any intentionally self-inflicted Injury, while sane or insane.
3. A Mental Disorder.
4. Use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.
5. A Preexisting Condition.

a. Definition: For purposes of the Assisted Living Benefit, Preexisting Condition means a mental or physical condition for which you have done any of the following:

- i. consulted a physician or other licensed medical professional,
- ii. received medical treatment or services or advice,
- iii. undergone diagnostic procedures, including self-administered procedures, or
- iv. taken prescribed drugs or medication

during the 3 months just before your Assisted Living Benefit coverage is effective.

b. Period Of Exclusion:

This exclusion will not apply after the Assisted Living Benefit coverage has been continuously in effect for a period of 12 months, if after that period you have been Actively At Work for at least one full day.

6. Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot. (Active participation does not include being at the scene of a violent disorder or riot while performing official duties.)

I. Definitions For Assisted Living Benefit

Activities Of Daily Living means Bathing, Contenance, Dressing, Eating, Toileting, or Transferring.

Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.

Contenance means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.

Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.

Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.

Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.

Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.

Hands-on Assistance means the physical assistance of another person without which the covered person would be unable to perform the Activity Of Daily Living.

Standby Assistance means the presence of another person within arm's reach of the covered person that is necessary to prevent, by physical intervention, injury to the covered person while the covered person is performing the Activity Of Daily Living (such as being ready to catch the covered person if the covered person falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the covered person's throat if the covered person chokes while Eating).

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) is measured by clinical evidence and standardized tests approved by us that reliably measure impairment in (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning. Severe Cognitive Impairment does not include loss or deterioration as a result of a Mental Disorder.

Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (such as may result from wandering).

LIFETIME DISABILITY BENEFIT

A. Lifetime Disability Benefit

The Lifetime Disability Benefit applies only to a person who, on the date of Disability, is a Safety Employee or a Specialized Non-safety Police Officer.

LTD Benefits will continue beyond the end of the Maximum Benefit Period if, on the date the Maximum Benefit Period ends, you meet the requirements in 1 through 4 below.

1. You are Disabled and LTD Benefits are scheduled to end solely because your Maximum Benefit Period ends.
2. While you are Disabled:
 - a. You, due to loss of functional capacity as a result of Physical Disease, Injury or Mental Disorder, become unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance; or

- b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.
4. We have received Proof Of Loss satisfactory to us.

Payment of LTD Benefits under this provision is subject to all other terms of the Plan.

B. Definitions For Lifetime Disability Benefit

Activities Of Daily Living means Bathing, Contenance, Dressing, Eating, Toileting, or Transferring.

Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.

Contenance means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.

Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.

Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.

Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.

Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.

Hands-on Assistance means the physical assistance of another person without which the Member would be unable to perform the Activity Of Daily Living.

Standby Assistance means the presence of another person within arm's reach of the Member that is necessary to prevent, by physical intervention, injury to the Member while the Member is performing the Activity Of Daily Living (such as being ready to catch the Member if the Member falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the Member's throat if the Member chokes while Eating).

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) is measured by clinical evidence and standardized tests approved by us that reliably measure impairment in (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning. Severe Cognitive Impairment does not include loss or deterioration as a result of a Mental Disorder.

Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (such as may result from wandering).

C. Time Limits On Filing Proof Of Loss

Proof Of Loss means satisfactory written proof that, on the date your Maximum Benefit Period ends, you meet the requirements in item A. above. Proof Of Loss must be provided at your expense.

Proof Of Loss must be provided within 90 days after the end of the Maximum Benefit Period. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

If Proof Of Loss is filed outside these time limits, the claim will be denied and no LTD Benefits will be payable after the end of the Maximum Benefit Period. These limits will not apply while you lack legal capacity.

D. When Lifetime Disability Benefits End

LTD Benefits continued under this provision will end automatically on the earlier of:

1. The date you no longer meet the requirements in item A. above.
2. The date LTD Benefits end under the terms of the Plan document for any reason other than the ending of the Maximum Benefit Period.

RETURN TO WORK INCENTIVE

A. During The Benefit Waiting Period

You may serve your Benefit Waiting Period while working, if you meet either the Own Occupation Definition of Disability or the Partial Disability Definition.

B. After The Benefit Waiting Period

You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined below:
 - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
 - b. Determine 100% of your Indexed Predisability Earnings.
 - c. If a. is greater than b., the difference will be Deductible Income.
2. After those first 12 months, one half of your Work Earnings will be Deductible Income.

Work Earnings means your gross monthly earnings from work you perform while Disabled, including earnings from your Employer, any other employer, or self-employment. Your earnings will be included in Work Earnings when you have the right to receive them. 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. Work Earnings will not include any renewal commissions, overwriting renewal commissions, or service fees received on business sold before you become Disabled.

LT.RW.31X

TEMPORARY RECOVERY

You may temporarily recover from your Disability, and then become Disabled again from the same cause or causes, without having to serve a new Benefit Waiting Period.

A. Allowable Periods

1. During the Benefit Waiting Period: a total of 5 days of temporary recovery for every 30 days of the Benefit Waiting Period.
2. During the Maximum Benefit Period: 180 days for each period of temporary recovery.

B. Effect of Temporary Recovery

If your temporary recovery does not exceed the allowable periods, 1 through 5 below will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.

2. The period of temporary recovery will not count toward your Benefit Waiting Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of temporary recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other LTD plan or group LTD insurance policy under which you become covered during your period of temporary recovery.
5. Except as stated above, the provisions of the Plan will be applied as if there had been no interruption of your Disability.

AS.TR.01

WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of 1 through 4 below.

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other LTD plan or group LTD insurance policy under which you become covered during a period of temporary recovery.

AS.BE.01

PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work unless a different date applies (see the **Coverage Features**). Any subsequent change in your earnings will not affect your Predisability Earnings.

Predisability Earnings means your monthly rate of earnings from your employer, including:

1. Contributions you make through a salary reduction agreement with your employer to:
 - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), or 457 deferred compensation arrangement; or
 - b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.
3. Holiday pay.
4. Education incentive pay.
5. Longevity pay.
6. Shift differential averaged over the preceding 12 calendar months, or over the period of your employment if less than 12 months.
7. Special assignment pay averaged over the preceding 12 calendar months, or over the period of your employment if less than 12 months.
8. Hazardous duty pay averaged over the preceding 12 calendar months, or over the period of your employment if less than 12 months.
9. Anti-terrorist pay averaged over the preceding 12 calendar months, or over the period of your employment if less than 12 months.

Predisability Earnings does not include:

1. Bonuses.
2. Commissions.
3. Overtime pay.
4. Your employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
5. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours. If you do not have regular work hours, your monthly rate of earnings is 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), but not more than 173 hours.

LT.PD.02X

DEDUCTIBLE INCOME

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay and annual leave pay, including donated amounts, 4850 Pay and other salary continuation as shown in the **Coverage Features**, but not including vacation pay, Compensatory Time Off (CTO) pay, or a lump sum buy-back of your sick leave and annual leave pay.
2. Your Work Earnings, as described in **Return To Work Incentive**.
3. Any amount you receive or are eligible to receive because of your temporary or vocational disability under any workers' compensation law or similar law, including amounts for partial or total disability. Other forms of benefits paid or payable through the workers' compensation system are considered Deductible Income.
4. Any amount you, your spouse, or your children under age 18 receive or are eligible to receive because of your disability or retirement under:
 - a. The Federal Social Security Act;
 - b. The Canada Pension Plan;
 - c. The Quebec Pension Plan; or
 - d. Any similar plan or act.

Benefits your spouse or children receive or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence.

The **Coverage Features** states which one of the following options applies to your Social Security benefits.

- a. Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefits are Deductible Income.
- b. Primary offset only: Primary benefits are Deductible Income, but dependents benefits are not.
- c. Partial dependents offset: Primary benefits are Deductible Income. Dependents benefits are Deductible Income if they exceed the amount found in (1) and (2).

(1) Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your dependents benefits to that amount.

(2) Multiply your Predisability Earnings by the dependents limit.

If (1) is greater than (2), the difference will be Deductible Income.

5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under any group coverage plan.
7. Any disability or retirement benefits you receive or are eligible to receive under your employer's retirement plan, including a previous employer's retirement plan through a peace officer's agency, unless receipt of such retirement benefits commenced prior to your date of Disability which is the basis of your current claim for LTD Benefits. This includes a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.

If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

8. 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.

LT.DI.02X

EXCEPTIONS TO DEDUCTIBLE INCOME

1 through 10 below are not Deductible Income.

1. Any cost of living increase in any Deductible Income, 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.
 - a. With respect to attorneys fees incurred in connection with a disputed retirement claim, attorneys fees will be considered to be reasonable if the fees do not exceed the lesser of 25% of the retirement award, or \$4,000. Attorneys fees incurred in connection with a non-disputed retirement claim are not considered Exceptions To Deductible Income.
 - b. Attorneys fees incurred in connection with your long term disability claim are not considered Deductible Income.
4. Benefits from any individual disability insurance policy.
5. California Workers' Compensation benefits for permanent total or permanent partial disability.
6. Early retirement benefits under the Federal Social Security Act which are not actually received.
7. Group credit or mortgage disability insurance benefits.
8. Benefits from a through h below:
 - a. Profit sharing plan.
 - b. Thrift or savings plan.
 - c. Deferred compensation plan.

- d. Plan under IRC Section 401(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.
9. Vacation pay, Compensatory Time Off (CTO) pay, or a lump sum buy-back of your sick pay and annual leave pay.
10. Special compensation under Section 20636 of the California Public Employees' Retirement Law.

LT.ED.02X

RULES FOR DEDUCTIBLE INCOME

A. Monthly Equivalents

Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.

B. Your Duty To Pursue Deductible Income

You must pursue Deductible Income for which you may be eligible. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

C. Pending Deductible Income

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.

D. Overpayment Of Claim

We will notify you of the amount of any overpayment of your claim. You are required to repay the overpayment within 31 days of receiving notice of the amount due. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 31 days after we first mail you notice of the amount of the overpayment.

AS.RU.01X

COST OF LIVING ADJUSTMENT BENEFIT

A. Eligibility

You are eligible for a COLA Benefit if, on each April 1, you have been Disabled for the preceding 12 months and are receiving LTD Benefits.

B. COLA Benefit Rules

1. No COLA Benefit is payable for a Disability arising out of or in the course of any employment for wage or profit.

2. The Minimum LTD Benefit is not adjusted by the COLA Factor.
3. All other of your LTD Benefits becoming payable after you are eligible for a COLA Benefit are increased by the COLA Factor in effect for the current year.
4. A new COLA Factor is determined each April 1.
5. Your first COLA Factor is equal to 1.00 plus the rate of increase in the CPI-W for the prior calendar year.
6. Each following COLA Factor is equal to 1.00 plus the rate of increase in the CPI-W for the prior calendar year, times the previous COLA Factor.
7. The maximum rate of increase in the CPI-W that we will use is the COLA Benefit Percentage shown in the **Coverage Features**.
8. The amount payable after adjustment by the COLA Factor will not exceed the Maximum Adjusted Benefit shown in the **Coverage Features**.
9. Your COLA Factor will not decrease, even if the CPI-W decreases.

LT.CA.02X

DEATH BENEFIT

If you die and your death is due to any cause other than an accident, Death Benefits are payable according to the terms of the Plan. Payment of Death Benefits for death due to any cause other than an accident are solely the responsibility of the Plan Sponsor.

If you die and the cause is due to a covered accident, Death Benefits are payable according to the terms of a group policy issued by The Standard to the Plan Sponsor. Payment of Death Benefits for accidental death are solely the responsibility of The Standard.

- A. A Death Benefit for death due to any cause other than an accidental cause will be subject to the following:
1. If you are Disabled under the terms of the Plan, you will cease to be covered for Death Benefits under this provision on the earlier of (a) the date your benefits end under the terms of the Plan, or (b) the date you have been continuously disabled for 24 months following the Benefit Waiting Period.
 2. If your death results from suicide or other intentionally self-inflicted injury, while sane or insane, the amount of the Death Benefit will be \$2,000.
 3. If your death results from any cause other than suicide or an accident, the amount of the Death Benefit will be \$50,000 (Plan A) or \$10,000 (Plan B), as elected by your Participating Unit. Your beneficiary will receive the Death Benefit as follows: If you are covered under Plan A, \$10,000 will be paid when the claim is approved, and \$10,000 will be paid for each of the next four years within 30 days of the anniversary of your death; if you are covered under Plan B, \$10,000 will be paid when the claim is approved.
 4. The Death Benefit will be subject to the exclusions under items A. War and C. Violent or Criminal Conduct in the section entitled **Exclusions**.
 5. The Plan Sponsor must receive proof of your death satisfactory to the Plan Sponsor.
 6. The Death Benefit will be paid in equal shares to the first surviving class of the classes below.
 - i. Your Spouse.
 - ii. Your Dependent(s).Dependent is defined as:

- (a) Unmarried child(ren) under the age of 19, or under the age of 24 if registered on a full-time basis (at least twelve semester units or the equivalent) at an educational institution accredited by the U.S. Department of Education.
- (b) A family member who is incapable of self-sustaining employment by reason of mental retardation, debilitating chronic condition, or physical handicap and who is dependent upon the Member for support and maintenance.

Note: If you do not have a Spouse or Dependent(s), the Plan Sponsor will not pay a Death Benefit.

To the extent permitted by law, the amount payable to the beneficiary will not be subject to any legal process or to the claims of any creditor or creditor's representative.

7. A Death Benefit will not be paid by the Plan Sponsor if a Death Benefit for accidental death is payable by The Standard.
 8. Proof of your death must be provided to the Plan Sponsor within 90 days after the date of death. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period. If proof of your death is filed outside these time limits, the claim will be denied. These limits will not apply while the beneficiary lacks legal capacity.
 9. Proof of your death means written proof that a death occurred for which the Plan provides benefits and which meets all other conditions for benefits. Proof of your death includes any other information the Plan Sponsor may reasonably require in support of a claim. Proof of your death must be in writing and must be provided at the expense of the beneficiary. No benefits will be provided until the Plan Sponsor receives proof of your death satisfactory to the Plan Sponsor. The Plan Sponsor may have an autopsy performed at their expense, except where prohibited by law.
 10. The Plan Sponsor will pay benefits within a reasonable time after receiving proof of your death satisfactory to the Plan Sponsor. If the beneficiary does not receive the Plan Sponsor's decision within 90 days after the Plan Sponsor receives the claim, the beneficiary will have an immediate right to request a review as if the claim had been denied.
 11. If all or part of a claim is denied, the beneficiary must request a review in writing within 60 days after receiving notice of the denial. The beneficiary may send the Plan Sponsor written comments or other items to support the claim, and may review any nonprivileged information that relates to the request for review. The Plan Sponsor will review the claim promptly after receiving the request. The Plan Sponsor will send notice of their decision within a reasonable time after receiving the request. If the denial is upheld, the beneficiary has the right to appeal that decision to the Plan Sponsor's Board of Trustees within 60 days following the review decision. Failure to appeal the review decision could result in an affirmative defense in any civil action.
- B. A Death Benefit for death due to a covered accidental cause will be subject to the following:
1. If you die as the result of an accident, including accidental exposure to adverse conditions, while insured for Accidental Death Insurance, The Standard will pay benefits according to the terms of the group policy issued by The Standard to the Plan Sponsor after receiving satisfactory proof of your accidental death.
 2. The amount of the Death Benefit due to a covered accidental cause is \$55,000.
 3. Your death must be caused solely and directly by an accident, occur independently of all other causes, occur within 365 days of the accident, and be evidenced by a certified copy of the death certificate.
 4. Death will be presumed if you disappear and the disappearance is caused solely and directly by an accident that reasonably could have caused your death, occurs independently of all other causes, and continued for a period of 365 days after the date of the accident, despite reasonable search efforts.
 5. If you are Disabled under the terms of the Plan, you will cease to be covered for Death Benefits under this provision on the earlier of (a) the date your benefits end under the terms of the Plan, or (b) the date you have been continuously disabled for 24 months following the Benefit Waiting Period.

6. The Death Benefit will be paid in equal shares to the first surviving class of the classes below.
 - i. Your Spouse.
 - ii. Your children.
 - iii. Your parents.
 - iv. Your brothers and sisters.
 - v. Your estate.

To the extent permitted by law, the amount payable will not be subject to any legal process or to the claims of any creditor or creditor's representative.

7. The Death Benefit will not be payable if the accident or death is caused or contributed to by any of the following:
 - a. War or act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.
 - b. Suicide or other intentionally self-inflicted injury, while sane or insane.
 - c. Committing or attempting to commit an assault or felony, 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.
 - d. The voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a Physician.
 - e. Sickness or Pregnancy existing at the time of the accident.
 - f. Heart attack or stroke.
 - g. Medical or surgical treatment for any of the above.
8. Proof of your death which is satisfactory to The Standard must be provided to The Standard within 90 days after the date of death. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period. If proof of your death is filed outside these time limits, the claim will be denied. These limits will not apply while the beneficiary lacks legal capacity.
9. Proof of your accidental death means written proof that a death occurred for which benefits are provided under the group policy issued by The Standard, and which meets all other conditions for benefits. Proof of your accidental death includes any other information The Standard may reasonably require in support of the claim. The proof must be in writing and must be provided at the expense of the beneficiary. No benefits will be provided until The Standard receives proof of your accidental death satisfactory to The Standard. The Standard may have an autopsy performed at the their expense, except where prohibited by law.
10. The Standard will pay benefits within 90 days after receiving proof of your accidental death satisfactory to The Standard.
11. The Standard will evaluate a claim for benefits promptly after receiving it. Within 90 days after receiving the claim they will send the beneficiary: (a) a written decision on the claim; or (b) a notice that they are extending the period to decide the claim for an additional 90 days. If they extend the period to decide the claim, they will notify the beneficiary of the following: (a) the reasons for the extension; (b) when they expect to decide the claim; and (c) any additional information needed to decide the claim. If they request additional information, the beneficiary will have 45 days to provide the information. If the beneficiary does not provide the requested information within 45 days, The Standard may decide the claim based on the information they have received. If they deny any part of the claim, they will send the beneficiary a written notice of denial containing:

- a. The reasons for the decision.
 - b. Reference to the parts of the group policy on which the decision is based.
 - c. A description of any additional information needed to support the claim.
 - d. Information concerning the beneficiary's right to a review of the decision.
 - e. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA, if the claim is denied on review.
12. If all or part of a claim is denied, the beneficiary may request a review. The beneficiary must request a review in writing within 60 days after receiving notice of the denial. The beneficiary may send written comments or other items to support the claim to The Standard. The beneficiary may review and receive copies of any non-privileged information that is relevant to the request for review. There will be no charge for such copies. The Standard's review will include any written comments or other items the beneficiary submits to support the claim. They will review the claim promptly after receiving the request. Within 60 days after receiving the request for review they will send the beneficiary: (a) a written decision on review; or (b) a notice that they are extending the review period for 60 days. If the extension is due to the beneficiary's failure to provide information necessary to decide the claim on review, the extended time period for review of the claim will not begin until the beneficiary provides the information or otherwise responds. If they extend the review period, they will notify the beneficiary of the following: (a) the reasons for the extension; (b) when they expect to decide the claim on review; and (c) any additional information needed to decide the claim. If they request additional information, the beneficiary will have 45 days to provide the information. If the beneficiary does not provide the requested information within 45 days, The Standard may conclude their review of the claim based on the information they have received. If they deny any part of the claim on review, the beneficiary will receive a written notice of denial containing:
- a. The reasons for the decision.
 - b. Reference to the parts of the group policy on which the decision is based.
 - c. Information concerning the beneficiary's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.
 - d. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA.
- The group policy does not provide voluntary alternative dispute resolution options.

SURVIVORS BENEFIT

If you die while LTD Benefits are payable, we will pay a survivors benefit according to 1 through 4 below.

1. The amount of the survivors benefit is shown in the **Coverage Features**.
2. The survivors benefit will first be applied to reduce any overpayment of your claim.
3. The survivors benefit will be paid at our option to any one or more of the following:
 - a. Your surviving Spouse;
 - b. Your surviving unmarried children under age 25; or
 - c. Any person providing the care and support of any of them.
4. If you are not survived by a Spouse or an unmarried child under age 25, no survivors benefit will be paid unless payment to your estate is allowed as stated in the **Coverage Features**.

LT.SB.01X

WAIVER OF CONTRIBUTIONS

While LTD Benefits are payable, your coverage will be continued without payment of Member contributions.

AS.WP.01X

BENEFITS AFTER COVERAGE ENDS OR IS CHANGED

Your right to receive LTD Benefits for a period of Disability which begins while you are covered is not be affected by:

1. Termination of the Plan after you become Disabled;
2. Termination of your Participating Unit's participation under the Plan after you become Disabled.
3. Termination of your coverage while the Plan remains in force; or
4. Any amendment to the Plan approved after the date you become Disabled.

AS.BA.01X

EFFECT OF NEW DISABILITY

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1 and 2 apply.

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.

LT.ND.01

EXCLUSIONS

A. War

You are not covered for a Disability or death caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

B. Intentionally Self-Inflicted Injury

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury, while sane or insane.

C. Violent or Criminal Conduct

You are not covered for a disability or death caused or contributed to by your committing or attempting to commit an assault or a felony or by your active participation in a violent disorder or riot. "Active participation" does not include being at the scene of a violent disorder or riot in the performance of your official duties.

D. Preexisting Condition

1. Definition

Preexisting Condition means a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you have done (or for which a reasonably prudent person would have done, with respect to coverage during the Self-Funded Period only) any of the following:
 - i. Consulted a physician or other licensed medical professional;

- ii. Received medical treatment, services or advice;
- iii. Undergone diagnostic procedures, including self-administered procedures;
- iv. Taken prescribed drugs or medications;
- b. Which, as a result of any medical examination, including routine examination, was discovered or suspected;

at any time during the Preexisting Condition Period shown in the **Coverage Features**.

2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

- a. Have been continuously covered under the Plan for the entire Exclusion Period shown in the **Coverage Features**; and
- b. Have been Actively At Work for at least one full day after the end of the Exclusion Period.

E. Medical Disability Retirement

You are not covered for a disability caused or contributed to by a condition for which you previously received a medical disability retirement from your position as a safety employee.

AS.EX.01X

LIMITATIONS

A. Care of A Physician

You must be under the ongoing care of a Physician in the appropriate specialty during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician in the appropriate specialty.

B. Away From Work

No LTD Benefits are payable while you are scheduled, under the terms of your employment, to be away from work without pay.

C. Confinement

No LTD Benefits are payable while you are confined in any penal or correctional institution in connection with a criminal or other public offense.

D. Alcoholism or Drug Use

Payment of LTD Benefits is limited to 12 months during your entire lifetime for a Disability caused or contributed to by your alcoholism, drug addiction or use of any hallucinogen.

E. Mental Disorder

Payment of LTD Benefits is limited to the Limitation Period for a Mental Disorder shown in the **Coverage Features** for each period of continuous Disability caused or contributed to by a Mental Disorder. This Limitation Period will apply to LTD Benefits paid for any period when your Disability is caused or contributed to by a Mental Disorder, even if you are also Disabled from another cause. No LTD Benefits will be paid after the Limitation Period unless you are Disabled from a cause other than a Mental Disorder. However, if you are confined in a Hospital at the end of the Limitation Period, this limitation will not apply while you are continuously confined.

Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause, including any biological or biochemical disorder or imbalance of the brain. Mental Disorder includes, but is not

limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, or anxiety and anxiety disorders.

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.

F. Rehabilitation

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating. LTD Benefits will cease to be paid or payable beginning on the date you refuse enrollment in a rehabilitation program or refuse modifications made to a worksite (including adaptive equipment or devices) or job process (or job duties) which accommodate your identified medical limitations in order to enable you to perform the essential duties of your own occupation or a position for which you are reasonably fitted by way of education, experience and training, provided a qualified Physician agrees that such modifications, equipment, and/or rehabilitation program accommodate your medical limitations and meet safety requirements.

G. Musculoskeletal And Connective Tissue Disorder

Payment of LTD Benefits is limited to the Musculoskeletal And Connective Tissue Disorder Limitation Period shown in the **Coverage Features** for each period of Disability caused or contributed to by musculoskeletal or connective tissue disorders including, but not limited to:

1. Any disease or disorder of the cervical, thoracic, or lumbosacral back and its surrounding soft tissue.
2. Sprains or strains of joints or muscles.
3. Carpal tunnel or repetitive motion syndrome.
4. Fibromyalgia.
5. Temporomandibular joint or craniomandibular joint disorder.
6. Myofascial pain.
7. Arthritis.

This limitation **will not** apply to:

- a. Herniated discs with neurological abnormalities that are documented by electromyogram, and computerized tomography or magnetic resonance imaging.
- b. Scoliosis.
- c. Tumors, malignancies, or vascular malformations.
- d. Radiculopathies that are documented by electromyogram.
- e. Spondylolisthesis, grade II or higher.
- f. Myelopathies and myelitis.
- g. Demyelinating diseases.
- h. Traumatic spinal cord necrosis.
- i. Osteopathies.
- j. Rheumatoid or psoriatic arthritis.
- k. Lupus.

CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If you do not receive our forms within 15 days after you ask for them, you may submit your claim in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

B. Time Limits On Filing Proof Of Loss

You must give us Proof Of Loss within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90 day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

C. Proof Of Loss

Proof Of Loss means satisfactory written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 45 days after we mail our request, your claim may be denied.

E. Investigation Of Claim

We may investigate your claim at any time.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may request copies of all documents necessary to verify your income, including, but not limited to, copies of those portions of income tax returns that reflect income, W-2's, Form 1099 and any other documents which verify or illustrate income. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss. LTD Benefits will be paid to you at the end of each calendar month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivor Benefit. If no Survivor Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

G. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 45 days after we receive your claim we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for 30 days. Before the end of this extension period we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for an additional 30 days. If an extension is due to your failure to provide information necessary to decide the claim, the extended time period for deciding your claim will not begin until you provide the information or otherwise respond.

If we extend the period to decide your claim, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may decide your claim based on the information we have received.

If we deny any part of your claim, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Plan on which our decision is based.
- c. Reference to any internal rule or guideline relied upon in making our decision.
- d. A description of any additional information needed to support your claim.
- e. Information concerning your right to a review of our decision.
- f. Information concerning your right to bring a civil action for benefits under section 502(a) of ERISA if your claim is denied on review.

H. Review Procedure

During the Self-Funded Period:

If all or part of a claim is denied, you have the right to appeal the denial. The claim will be reviewed by a claims examiner. The claims examiner reviewing the denial will not be the same individual who originally made the decision on your claim. You have 180 days to file a request for review of your claim. A decision on review of your claim will be made within 45 days from the date the request for review is received. If additional time is needed to review your claim, you will be notified of the reason for the additional time needed. Up to an additional 45 days may be taken to reach a decision. No more than 120 days will be taken to review the denial of your claim.

If, at the conclusion of the review process by the claims examiner, the denial of your claim is upheld, you have the right to appeal the denial to the Insurance and Benefits Board of Trustees within 90 days from the date on the written notice of the denial of the review of your claim. Once your request for appeal is received, your matter will be placed on the agenda of the next scheduled board meeting unless the request for review by the Trustees is received under 10 days prior to the next scheduled board meeting, in which case, it will be scheduled for the following board meeting. You will have the opportunity to present your claim orally to the Board of Trustees at the meeting. Appearance, either by telephone or in person at the board meeting at which your claim is reviewed is voluntary and therefore, failure to present the claim orally at the meeting will not in and of itself adversely affect the decision on the claim. This oral presentation, in addition to the claim file, will be reviewed and considered by the Board of Trustees.

You will be notified within 30 days, absent extenuating circumstances requiring additional time, of the decision by the Board of Trustees.

A decision on the claim by the board of Trustees will constitute exhaustion of administrative remedies for purposes of pursuing legal action. Request for review by the claims examiner will not satisfy the requirements to exhaust administrative remedies prior to taking legal action. Failure to exhaust administrative remedies by failing to appeal the claim to the board of Trustee will bar any future legal action against the Plan.

During the Insured Period:

If all or part of a claim is denied, you may request a review. You must request a review in writing within 180 days after receiving notice of the denial.

You may send us written comments or other items to support your claim. You may review and receive copies of any non-privileged information that is relevant to your request for review. There will be no charge for such copies. You may request the names of medical or vocational experts who provided advice to us about your claim.

The person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be

someone other than the person who made the original medical judgement and will not be subordinate to that person. Our review will include any written comments or other items you submit to support your claim.

We will review your claim promptly after we receive your request. Within 45 days after we receive your request for review we will send you: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days. If the extension is due to your failure to provide information necessary to decide the claim on review, the extended time period for review of your claim will not begin until you provide the information or otherwise respond.

If we extend the review period, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim on review; and (c) any additional information we need to decide your claim.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may conclude our review of your claim based on the information we have received.

If we deny any part of your claim on review, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Plan on which our decision is based.
- c. Reference to any internal rule or guideline relied upon in making our decision.
- d. Information concerning your right to receive, free of charge, copies of non-privileged documents and records relevant to your claim.
- e. Information concerning your right to bring a civil action for benefits under section 502(a) of ERISA.

The Plan does not provide voluntary alternative dispute resolution options. However, you may contact your local U.S. Department of Labor Office for assistance.

I. Assignment

The rights and benefits under the Plan are not assignable.

AS.CL.01X

SUBROGATION

If LTD Benefits are paid or payable to you under the Plan as the result of the 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, including from third-parties, third-party insurance, and first-party insurance (including uninsured and underinsured policies). You must execute and deliver to us such instruments and papers as may be required and do whatever is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation or recovery, including maintaining funds from any settlement or award in trust equal to amounts paid to you by the Plan. These funds shall be held in trust pending resolution of the Plan's right to recover for LTD Benefits paid. If LTD Benefits are paid as a result of the act or omission of a third party, you are obligated to inform us of such facts, even if it is unlikely that you will recover from the responsible third-party or their insurance.

If suit or action is **filed**, we may record a notice of payment of LTD Benefits, and such notice shall constitute a lien (including notice of an equitable lien), and/or offset on any judgement recovered.

If you or your legal representative fail to bring a claim or institute an action promptly and/or make a claim against any applicable uninsured or underinsured policy, we may institute such action or claim in our own name or in your name against such third party or against your insurance company or any other applicable policy or party. We are entitled to retain from any judgement 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, shall be paid to you or as the court may direct.

If you fail to cooperate in reference to the right to subrogation and/or reimbursement as described herein, **we reserve the right to institute our own action/claim or intervene in any pending claim to protect the rights of the Plan regardless of any action taken by you.**

We also assert a lien upon any recovery, settlement or judgement from a third party, their insurance, your insurance (including uninsured or underinsured insurance sources) or any other sources from which you recover as the result of the negligence or wrongful act of a third party. Acceptance of these LTD Benefits constitutes consent to the assertion of a lien against any and all third or first party recoveries paid or payable to you or on your behalf.

AS.SU.01X

ALLOCATION OF AUTHORITY

We have full and exclusive authority to control and manage the Plan, to administer claims, and to interpret the Plan and resolve all questions arising in the administration, interpretation, and application of the Plan.

Our authority includes, but is not limited to:

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 Plan and any claim under it;
3. The right to determine:
 - a. Your eligibility for coverage;
 - b. Your entitlement to benefits;
 - c. The amount of benefits payable to you;
 - d. The sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Plan, any decision we make in the exercise of our authority is conclusive and binding.

AS.AL.01

TIME LIMITS ON LEGAL ACTIONS

No action at law or in equity may be brought until 60 days after you have given us Proof Of Loss. No such action may be brought more than three years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The end of the period within which Proof Of Loss is required to be given.

Before any such action at law or in equity may be brought against the Plan Sponsor, the claimant must first appeal any adverse decision that is the basis of such action to the Plan Sponsor's Board of Trustees. Failure to do so will result in an affirmative defense and bar to any such action at law or in equity.

LT.TL.01X

INCONTESTABILITY PROVISIONS

Incontestability Of Member's Coverage

Any statement you make to obtain coverage is a representation and not a warranty.

No misrepresentation by you will be used to reduce or deny your claim or contest the validity of your coverage unless:

1. Your coverage would not have been approved if we had known the truth; and
2. We have given you a copy of a written instrument signed by you which contains your misrepresentation.

After your coverage has been in effect for two years, we will not use a misrepresentation by you to reduce or deny your claim, unless it was a fraudulent misrepresentation.

AS.IN.01

CONTINUITY OF COVERAGE

Effect Of Preexisting Conditions

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were covered under the Prior Plan on the day before the effective date of your coverage under the Plan;
2. You were continuously covered under the Plan from the effective date of your coverage under the Plan through the date you became Disabled from the Preexisting Condition; and
3. Benefits would have been payable under the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

Payment of your LTD Benefit will be under the terms of the Prior Plan or the Plan, whichever pays less.

AS.CC.01X

WHEN YOUR COVERAGE BECOMES EFFECTIVE

Subject to the **Active Work Provisions**, the effective date of your coverage and the effective date of any increase in your coverage will be the first day of the first calendar month for which we have received the required Member contributions, provided that if you are required to submit satisfactory Medical History, as shown in the **Coverage Features**, you have done so prior to that date.

AS.EF.01X

ACTIVE WORK PROVISIONS

A. Active Work Requirement

If you were absent from Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before the scheduled effective date of your coverage, your coverage will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing the Material Duties of your Own Occupation at your employer's usual place of business.

B. Changes In Coverage

This Active Work Requirement also applies to any increase in your coverage. However, if you return to Active Work during a period of Disability or temporary recovery (see **Temporary Recovery**), you will not qualify for any change in coverage caused by a change in:

1. Your status as a member of a class;
2. The rate of earnings used to determine your Predisability Earnings; or
3. The terms of the Plan.

C. Exception

The Active Work Requirement will not apply to you if:

1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
2. You were Actively at Work on your last scheduled work day before the date of your absence; and
3. You were capable of Active Work on the day before the scheduled effective date of your coverage.

AS.AW.01X

WHEN YOUR COVERAGE ENDS

Your coverage ends automatically on the earliest of:

1. The date the last period ends for which you made a Member contribution, if your coverage is Contributory.
2. The date the last period ends for which your Participating Unit made a contribution on your behalf.
3. The date the Plan terminates.
4. The date your Participating Unit terminates participation under the Plan.
5. The date your Participating Unit ceases to cover at least 50% of its Members under either this Plan or a long term disability insurance group policy issued by Standard (not including Members whose Medical History was disapproved).
6. The date your employment terminates.
7. The date you cease to be a Member. However, if you cease to be a Member because you are not working the required minimum number of hours, your coverage will be continued during the following periods, unless it ends under 1 through 6 above.
 - a. While your employer is paying you the same amount paid to you immediately before you ceased to be a Member.
 - b. During the Benefit Waiting Period and while LTD Benefits are payable.
 - c. During a leave of absence if continuation of your coverage under the Plan is required by a state-mandated family or medical leave act or law.
 - d. During any other leave of absence approved by your employer in advance and in writing and scheduled to last the period shown in the **Coverage Features**.

AS.EN.01X

REINSTATEMENT OF COVERAGE

If your coverage ends, you may become covered again as a new Member. However, the following will apply.

1. If your coverage ends because you cease to be a Member, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
2. If your coverage ends because you fail to make a required Member contribution, you must provide a satisfactory Medical History to become covered again.
3. If your coverage ends because you are on federal or state mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your coverage will be reinstated pursuant to federal or state mandated family or medical leave act or law.
4. The Preexisting Conditions Exclusion will be applied as if there had been no break in coverage in the following instances:
 - a. If you become covered again within 90 days.
 - b. If required by federal or state mandated family or medical leave act or law and you become covered again immediately following the period allowed under the family or medical leave act or law.

AS.RE.01

DEFINITIONS

4850 Pay means salary continuance paid to you by your employer in lieu of Worker's Compensation Temporary Disability benefits or other equivalent benefits.

Benefit Waiting Period means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period.

Contributory means you pay all or part of the cost for your coverage.

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.

Eligibility Waiting Period means the period you must be a Member before you become eligible for coverage. See **Coverage Features**.

Group Policy means the group LTD insurance policy issued by The Standard to Plan Sponsor and identified by the Group Policy Number.

Medical History: To provide Medical History you must:

1. Complete and sign our Medical History Statement;
2. Sign our form authorizing us to obtain information about your health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. At your expense, provide any additional information about your medical history that we may reasonably require.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to your body.

Insured Period means the portion of each period of continuous Disability for which The Standard is solely responsible for payment of LTD Benefits. No LTD Benefits are payable by Plan Sponsor during the Insured Period. See **Coverage Features**.

LTD Benefit means the monthly benefit payable to you under the terms of the Plan.

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 Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled, unless LTD Benefits are payable under the Lifetime Disability Benefit provision. See **Coverage Features**.

Noncontributory means the Plan Sponsor or Participating Unit pays the entire cost for your coverage.

Non-safety Employee means an employee not entitled to Safety Employee Benefits.

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

Physician means a licensed medical professional, other than yourself, diagnosing and treating you within the scope of the license.

Plan means the LTD income benefit plan established by Plan Sponsor and identified by the Plan Number and includes the Group Policy.

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

Prior Plan means your group LTD plan in effect on the day before the effective date of your coverage under the Plan and which is replaced by this Plan.

Safety Employee means an employee who is entitled to Safety Employee Benefits under the County Retirement Act of 1937 or PERS of California, Safety Member Status, or the equivalent.

Self-Funded Period means the portion of each period of continuous Disability for which Plan Sponsor is solely responsible for payment of LTD Benefits. No LTD Benefits are payable by The Standard during the Self-Funded Period. See **Coverage Features**.

Spouse means:

1. A person to whom you are legally married, or
2. Your Domestic Partner. Domestic Partner means an individual with whom you have completed a declaration of domestic partnership recognized by your employer, submitted that declaration to your employer, and filed said declaration for public record if required by law. This declaration must have been submitted to the employer who was your employer at the time of disability and prior to said date of disability.

AS.DF.01X

ERISA INFORMATION AND NOTICE OF YOUR RIGHTS

Certificates of Coverage and Notices of Plan Changes are issued to the Participating Units showing coverage under the Plan. The Participating Units will distribute the documents to covered Members.

The following information and notice of rights and protections is furnished by the Plan Administrator as required by the Employee Retirement Income Security Act of 1974 (ERISA)

A. Termination or Amendment of the Plan

The Plan Sponsor has the right at any time to amend or terminate the Plan. No amendment will be valid unless it is approved by an executive officer of the Plan Sponsor.

To the extent a portion of Plan benefits are provided by a Standard Insurance Company Group Policy, the Group Policy may be terminated by the Plan Sponsor at any time with prior written notice to The Standard. The Group Policy will terminate automatically if the Plan Sponsor fails to pay the required premium. The Standard may terminate the Group Policy if the number of person insured is less than the required minimum, or if The Standard believes the Plan Sponsor has failed to perform its obligations relating to the Group Policy. The Group Policy may be amended in whole or in part. No amendment will be valid unless it is approved in writing by a The Standard executive officer.

The summary plan description, Plan document and Group Policy contain the complete termination and amendment provisions.

B. Statement of Your Rights Under ERISA

1. Right To Examine Plan Documents

You have the right to examine all Plan documents, including any insurance contracts or collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration. These documents may be examined free of charge at the Plan Administrator's office.

2. Right To Obtain Copies of Plan Documents

You have the right to obtain copies of all Plan documents, including any collective bargaining agreements, a copy of the latest annual report (Form 5500 Series), and updated summary plan description upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for these copies.

3. Right To Receive A Copy of Annual Report

The Plan Administrator must give you a copy of the Plan's summary annual financial report, if the Plan was required to file an annual report. There will be no charge for the report.

4. Right to Review of Denied Claims

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have the right: a) to know why this was done; b) to obtain copies of documents relating to the decision, without charge; and c) to have your claim reviewed and reconsidered, all within certain time schedules.

C. Obligations of Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of all Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

D. Enforcing ERISA Rights

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to

pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

E. Plan and ERISA Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.