



# CITY OF NEWPORT BEACH

GROUP SHORT TERM DISABILITY INCOME BENEFIT PLAN  
AND  
GROUP LONG TERM DISABILITY INSURANCE



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City of Newport Beach  
3300 Newport Blvd  
Newport Beach CA 92663  
(949) 644-3307

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## **CERTIFICATE**

### **SHORT TERM DISABILITY INCOME BENEFIT PLAN**

Plan Sponsor has established a short term disability income benefit plan for certain of its employees. Plan Sponsor is solely responsible for payment of STD Benefits payable under the terms of this Plan.

Plan Sponsor has retained Standard Insurance Company as Claims Administrator for the Plan. Standard shall receive, process, investigate and evaluate claims for benefits. Standard has discretionary authority to make initial decisions to approve, deny or close claims for benefits. Standard is also authorized to review and decide appeals of denied or closed claims, if requested by claimants as provided in the appeal provision of the Plan. Thereafter, Plan Sponsor may elect to hear and decide any further appeals by claimants. In each case, Plan Sponsor retains the right of final review and decision on all claims and appeals.

Standard will also perform certain administrative services for the Plan, including advising and assisting Plan Sponsor with preparation and revision of the Plan and providing actuarial services. Standard has no authority or obligation with respect to management or investment of the assets of the Plan or Plan Sponsor's right of subrogation under the Plan.

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.

All provisions on this and the following pages are part of this Plan. "You" and "your" mean the Member. "We", "us", and "our" mean Plan Sponsor. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in boldface type.



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## COVERAGE FEATURES

This section contains many of the features of your short term disability (STD) 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.

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### GENERAL PLAN INFORMATION

Plan Sponsor: City of Newport Beach  
Employer(s): City of Newport Beach  
Claims Administrator: Standard Insurance Company  
ATP Number: 641456-A  
Plan Effective Date: July 1, 2001

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Member means:

1. A regular employee of the Employer;
2. Actively At Work at least 40 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

Class Definition: None

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### SCHEDULE OF COVERAGE

Eligibility Waiting Period: You are eligible on one of the following dates:  
If you are a Member on the Plan Effective Date, you are eligible on that date.  
If you become a Member after the Plan Effective Date, you are eligible on the date you become a Member.

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

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STD Benefit: 66 2/3% of the first \$2,769 of your weekly Predisability Earnings, reduced by Deductible Income.  
Maximum: \$1,846 before reduction by Deductible Income.  
Minimum: \$15

Benefit Waiting Period: The longer of (a) the period of sick leave for which you are eligible under the Employer's sick leave plan, and (b) one of the following:

For Disability caused by accidental Injury: 30 days

For Disability caused by Physical Disease, Pregnancy or Mental Disorder: 30 days

Maximum Benefit Period: 150 days

If you are Disabled for less than one full week, we will pay one-seventh of the STD Benefit for each day of Disability.

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### MEMBER CONTRIBUTIONS

Coverage is: Noncontributory (premium included)\*

\*Noncontributory (premium included) means that the cost of insurance is included in the Member's gross earnings.

## STATEMENT OF COVERAGE

If you become Disabled while covered under the Plan, we will pay STD Benefits according to the terms of the Plan after we receive Proof Of Loss satisfactory to us.

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### BECOMING COVERED

To become covered you must be a Member, complete your Eligibility Waiting Period, and meet the requirements in **Active Work Provisions** and **When Your Coverage Becomes Effective**.

You are a Member if you are:

1. A regular employee of the Employer;
2. Actively At Work at least 40 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

You are not a Member if you are a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

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

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### WHEN YOUR COVERAGE BECOMES EFFECTIVE

#### A. When Coverage Becomes Effective

Subject to the **Active Work Provisions**, your coverage becomes effective as follows:

##### 1. Coverage Subject To Medical History

Coverage subject to Medical History becomes effective on the date we approve your Medical History.

##### 2. Coverage Not Subject To Medical History

The **Coverage Features** states whether coverage is Contributory or Noncontributory.

###### a. Noncontributory Coverage

Noncontributory coverage not subject to Medical History becomes effective on the date you become eligible.

###### b. Contributory Coverage

You must apply in writing for Contributory coverage and agree to pay Member contributions. Contributory coverage not subject to Medical History becomes effective on:

- i. The date you become eligible if you apply on or before that date; or
- ii. The date you apply if you apply within 31 days after you become eligible.

Late application: Medical History is required if you apply more than 31 days after you become eligible.

B. Medical History Requirement

Medical History satisfactory to us is required:

- a. For late application for Contributory coverage.
- b. For Members eligible for more than 31 days but not covered under the Prior Plan.
- c. For reinstatements if required.

Providing Medical History means 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. Provide any additional information about your medical history that we may reasonably require.

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### **ACTIVE WORK PROVISIONS**

A. Active Work Requirement

You must be capable of Active Work on the day before the scheduled effective date of your coverage or your coverage will not become effective as scheduled. If you are incapable of 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 with reasonable continuity 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.

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### **WHEN YOUR COVERAGE ENDS**

Your coverage ends automatically on the earliest of:

1. The date the last period ends for which a contribution was made for your coverage.
2. The date the Plan terminates.
3. The date your employment terminates.
4. The date you cease to be a Member. However, your coverage will be continued during the following periods when you are absent from Active Work, unless it ends under any of the above.
  - a. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence or sick leave, provided your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member. A period when you are absent from Active Work as part of a severance or other employment termination agreement is not a leave of absence, even if you are receiving the same Predisability Earnings.
  - b. 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.

- c. During any other temporary leave of absence approved by your Employer in advance and in writing and scheduled to last 30 days or less. A period of Disability is not a leave of absence.

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## **REINSTATEMENT OF COVERAGE**

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

1. If you cease to be a Member because of a covered Disability, your coverage will end. However, if you become a Member again immediately after the later of the dates in a. and b., below, the Eligibility Waiting Period will be waived.
  - a. The date STD Benefits end;
  - b. If you are covered under a group long term disability plan or group long term disability policy issued by us to the Plan Sponsor, the date long term disability benefits end, provided the long term disability benefits are payable for the same Disability.
2. If your coverage ends because you cease to be a Member for any reason other than a covered Disability, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
3. If your coverage ends because you fail to make a required contribution, you must provide a satisfactory Medical History to become covered again.
4. If your coverage ends because you are on a 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 the federal or state-mandated family or medical leave act or law.
5. In no event will coverage be retroactive.

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## **DEFINITION OF DISABILITY**

You are Disabled if you meet the following Own Occupation definition of Disability.

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:

1. You are unable to perform with reasonable continuity the Material Duties of your Own Occupation; and
2. You suffer a loss of at least 20% in your Predisability Earnings when working in your Own Occupation.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

You may work in another occupation while you meet the Own Occupation definition of Disability. However, you will no longer be Disabled when your Work Earnings from another occupation exceed 80% of your Predisability Earnings.

Your Work Earnings may be Deductible Income. See **Return To Work Provisions** and **Deductible Income**.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation involves the rendering of

professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license.

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, that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

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## **RETURN TO WORK PROVISIONS**

### **A. Return To Work Responsibility**

No STD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Predisability Earnings, but you elect not to work.

### **B. Return To Work Incentive**

You may serve your Benefit Waiting Period while working if you meet the Own Occupation definition of Disability.

You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if STD Benefits are payable on that date.

Your Work Earnings will be Deductible Income as determined in 1., 2. and 3.

1. Determine the amount of your STD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
2. Determine 100% of your Predisability Earnings.
3. If 1. is greater than 2., the difference will be Deductible Income.

### **C. Work Earnings Definition**

Work Earnings means your gross weekly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available in your Own Occupation. Work Earnings includes sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working.

Earnings from work you perform 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 weekly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings we:

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

If we determine that your earnings vary substantially from week to week, we may determine your Work Earnings by averaging your earnings over the most recent four-week period. You will no longer be Disabled when your average Work Earnings over the last four weeks exceed 80% of your Predisability Earnings.

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### **REASONABLE ACCOMMODATION EXPENSE BENEFIT**

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit in an amount agreed to by us, but not to exceed the expenses incurred.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

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### **TEMPORARY RECOVERY**

You may temporarily recover from your Disability during the Maximum Benefit Period, and then become Disabled again from the same cause or causes, without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable allowable period. See **Definition Of Disability**.

#### A. Allowable Period

The allowable period of recovery during the Maximum Benefit Period is: a total of 30 days of recovery.

#### B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Period, the following will apply.

1. The Predisability Earnings used to determine your STD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Maximum Benefit Period.
3. No STD Benefits will be payable for the period of Temporary Recovery.
4. No STD Benefits will be payable after benefits become payable to you under any other disability coverage plan under which you become covered during your period of recovery.
5. Except as stated above, the provisions of the Plan will be applied as if there had been no interruption of your Disability.

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### **WHEN STD BENEFITS END**

Your STD Benefits end automatically on the earliest of:

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date long term disability benefits become payable to you under a group long term disability plan or group long term disability policy issued by us, even if that occurs before the end of the Maximum Benefit Period.
5. The date benefits become payable to you under any other disability plan under which you become covered through employment during a period of Temporary Recovery.
6. The date you fail to provide proof of continued Disability and entitlement to STD Benefits.

(ASO) ST.BE.OT.1

## **PREDISABILITY EARNINGS**

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work. Any subsequent change in your earnings will not affect your Predisability Earnings.

### **A. Partners, P.C. Partners, Owner-Employees, Sole Proprietors and S-Corporation Shareholders**

If you are a Partner, Owner-Employee, Sole Proprietor or S-Corporation Shareholder, Predisability Earnings means your average weekly compensation from your Employer during the Employer's prior tax year. If you are a P.C. Partner, Predisability Earnings means the average weekly compensation received by your professional corporation from the Plan Sponsor during the Plan Sponsor's prior tax year. Your average weekly compensation is determined by adding the following amounts as reported on the applicable Schedule K-1, Schedule C, Form W-2 or S-Corporation federal income tax return, and dividing by 52 (or by the number of weeks you were a Partner, P.C. Partner, Owner-Employee, Sole Proprietor or S-Corporation Shareholder if less than 52):

1. Your ordinary income from trade or business activity(ies).
2. Your guaranteed payments, if you are a Partner.
3. Your net profit from business.
4. Your compensation (as an officer), salary, or wages, if you are an S-Corporation Shareholder.

If you were not a Partner, P.C. Partner, Owner-Employee, Sole Proprietor or S-Corporation Shareholder during the entire prior tax year, your Predisability Earnings will be your average weekly compensation for your period as a Partner, P.C. Partner, Owner-Employee, Sole Proprietor or S-Corporation Shareholder.

### **B. All Other Members**

Predisability Earnings means your weekly rate of earnings from your Employer.

Predisability Earnings does not include:

1. Bonuses.
2. Commissions.
3. Overtime pay.
4. Shift differential pay.
5. Any other extra compensation.

If you are paid on an annual contract basis, your weekly rate of earnings is one fifty-second (1/52nd) of your annual contract salary.

If you are paid hourly, your weekly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per week, but not more than 40 hours. If you do not have regular work hours, your weekly rate of earnings is based on the average number of hours you worked per week during the preceding 52 calendar weeks (or during your period of employment if less than 52 weeks), but not more than 40 hours.

C. All Members

Predisability Earnings includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p), 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.

Predisability Earnings does not include your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.

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## **DEDUCTIBLE INCOME**

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

1. Your Work Earnings, as described in the **Return To Work Provisions**.
2. Any amount you receive or are eligible to receive because of your disability under a state disability income benefit law or similar law.
3. Any amount you receive or are eligible to receive because of your disability under another group coverage.
4. Any disability or retirement benefits you receive or are eligible to receive under your Employer's retirement plan, including 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. You and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan.

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.

5. Any amount you receive or are eligible to receive because of your disability, including amounts for partial or total disability, whether permanent, temporary, or vocational, under any of the following:
  - a. A workers' compensation law;
  - b. The Jones Act;
  - c. Maritime Doctrine of Maintenance, Wages, or Cure;
  - d. Longshoremen's and Harbor Worker's Act; or
  - e. Any similar act or law.
6. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while STD Benefits are payable.

7. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.
8. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgement, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
9. 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.

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## **EXCEPTIONS TO DEDUCTIBLE INCOME**

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical, or surgical expense.
3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
4. Benefits from any individual disability insurance policy.
5. Group credit or mortgage disability insurance benefits.
6. Accelerated death benefits paid under a life coverage plan or life insurance policy.
7. Benefits from the following:
  - a. Profit sharing plan.
  - b. Thrift or savings plan.
  - c. Deferred compensation plan.
  - d. Plan under IRC Section 401(k), 408(k), 408(p), 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.

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## **RULES FOR DEDUCTIBLE INCOME**

### **A. Weekly Equivalents**

Each week we will determine your STD Benefit using the Deductible Income for the same weekly period, even if you actually receive the Deductible Income in another week.

If you are paid Deductible Income in a lump sum or by a method other than weekly, we will determine your STD 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 STD 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 under any group disability plan or group disability insurance policy issued by us. You must immediately repay us. You will not receive any STD Benefits until we have been repaid in full. In the meantime, any STD Benefits paid, including the Minimum STD 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 30 days after we first mail you notice of the amount of the overpayment,

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### **SUBROGATION**

If STD Benefits are paid or payable to you under the Plan as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of STD Benefits, and such notice shall constitute a lien on any judgement recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgement recovered the amount of STD 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.

(ASO) ST.SG.OT.1

### **BENEFITS AFTER COVERAGE ENDS OR IS CHANGED**

During each period of continuous Disability, we will pay STD Benefits according to the terms of the Plan in effect on the date you become Disabled. Your right to receive STD Benefits will not be affected by:

1. Any amendment to the Plan that is effective after you become Disabled; or
2. Termination of the Plan after you become Disabled.

(ASO) ST.BA.OT.1

## **EFFECT OF NEW DISABILITY**

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

1. STD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. All provisions of the Plan, including the **Disabilities Excluded From Coverage** and **Limitations** sections, will apply to the new cause of Disability.

(ASO) ST.ND.OT.1

## **DISABILITIES EXCLUDED FROM COVERAGE**

### **A. War**

You are not covered for a Disability 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 caused or contributed to by your 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. Loss Of License Or Certification**

You are not covered for a Disability caused or contributed to by the loss of your professional license, occupational license or certification.

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## **LIMITATIONS**

### **A. Care Of A Physician**

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

### **B. Paid Sick Leave Or Other Salary Continuation**

No STD Benefits will be paid for any period when you are receiving paid sick leave pay, annual or personal leave pay, or other salary continuation, including donated amounts, (but not vacation pay) from your Employer.

### **C. Imprisonment**

No STD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.

### **D. Return To Work Responsibility**

No STD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Predisability Earnings, but you elect not to work.

E. Rehabilitation Program

No STD 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.

(ASO\_24 HR\_RTW RSP\_MAND REHB) ST.LM.OT.1

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

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

D. Documentation

At your expense, you must submit completed claims statements, your signed authorization for us to obtain information, and any other items we may reasonably require in support of your claim. If you do not provide the documentation within 60 days after we mail you 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 deny or suspend STD Benefits if you fail to attend an examination or cooperate with the examiner.

F. Time Of Payment

We will pay STD Benefits within 60 days after you satisfy Proof Of Loss.

STD Benefits will be paid to you at the end of each week you qualify for them. STD Benefits remaining unpaid at your death will be paid to your estate.

G. Notice Of Decision On Claim

You will receive a written decision on your claim within a reasonable time after we receive your claim.

If you do not receive our decision within 90 days after we receive your claim, you will have an immediate right to request a review as if your claim had been denied.

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

1. The reasons for our decision;

2. Reference to the parts of the Plan on which our decision is based;
3. A description of any additional information needed to support your claim; and
4. Information concerning your right to a review of our decision.

#### H. Review Procedure

If all or part of a claim is denied, you may request a review. You must request a review in writing within 60 days after receiving notice of the denial.

When you request a review, you may send us written comments or other items to support your claim. You may review any non-privileged information that relates to your request for review.

We will review your claim promptly after we receive your request. We will send you a notice of our decision within 60 days after we receive your request, or within 120 days if special circumstances require an extension. We will state the reasons for our decision and refer you to the relevant parts of the Plan.

#### I. Assignment

The rights and benefits under the Plan are not assignable.

(ASO) ST.CL.OT.1

### **ALLOCATION OF AUTHORITY**

Except for those functions which the Plan specifically reserves to the Plan Sponsor or Employer, 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 its 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. Eligibility for coverage;
  - b. Entitlement to benefits;
  - c. Amount of benefits payable;
  - d. 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.

(ASO) ST.AL.OT.1

### **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 time within which Proof Of Loss is required to be given.

ST.TL.OT.1

## CLERICAL ERROR, AGENCY AND MISSTATEMENT

### A. Clerical Error

Clerical error by the Plan Sponsor, your Employer, or their respective employees or representatives will not:

1. Cause a person to become covered.
2. Invalidate coverage under the Plan otherwise validly in force.
3. Continue coverage under the Plan otherwise validly terminated.

### B. Agency

The Plan Sponsor and your Employer act on their own behalf as your agent, and not as our agent. The Plan Sponsor and your Employer have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Plan.

### C. Misstatement Of Age

If a person's age has been misstated, we will make an equitable adjustment of the cost of coverage, benefits, or both. The adjustment will be based on:

1. The amount of coverage based on the correct age; and
2. The difference between the amount paid and the amount which would have been paid if the age had been correctly stated.

(ASO) ST.CE.OT.1

## TERMINATION OR AMENDMENT OF THE PLAN

The Plan may be terminated by us or the Plan Sponsor according to its terms. It will terminate automatically for nonpayment of premium. The Plan Sponsor may terminate the Plan in whole, and may terminate coverage for any class or group of members, at any time by giving us written notice.

Benefits under the Plan are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Plan Sponsor for attachment to the Plan. If the terms of the certificate differ from the Plan, the terms stated in the Plan will govern. The Plan Sponsor, your Employer, and their respective employees or representatives have no right or authority to change or amend the Plan or to waive any of its terms or provisions without our signed written approval.

We may change the Plan in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Plan, or with the Plan Sponsor's consent.

Any such change or amendment of the Plan may apply to current or future Members or to any separate classes or groups of Members.

(ASO) ST.TA.OT.1

## DEFINITIONS

Benefit Waiting Period means the period you must be continuously Disabled before STD Benefits become payable. No STD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

Contributory means coverage under the Plan is elective and Members pay all or part of the cost of coverage.

Employer means an employer (including approved affiliates and subsidiaries) for which coverage under the Plan is approved in writing by us.

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.

Injury means an injury to the body.

Maximum Benefit Period means the longest period for which STD 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 STD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See **Coverage Features**.

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) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

Noncontributory means (a) coverage is nonelective and the Plan Sponsor or Employer pay the entire cost of coverage; or (b) the Plan Sponsor or Employer require all eligible Members to have insurance and to pay all or part of the cost of coverage.

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 M.D. or D.O., acting within the scope of the license. Physician does not include you or your spouse, or the brother, sister, parent, or child of either you or your spouse.

Plan means the group short term disability income benefit plan established by Plan Sponsor and identified by the ATP Number.

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

Prior Plan means your Employer's short term disability plan in effect on the day before the effective date of your Employer's coverage under the Plan and which is replaced by the Plan.

STD Benefit means the weekly benefit payable to you under the terms of the Plan.

(ATP) ST.DF.OT.1

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