

Long Term Disability Insurance Benefits

Employee Benefit Booklet



Underwritten By:
FORT DEARBORN LIFE INSURANCE COMPANY
Richardson, Texas

Regents of New Mexico State University

Group Number: GFZ02001

Class I



FORT DEARBORN LIFE INSURANCE COMPANY

(A stock life insurance company)

Chicago, Illinois

Administrative Office:

Richardson, Dallas County, Texas

CERTIFICATE OF COVERAGE

THE FORT DEARBORN LIFE INSURANCE COMPANY referred to as “we,” “our,” “us” or “the Company” welcomes your employer as a client.

This is your certificate of coverage as long as you are eligible for insurance and you become and remain insured.

A few words about this certificate of coverage . . .

It is written in plain English. But a few terms and provisions are written as required by insurance law. Please read it carefully. If you have any questions about any terms and provisions, please contact the Insurance Administrator at your work location or write to us. We will assist you in any way we can to help you understand your benefits.

Also, if the terms of your certificate of coverage and the policy differ, the policy will govern. Your coverage may be terminated or modified in whole or in part under the terms and provisions of the policy.

Secretary

President

GROUP LONG TERM DISABILITY INCOME INSURANCE

POLICY INDEX

Section I	Schedule of Benefits
Section II	Definitions
Section III.....	Eligibility and Effective Dates
Section IV	Benefits
Section V	Termination Provisions
Section VI.....	General Provisions

SECTION I – SCHEDULE OF BENEFITS

Amended on July 1, 2007

POLICYHOLDER NAME: Regents of New Mexico State University

GROUP POLICY NUMBER: GFZ02001

EFFECTIVE DATE: As defined in the application

**CLASS OF
INSUREDS**

DEFINITION

I All full-time employees who have been employed by the Policyholder for at least 30 days. Full-time means working a minimum of 30 hours per week.

Amount of Insurance: 60% (Benefit Percentage) of Basic Monthly Earnings not to exceed the Maximum Monthly Benefit

The Maximum Monthly Benefit is \$5,000

The Minimum Monthly Benefit is \$100 or 10% of gross monthly benefit, whichever is greater

Elimination Period: 135 Days

MAXIMUM BENEFIT PERIOD FOR DISABILITY

<u>Age at Onset of Disability</u>	<u>Maximum Benefit Duration</u>
Less than age 60	To age 65
60 – 64	5 Years
65 – 68	To age 70, or 1 Year, whichever is longer
69 and Over	1 Year

SECTION II – DEFINITIONS

For the purpose of this certificate:

ACTIVE EMPLOYMENT means you must be working:

1. for your employer on a permanent full-time basis and paid regular earnings;
2. at least 30 hours per week and either:
 - a. at the employer's usual place of business; or
 - b. at a location to which the employer's business requires you to travel.

ADMINISTRATIVE OFFICE means Fort Dearborn Life Insurance Company, Richardson, Dallas County, Texas.

ANNUAL SALARY means your earnings in effect from the employer for the twelve month period immediately prior to the date disability begins. Annual Salary includes all earnings before any reductions. It does not include bonuses, overtime pay or any other form of extra pay.

APPLICATION is the document showing the eligible classes, the amounts of insurance and other relevant information pertaining to the plan of insurance applied for by your Employer.

BASIC MONTHLY EARNINGS or **PREDISABILITY INCOME** means your monthly rate of earnings from your employer in effect immediately prior to the date disability begins. It does not include bonuses, overtime pay and extra pay.

DISABILITY BENEFIT, when used with the term retirement plan, means money which:

1. is payable under a retirement plan due to disability as defined in that plan; and
2. does not reduce the amount of money which would have been paid as retirement benefits at the normal retirement age under the plan if the disability had not occurred. (If the payment does cause such a reduction, it will be deemed a retirement benefit in the policy).

ELIGIBILITY DATE means the date you become eligible for insurance under the policy.

ELIMINATION PERIOD means a period of consecutive days of disability for which no benefit is payable. The elimination period is shown in the Schedule of Benefits and begins on the first day of disability.

Note: If you return to work for any 30 or less days during the elimination period and cannot continue, we will count only those days you are disabled to satisfy the elimination period.

EMPLOYER means the New Mexico State University.

EVIDENCE OF INSURABILITY means a statement or proof of your medical history upon which acceptance for insurance will be determined by the Company.

GAINFUL WORK means an occupation that is or can be expected to provide you with an income of the lesser of your gross disability payment or \$8,333 per month within 12 months of your return to work.

GROSS MONTHLY BENEFIT means your monthly benefit before any reduction for other income benefit and earnings.

SICKNESS means illness or disease. It will include pregnancy unless excluded in the General Exclusion section of this certificate. The sickness must begin while you are insured under the policy.

INJURY means bodily injury resulting directly from an accident and independently of all other causes. The injury must occur and disability must begin while you are insured under the policy.

Exception: Any disability which begins more than 60 days after an injury will be considered a sickness for the purpose of determining benefits under the policy.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

1. are normally required for the performance of your Own Occupation; and
2. cannot be reasonably omitted or modified, except that if you are required to work on an average in excess of 40 hours per week, the Company will consider you able to perform that requirement if you are working or has the capacity to work 40 hours per week.

MAXIMUM CAPACITY means based on your restrictions and limitations:

1. During the first 24 months of disability, the greatest extent of work you are able to do in your Own Occupation.
2. After 24 months of disability, the greatest extent of work you are able to do in any occupation for which you are reasonably fitted by training, education, or experience.

MINIMUM MONTHLY BENEFIT means you will not receive less than \$100 per month or 10% of your gross monthly benefit, whichever is greater, regardless of income received from other sources.

MONTHLY BENEFIT means the amount payable by the Company to the disabled insured.

OWN OCCUPATION means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific Employer or at a specific location.

PHYSICIAN means to be a person who:

1. is legally qualified as a medical practitioner and required to be recognized under the policy for insurance purposes according to the insurance statutes/regulations of the governing jurisdiction and operating within the scope of his license; and
2. is not an employee or his spouse, daughter, son, father, mother, sister, or brother.

POLICY or THE POLICY means the contract between your Employer and Fort Dearborn Life Insurance Company which provides group insurance benefits.

PREDISABILITY EARNINGS - See Basic Monthly Earnings definition.

REGULAR ATTENDANCE OF A PHYSICIAN means you are attended by a Physician, who is not you or related to you:

1. with medical training and clinical experience suitable to treat your disabling condition; and
2. whose treatment is:
 - a. consistent with the diagnosis of the disabling condition; and
 - b. according to guidelines established by medical, research and rehabilitative organizations; and
 - c. administered as often as needed, to achieve the maximum medical improvement.

REGULAR FACULTY MEMBER means an eligible Employee in active employment who is either:

1. Non-tenured Faculty, including College Instructor, College Assistant Professor, College Associate Professor and College Professor; or

2. Tenured Faculty, including Instructor, Assistant Professor, Associate Professor and Professor.

RETIREMENT BENEFIT, when used with the term retirement plan, means money which:

1. is payable under a retirement plan either in a lump sum or in the form of periodic payments;
2. does not represent contributions made by an Employee (payments which represent Employee contributions are deemed to be received over the Employee's expected remaining life regardless of when such payments are actually received); and
3. is payable upon:
 - a. early or normal retirement; or
 - b. disability if the payment does reduce the amount of money which would have been paid at the normal retirement age under the plan if the disability had not occurred.

RETIREMENT PLAN means a plan which provides retirement benefits to Employees and which is not funded wholly by Employee contributions. The term shall not include: a 401(k), profit-sharing plan, informal salary continuation plan, thrift plan, individual retirement account (IRA), tax sheltered annuity (TSA), stock ownership plan, or a non-qualified plan of deferred compensation.

EMPLOYER'S RETIREMENT PLAN is deemed to include any retirement plan:

1. which is part of any federal, state, county, municipal or association retirement system; or
2. for which you are eligible as a result of employment with the Employer.

TOTAL DISABILITY or **TOTALLY DISABLED** means that during the elimination period and the next 24 months of disability you are:

1. unable to perform all of the material and substantial duties of your occupation on a full-time basis because of a disability:
 - a. caused by injury or sickness;
 - b. that started while insured under this coverage; and
2. after 24 months of benefits have been paid, you are unable to perform with reasonable continuity all of the material and substantial duties of your own or any other occupation for which you are or become reasonably fitted by training, education, experience, age and physical and mental capacity.

To qualify for a Total disability benefit, you, as a result of your Total Disability, must be earning less than 20% of his Basic Monthly Earnings.

The loss of a professional or occupational license or certification for any reason does not, in itself, constitute disability.

WAITING PERIOD is 30 day requirement for full time Employees from the date of hire. Credit will be given for any portion of the Waiting Period satisfied prior to an approved family or medical leave of absence.

SECTION III

ELIGIBILITY AND EFFECTIVE DATES

A. ELIGIBLE CLASSES

The classes eligible for insurance are shown in the Application.

B. ADDITION OF EMPLOYEES

Eligible Employees may be added to the group periodically either when they first become eligible following satisfying the 30 day waiting period or as a late enrollee. An Employee in an eligible class who qualifies for insurance and enrolls after his Eligibility Date is a late enrollee. Late enrollees will be required to apply for coverage, submit Evidence of Insurability and be approved for coverage. Enrollees must pay or agree to pay the applicable premium.

C. ELIGIBILITY DATE

If you are an Employee in an eligible class you will qualify for insurance on the later of:

1. the policy effective date; or
2. the first of the month following your completion of the waiting period.

D. EFFECTIVE DATES OF INSURANCE

1. Insurance will be effective at 12:01 a.m. on the day determined as follows, but only if your written application for insurance is:
 - a. made with the Company through your Employer; and
 - b. on a form satisfactory to the Company.
2. You will be insured for contributory insurance on the latest of these dates:
 - a. the first day of the month which follows your eligibility date if you make written application for insurance before the end of your waiting period.
 - b. the first day of the month which follows the date the Company gives its approval, if the you:
 - i. make written application for insurance after your eligibility date; or
 - ii. if you terminated your insurance while continuing to be eligible.

In the case of i. and ii. above, you must submit an application and evidence of insurability to the Company for approval. This will be at your expense.

3. Delayed Effective Date for Insurance - The effective date of any initial or increased insurance will be delayed if you are not in active employment because of a disability. The initial, increased or additional insurance will start on the first day of the month which follows the date you return to active employment.
4. If you enter another eligible class, you will not be eligible for any additional benefits until you have completed a 30-day waiting period, and have been actively at work one full day in the new class.

SECTION IV - BENEFITS

PROOF OF DISABILITY

When the Company receives proof that you are disabled due to sickness or injury and require the Regular Attendance of a Physician, the Company will pay you a monthly benefit after the end of the elimination period. The benefit will be paid for the period of disability if you give to the Company proof of continued:

1. disability; and
2. Regular Attendance of a Physician.

The proof must be given upon request and at your expense.

The monthly benefit will not:

1. exceed your amount of insurance; or
2. be paid for longer than the maximum benefit period.

The amount of insurance and the maximum benefit period are shown in the Schedule of Benefits.

The monthly benefit will never be less than the minimum monthly benefit shown in the Schedule of Benefits, or more than the total disability benefit payable under the policy.

MONTHLY BENEFIT

To figure the amount of monthly benefit:

1. Multiply your basic monthly earnings by the benefit percentage shown in the Schedule of Benefit.
2. Take the lesser of:
 - a. the amount figured in step (1) above; or
 - b. the maximum monthly benefit shown in the Schedule of Benefit; and then
3. Deduct other income benefits, shown below from this amount.

This is the total disability benefit which you may receive.

The monthly benefit will never be less than the minimum monthly benefit shown in the Schedule of Benefits.

OTHER INCOME BENEFITS

Other income benefits mean those benefits shown below:

1. The amount for which you are eligible under:
 - a. temporary disability benefits under a Workers' Compensation Law, occupational disease law, similar law, or substitutes or exchanges for such benefits;
 - b. permanent disability or impairment benefits under a Workers' Compensation Law, occupational disease law, similar law, or substitutes or exchanges for such benefits;
2. The amount of any disability income benefits for which you are eligible under any compulsory benefit act or law or automobile liability insurance policy.

3. The amount of any disability income benefits which you have elected under:
 - a. any other group insurance plan of your employer;
 - b. any governmental retirement system as a result of your job with the employer.
4. The amount of benefits you receive under the employer's retirement plan as follows:
 - a. any disability benefits;
 - b. any retirement benefits.
5. The amount of disability or retirement benefits under the United States Social Security Act, the Canada Pension Plan, or the Quebec Pension Plan, or any similar plan or act, as follows:
 - a. disability or unreduced retirement benefits for which:
 - i. you are eligible; and
 - ii. your spouse, child or children are eligible because of your disability; or
 - iii. your spouse, child or children are eligible because of your eligibility for unreduced retirement benefits; or
 - b. reduced retirement benefits received by:
 - i. you; and
 - ii. your spouse, child or children because of your receipt of reduced retirement benefits.

Note. You will be required to apply for Social Security disability benefits when the duration of your Disability meets the minimum duration required to apply for such benefits. If the Social Security Administration denies eligibility for benefits, you will be required:

- a. to follow the process established by the Social Security Administration to reconsider the denial; and
- b. if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

If you do not follow the *application for Social Security disability benefits* steps outlined above, the Company will estimate the amount for which you would be eligible when calculating your monthly benefit.

6. The amount of earnings you earn or receive from any form of employment.
7. The amount of earnings you receive from any sick leave, sick leave bank or formal salary continuation plan paid by your employer;
8. The amount that you receive from a third party (after subtracting attorney's fees) by judgment, settlement or otherwise.

These other income benefits except retirement benefits, must be payable as a result of the same disability for which we pay a benefit.

COST OF LIVING FREEZE

After the first deduction for each of the other income benefits, the monthly benefit will not be further reduced due to any cost of living increases payable under these other income benefits. This provision does not apply to increases received from any form of employment.

LUMP SUM PAYMENTS

Other income benefits which are paid in a lump sum will be prorated on a monthly basis over the time period for which the sum is given. If no time period is stated, the sum will be prorated on a monthly basis over your expected lifetime. In each case, the amount to be prorated will be calculated by an actuary based on a morbidity table, with interest, or a mortality table, with interest, depending on the source of the lump sum.

TERMINATION OF DISABILITY BENEFITS

We will terminate benefit payment on the first to occur of:

1. the date you are no longer Disabled;
2. the date you fail to furnish Proof of Loss, when requested by the Company;
3. the date the you are no longer under the Regular Attendance of a Physician, or refuse our request to submit to an examination by a Physician;
4. the date you die;
5. the date your monthly earnings while disabled exceed 80% of his Pre-disability Earnings;
6. during the first 24 months of disability, the date your Maximum Capacity exceeds 80% of your Pre-disability Earnings; and after 24 months, the date you are able to perform Gainful Work;
7. the date you refuse to receive recommended treatment that is generally acknowledged by physicians to cure, correct or limit the disabling condition;
8. the date determined by the Maximum Benefit Duration shown on the Schedule of Benefits; or
9. the date no further benefits are payable under any provision in this certificate that limits benefit duration.

Note: Monthly earnings received while disabled means the monthly earnings you received from:

1. the Employer while Disabled; and
2. other employment.
However, if the other employment is a job you held in addition to full-time Active Employment with the Employer, then:
 - a. during the Elimination Period, and while eligible to receive benefits for being Disabled from your Own Occupation;
 - b. any earnings from this other employment will be monthly earnings received while disabled only to the extent that they exceed the average monthly earnings received from this other job during the 6 month period immediately prior to becoming Disabled.

Monthly earnings received while disabled will also include the amount of pay for another or modified job position, which may be offered to you by the Employer, if you refuse the offer. The requirements of such offered position must be within your capabilities as described by his Physician, and consistent with your education, training and experience.

BENEFIT PERIOD EXTENSION

1. The maximum benefit period is shown in the Schedule of Benefits. However, benefits will be extended beyond the end of the maximum benefit period if you are Disabled and attain the age specified in the benefit duration and have not received twelve monthly benefit payments. In this event, the benefit period will be extended during the continuance of total disability until twelve monthly payments have been paid.
2. Applicable to Regular Faculty Members only: If you are a Regular Faculty Member and are no longer disabled but are unable to return to work because there is no comparable job available, the Company will make a lump sum benefit payment for the remaining period of the academic semester in effect coincident with the date the Company determined you were no longer disabled. The lump sum benefit payment will be based upon your last monthly payment amount just prior to the date your disability ends. No premium payment will be required during this extended benefit period.

RECURRENT DISABILITY

"Recurrent Disability" means a disability which is related or due to the same cause(s) as a prior disability for which a monthly benefit was payable.

A recurrent disability will be treated as part of the prior disability if, after receiving disability benefits under the policy, you:

1. return to your own occupation on a full-time basis for less than six months; and
2. perform all material duties of your occupation.

To qualify for a recurrent disability benefit, you must experience more than a 20% loss of pre-disability earnings.

Benefit payments will be subject to the terms of the policy for the prior disability.

If you return to your own occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of disability. You must complete another elimination period.

If you become eligible for coverage under any other group long term disability policy, this recurrent disability section will cease to apply to you.

THREE MONTH SURVIVOR BENEFIT

The Company will pay a lump sum benefit to the eligible survivor when proof is received that you died:

1. after the disability had continued for 180 or more consecutive days; and
2. while receiving a monthly benefit.

The lump sum benefit will be an amount equal to three times your last monthly benefit.

"Eligible survivor" means your spouse, if living, otherwise your children under age 25.

If the payment becomes due to your children, payment will be made to:

1. the children; or
2. a person named by the Company to receive payments on the children's behalf. This payment will be valid and effective against all claims by others representing or claiming to represent the children.

"Last monthly benefit" means the monthly benefit paid to you immediately prior to your death but not including any reduction for earnings.

MENTAL ILLNESS LIMITATION

Benefits for disability due to mental illness, alcoholism or drug addiction will be payable for up to 24 months. After 24 months of benefit payments, benefits will be payable if you satisfy one of the following situations:

1. You are in a hospital or institution at the end of the 24 month period. The monthly benefit will be paid during the confinement.

If you are still disabled when you are discharged, the monthly benefit will be paid for a recovery period of up to 90 days.

If you become reconfined during the recovery period for at least 14 days in a row, benefits will be paid for the confinement and another recovery period up to 90 more days.

2. If after 24 months of benefit payments, you continue to be disabled and become confined for at least 14 days in a row, the monthly benefit will be payable during the confinement.

The monthly benefit will not be payable beyond the maximum benefit period.

"Hospital" or "institution" means a facility licensed to provide care and treatment for the condition causing your disability.

"Mental Illness" means mental, nervous or emotional diseases or disorders of any type.

The Company will not apply this mental illness limitation to dementia if it is a result of:

1. Stroke;
2. Trauma;
3. Viral infection;
4. Alzheimer's disease; or
5. Other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.

PROGRESSIVE PARTIAL DISABILITY BENEFIT

The Company will pay a Progressive Partial Disability Benefit for a disability which is caused by an injury or sickness once you have met your Elimination Period. The Elimination Period can be a combination of total and partial disability, or all total, or all partial disability. You do not have to be totally disabled prior to receiving a Progressive Partial Disability Benefit.

"Partial Disability" or "Partially Disabled" means as a result of the sickness or injury which caused total disability, you are:

1. able to perform one or more, but not all of the material and substantial duties of your own or any other occupation on a full-time or part-time basis; or
2. able to perform all of the material and substantial duties of your own or any other occupation on a part-time basis.

To qualify for a Progressive Partial Disability Benefit you must be earning less than 80% of your pre-disability earnings at the time partial disability employment begins.

Progressive Partial Disability Monthly Benefit

During the first 12 months, the monthly benefit will be figured as shown:

1. Multiply your pre-disability earnings by the benefit percentage shown in the Schedule of Benefits.
2. Take the lesser of:
 - a. the amount determined in step (1) above; or
 - b. 100% of your pre-disability earnings less other income benefits; or
 - c. the maximum monthly benefit shown in the Schedule of Benefits.

The Progressive Partial Disability Benefit will never be less than the minimum monthly benefit shown in the Schedule of Benefits.

After 12 months, the following formula will be used to figure the monthly benefit:

1. Multiply your pre-disability earnings by the benefit percentage shown in the Schedule of Benefits.
2. Take the lesser of:
 - a. the amount determined in step (1) above; or
 - b. the maximum monthly benefit shown in the Schedule of Benefits.

This is the gross monthly payment.

3. Subtract from the gross monthly payment:
 - a. 100% of any other income amounts except any income you earn or receive from any form of employment; and
 - b. 50% of any income you earn or receive from any form of employment.

Loss of earnings must be as a result of or due to the same sickness or injury for which you are disabled.

REHABILITATION

“Rehabilitation” is a process of the Company's claims examiner and rehabilitation counselor working together with you to plan, adapt, and put into use, options and services to meet you return to work needs.

A Rehabilitation program includes but is not limited to, when we consider it to be appropriate, any necessary and feasible:

1. vocational testing;
2. vocational training;
3. alternative treatment plans such as:
 - a. support groups;
 - b. physical therapy;
 - c. occupational therapy;
 - d. speech therapy;
4. work-place modification to the extent not otherwise provided; and/or
5. job placement.

You are encouraged participate in a Rehabilitation program if requested and a qualified physician agrees that the rehabilitation program is appropriate to your medical limitations.

GENERAL EXCLUSIONS

The policy will not cover any disability due to:

1. war, declared or undeclared or any act of war;
2. intentionally self-inflicted injuries;
3. active participation in a riot;
4. your commission of or attempt to commit a felony or any type of assault or battery.

PRE-EXISTING CONDITION EXCLUSION

The policy will not cover any disability:

1. which is caused or contributed to by, or results from a Pre-existing Condition; and
2. which begins in the first 12 months after your effective date.

"Treatment" means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

"Pre-existing Condition" means a sickness or injury for which you received treatment within 3 months prior to your effective date.

CONTINUITY OF COVERAGE UPON TRANSFER OF INSURANCE CARRIERS

In order to prevent loss of coverage for an Employee because of a transfer of insurance carriers, the Policy will provide coverage for certain Employees as follows:

Failure to be in Active Employment Due to Injury or Sickness.

The Policy will cover, subject to premium payments, Employees:

1. insured with the prior carrier at the time of transfer; and
2. who are not in active employment due to Injury or Sickness.

The benefit payable will be that which would have been paid by the prior carrier had coverage remained in force, less any benefit for which the prior carrier is liable.

Disability due to a Pre-existing Condition

Benefits may be payable for a total disability due to a Pre-existing Condition for an Employee who:

1. was insured by the prior carrier at the time of transfer; and
2. was in active employment and insured under the Policy on its effective date.

The benefits will be determined as follows:

1. The Company will apply your Employer's Policy's Pre-existing Condition exclusion. If the Employee qualifies for benefits, he will be paid according to your Employer's Policy's benefit schedule.
2. If the Employee cannot satisfy your Employer's Policy's Pre-existing Condition exclusion, the prior carrier's Pre-existing Condition exclusion will be applied.
 - a. If the Employee satisfies the prior carrier's Pre-existing Condition exclusion, giving consideration towards continuous time insured under both policies, he will be paid according to the prior carrier's benefit schedule.
 - b. If he cannot satisfy the Pre-existing Condition exclusion of the Employer's Policy or that of the prior carrier, no benefit will be paid.

**SECTION V
TERMINATION PROVISIONS**

TERMINATION OF EMPLOYEE'S INSURANCE

You will cease to be insured at 12:00 midnight on the earliest of the following dates:

1. the date the policy is cancelled; or
2. the last day of the month in which you are no longer in an eligible group; or
3. the last day of the month in which your eligible group is no longer covered; or
4. the last day of the period for which premiums are paid if you stop making any required contributions; or
5. the last day of the pay period if you terminate employment.

Cessation of active employment will be deemed termination of employment, except:

- a. the insurance will be continued if you are absent due to disability during:
 - i. the Elimination Period; and
 - ii. the period during which premium is being waived.
- b. the Employer may choose to continue your insurance by paying the required premiums, subject to the following:
 - i. insurance may be continued during an approved family or medical leave of absence, but not beyond the end of the approved leave of absence period;
 - ii. insurance may be continued if you are temporarily laid off or given any other leave of absence, but not beyond the end of the month following the month the lay-off or leave of absence begins;
 - iii. insurance may be continued if you are on a sabbatical leave of absence;
 - iv. the Employer must act so as not to discriminate unfairly among Employees in similar situations.
6. the date you cease active employment due to labor dispute, including any strike, work slowdown or lockout.

SECTION VI

GENERAL POLICY PROVISIONS

A. STATEMENTS

In the absence of fraud, all statements made in any application are considered representations and not warranties (absolute guaranteed). No representation by:

1. the policyholder in applying for this coverage will make it void unless the representation is contained in the application; or
2. any Employee in applying for insurance under the policy will be used to reduce or deny a claim unless a copy of the application for insurance is or has been given to the Employee.

B. MISSTATEMENT OF FACTS

If relevant facts about you were not accurate:

1. a fair adjustment of premium will be made; and
2. the true facts will decide if and in what amount insurance is valid under the policy.

C. NOTICE AND PROOF OF CLAIM

1. Notice
 - a. Written notice of claim must be given to the Company within 20 days of the date disability starts, if that is possible. If that is not possible, the Company must be notified as soon as it is reasonably possible to do so.
 - b. When the Company has written notice of claim, the Company will provide you with a claim form. If the forms are not received within 15 days after written notice of claim is sent, you can send the Company written proof of claim without waiting for the form.
2. Proof
 - a. You must give us proof of claim no later than 90 days after the end of the Elimination period.
 - b. If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. Except in the absence of legal capacity, proof of claim may not be given later than one year after the time proof is otherwise required.
 - c. You must give us proof of continued disability and Regular Attendance of a Physician within 30 days of the date we request the proof.
 - d. All proof submitted must be satisfactory to us. Proof of Loss includes but is not limited to the following:
 - i. documentation of:
 - (a) the date your Disability began;
 - (b) the cause of the Disability;
 - (c) the prognosis of the Disability;
 - (d) your Earnings or income, including but not limited to copies of your filed and signed federal and state tax returns; and
 - (e) evidence that you are under the Regular Attendance of a Physician;
 - ii. any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations, and treatment notes;

- iii. the names and addresses of all:
 - (a) Physicians and practitioners of healing arts that have been seen or consulted; and
 - (b) hospitals or other medical facilities in which you were seen or treated; and
 - (c) pharmacies which have filled prescriptions within the past three years; and
- iv. your signed authorization for us to obtain and release:
 - (a) medical, employment and financial information; and
 - (b) any other information we may reasonably require;
- v. your signed statement identifying all Other Income Benefits;
- vi. proof that you and your dependents have applied for all Other Income Benefits which are available. You will not be required to claim any retirement benefits which may only be received on a reduced basis.

D. EXAMINATION

The Company, at its own expense, will have the right and opportunity to have any Employee, whose injury or sickness is the basis of a claim, examined by a physician, other health care professional, vocational expert or rehabilitation specialist of its choice. This right may be used as often as reasonably required.

E. LEGAL PROCEEDINGS

A claimant or the claimant's authorized representative cannot start any legal action:

1. until 60 days after proof of claim has been given; nor
2. more than 3 years after the time proof of claim is required.

F. TIME OF PAYMENT OF CLAIMS

Payment for any loss will be made immediately when the Company receives due proof of loss. Benefits payable under the policy will be paid monthly during any period for which the Company is liable.

G. PAYMENT OF CLAIMS

All benefits are payable to the Employee. But if a benefit is payable to an Employee's estate, an Employee who is a minor, or an Employee who is not competent, the Company has the right to pay up to \$1,000 to any of the Employee's relatives whom the Company considers entitled. If the Company pays benefits in good faith to a relative, the Company will not have to pay such claims again.

H. RIGHT OF RECOVERY

If LTD benefits have been over paid on any claim, it will be required that reimbursement be made to Fort Dearborn Life Insurance Company within 60 days, or Fort Dearborn Life Insurance Company has the right to reduce future benefits until such reimbursement is received. Fort Dearborn Life Insurance Company also has the right to recover such overpayments from your estate.

I. WORKERS' or WORKMEN'S COMPENSATION

Coverage under the policy is not in lieu of, and does not affect, any requirement for coverage by Workers' or Workmen's Compensation Insurance.

J. CONFORMITY WITH LOCAL STATUTES

Any provision of the Policy which, on the policy Effective Date, is in conflict with the statutes of the jurisdiction in which the Policy was delivered is hereby amended to conform to the minimum requirements of such statute.

K. INCONTESTABILITY

The validity of the policy shall not be contested, except for non-payment of premiums, after it has been in force for two years from the date of issue. The validity of the policy shall not be contested on the basis of a statement made relating to insurability by any person covered under the policy after such insurance has been in force for two years during such person's lifetime, and shall not be contested unless the statement is contained in a written instrument signed by the person making such statement.

L. DISCRETIONARY AUTHORITY

In making any determination regarding the benefits under the policy, the Company shall have the discretionary authority to determine an individual's eligibility for benefits and to interpret the terms of the policy.

M. WAIVER OF PREMIUM

Premium payments if you are totally or partially disabled are waived during any period for which benefits are payable. If coverage is to be continued, premium payments may be resumed following a period during which they were waived.



**FORT DEARBORN LIFE
INSURANCE COMPANY**

**Administrative Office:
2400 Lakeside Blvd. • Richardson, Texas 75082-7399**