



COMPANION LIFE INSURANCE COMPANY
 7909 PARKLANE ROAD, SUITE 200, COLUMBIA, SC 29223-5666
 PO Box 100102, Columbia, SC 29202-3102
 (803) 735-1251
 (Herein called "the Company")

COMPANION LIFE INSURANCE COMPANY
 7909 Parklane Road, Suite 200, Columbia, South Carolina 29223-5666
 P.O. Box 100102, Columbia, South Carolina 29202-3102
 (803) 735-1251

(A stock insurance company, herein called The Company)
 will pay benefits according to the terms and conditions of The Policy.

Name of Policyholder: WARDEN & SMITH INC

Policy Number:
 790-14-03501-002

Effective Date:
 09/01/2017

Place of Delivery:
 SOUTH CAROLINA

Anniversary Dates:
 09/01

Premium Due Dates:
 Monthly, on the first day of each policy month

The Company urges you to examine this policy closely. If you are not satisfied with it, you may send it back to The Company for any reason within 10 days after the date you receive it. If so returned, your insurance will be canceled, and any premium paid will be refunded in full.

Signed for the Company

J. Philip Gardham
 President

Countersigned by.....
 Licensed Resident Agent or Registrar

GROUP LONG TERM DISABILITY INSURANCE POLICY
RENEWAL AT OPTION OF THE COMPANY

TABLE OF CONTENTS

Schedule of Benefits 3
Premiums 4
Policy Provisions 7
Incorporation Provision 9

Schedule of Benefits

The Schedule of Insurance for The Policy benefits listed below are shown in the Certificate(s), as incorporated into The Policy.

Long Term Disability Insurance

The Schedule of Insurance will control the:

- 1) benefit amounts and maximum limits;
- 2) eligibility and effective date requirements; and
- 3) other schedule amounts and limits;

which apply to the employees of the Policyholder.

Premiums

Initial Monthly Premium Rates

The initial monthly premium rates to be charged for employee Coverage are shown on the following page(s).

The first premium is due and payable on the effective date of The Policy. Subject to The Policy's grace period provision, all premiums after the first must be paid when or before they are due.

Premiums are based on the Employee's:

- 1) age on his or her effective date and thereafter on the first day of the month following the month in which his or her birthday occurs;
- 2) sex and occupational class.

For Long Term Disability Benefits, the amount of an employee's Earnings which is disregarded in determining his Monthly Benefit because of the Maximum Monthly Benefit limitation will also be disregarded in determining the amount of the total insured payroll.

The Initial Monthly Premium Rates may be converted as follows:

To Convert Rates to:	Use a Conversion Factor of:
-- annual rates	11.8227
-- semi-annual rates	5.9557
-- quarterly rates	2.9852

Grace Period

The Company will allow the Policyholder a 31 day grace period for the payment of all premiums after the first. During this 31 day period, The Policy will stay in force. If the owed premium is not paid by the 31st day, The Policy will automatically terminate. If the Policyholder gives The Company written advance notice of an earlier cancellation date, The Policy will terminate on the earlier date. Premium is due for each day The Policy is in force.

Monthly Premium Rate Guarantee

Initial Monthly Premium rates are guaranteed as follows:

Benefit	Rate Guarantee Period
Long Term Disability Benefits Term Disability Benefits	24 Months

Subject to the Rate Guarantee period shown above, The Company has the right to change premium rates on any premium due date if:

1. written notice is delivered to the Policyholder's last address on record; and
2. the change is effective at least 31 days after the date of notice.

The Rate Guarantee supersedes only those provisions appearing elsewhere in this policy which give The Company the right to change the premium rates, and then, only for the period of time for which the rates are guaranteed. However, The Company may change the premium rates during the Rate Guarantee period if there is a 10% change in The Policy, or if there is an increase or decrease in the number of insured employees, or if the Policyholder adds or deletes a subsidiary or affiliated business entity. The Company may also change the premium rates during the Guarantee Period if there has been a material misstatement in the reported experience during the pre-sale process. The Rate Guarantee in no way affects, amends or supersedes any other provision in The Policy.

Premiums

Calculation

Premiums may be calculated by multiplying the rate times the applicable number of units of coverage.

If any insurance is added, increased or becomes effective after The Policy is in force, the premium charges will begin on:

- 1) the day the coverage is effective, if it is also the first day of a policy month; or
- 2) the first day of the next policy month.

For insurance which is terminated, premium charges will stop as of the first day of the next policy month.

Premiums may be calculated by any other method which both The Company and the Policyholder agree to in writing.

Premium Payments

Premium payments are due and payable in full to a place designated by The Company or, with respect to the initial premium payment, premium payments may be made to an authorized agent of The Company. Payment of premiums for a period before it is due will not guarantee the insurance for that period.

Premiums

PREMIUM SCHEDULE

Long Term Disability: PREMIUMS

Initial Premium Rate for Class

See Attached Rate Sheet

Total Covered Payroll is the Total Amount of Monthly Earnings for which Employees are Insured under the Plan.

The Premium Rate may change as provided for within The Policy.

LTD RATES

<25	\$0.29
25-29	\$0.35
30-34	\$0.48
35-39	\$0.65
40-44	\$0.87
45-49	\$1.19
50-54	\$1.52
55-59	\$1.84
60+	\$1.82

Policy Provisions

The Policyholder means WARDEN & SMITH INC

Entire Contract:

The contract between the parties consists of:

- 1) the Policy;
- 2) any certificates incorporated and made a part of the Policy;
- 3) any riders issued in connection with such certificates;
- 4) the Policyholder's application, if any, a copy of which is attached to and made a part of The Policy when issued; and
- 5) any Written Medical Insurability Application submitted by the Eligible Person/Employee and accepted by The Company in connection with the Policy.

All statements made by the Policyholder, any Participating Entity or persons insured under The Policy will, in the absence of fraud, be deemed representations and not warranties. No statement made to effect this insurance will be used in any contest unless it is in writing and a copy of it is given to the person who made it, or to his or her beneficiary.

Incontestability:

Except for non-payment of premium, the insurance provided by The Policy or Certificates hereunder cannot be contested after such insurance has been in effect for a period of two years.

Changes: The Company reserves the right to make changes in the Policy, after The Policy has been in force for 12 months. The Company will give the Policyholder 31 days advance written notice of any change. No agent has authority to change or waive any part of the Policy. To be valid, any change or waiver must be in writing, approved by one of our officers and made a part of the Policy.

30 Day Right to Examine Certificate: The Insured Person has a 30 day right to examine his or her Certificate. If the Insured Person is not satisfied, he or she may return it to The Company within 30 days of his or her effective date. In that event, The Company will consider it void from the certificate effective date and any premium paid will be refunded. Any claims paid under the Policy during the initial 30 day period will be deducted from the refund.

Clerical Error: Clerical error (whether by the Policyholder, the Plan Administrator, or us) in keeping the records having to do with the Policy, or delays in making entries on the records, will not void the insurance of any person if that insurance would otherwise have been in effect. A clerical error will not extend the insurance of any person if that insurance would otherwise have ended or been reduced as provided by the Policy. When a clerical error is found, premiums and benefits will be adjusted based on the true facts and the Policy.

Conformity with Law: If any provision of the Policy is contrary to the law of the jurisdiction in which it is delivered, such provision is hereby amended to conform to that law. If any change to state or federal law, including but not limited to the Federal Social Security Act, affects The Company's liability under The Policy, The Company may change The Policy, the premiums or both. Such change:

- 1) will be effective as of the date of the change to the state or federal law; and
- 2) will not be made until The Company gives the Policyholder 31 days notice.

Termination of Policy

The Company may terminate The Policy for the following reasons by giving the Policyholder 31 days written notice:

- 1) The Policyholder fails to furnish any information which The Company may reasonably require;
- 2) The Policyholder fails to perform any of his other obligations pertaining to this policy;
- 3) Less than 100% of the persons eligible for coverage on a Non-contributory Basis are insured; or
- 4) Less than 75% of the persons eligible for coverage on a Contributory Basis are insured.
- 5) Fewer than 10 persons are insured.

In addition, The Company may terminate this policy on any premium due date after The Policy has been in force for 12 months by providing 31 days written notice.

Policy Provisions

Cancellation: The Policy may be cancelled at any time by written notice mailed or delivered by The Company to the Policyholder, or by the Policyholder to us. If The Company cancels, The Company will mail or deliver the notice to the Policyholder at its last address shown in our records. If The Company cancels, it becomes effective on the later of:

- 1) the date stated in the notice; or
- 2) the 31st day after The Company mails or delivers the notice.

If the Policyholder cancels, it becomes effective on the later of:

- 1) the date The Company receives the notice; or
- 2) the date stated in the notice.

In either event:

- 1) The Company will promptly return to the Policyholder any unearned premium; or
- 2) the Policyholder will promptly pay any earned premium which has not been paid.

Any earned or unearned premium will be determined on a pro rata basis. Cancellation will be without prejudice to any claim which commenced prior to the effective date of the cancellation.

Certificates: The Company will give individual certificates to:

- 1) the Policyholder; or
 - 2) any other person according to a mutual agreement among the other person, the Policyholder, and us;
- for delivery to persons covered under The Policy and which will explain the important features of The Policy.

Data To Be Furnished

The Policyholder, or any other person designated by the Policyholder, will give The Company all information The Company needs regarding matters pertaining to the insurance. At any reasonable time while The Policy is in force and for 12 months after that, The Company may inspect any of the Policyholder's documents, books, or records which may affect the insurance or premiums of this policy.

The Policyholder will, upon our request, give us:

- 1) the names of all persons initially eligible for coverage;
- 2) the names of all additional persons who become eligible for coverage;
- 3) the names of all persons whose amount of insurance is to be changed;
- 4) the names of all persons whose eligibility or insurance is terminated; and
- 5) any data necessary to administer the insurance provided by the Policy.

If the Policyholder gives The Company any incorrect information, the relevant facts will be determined to establish if insurance is in effect and in what amount.

No person will be deprived of insurance to which he is otherwise entitled or have insurance to which he is not entitled, because of any misstatement of fact by the Policyholder. Any required adjustment may be made in premiums or benefits.

Right to Audit: The Company reserves the right to audit, the Policyholder's billing records and premium accounting practices. If The Company discovers:

- 1) an underpayment of premium by the Policyholder, the Policyholder will be obligated to remit, in a timely manner, the underpayment amount; or
 - 2) an overpayment of premium, The Company will return any overpayment amount in a timely manner;
- for the previous 2 year period.

Not in Lieu of Worker's Compensation: This Policy does not satisfy any requirement for worker's compensation insurance.

Time Period

All periods begin and end at 12:01 A.M., standard time, at the Policyholder's address.

Incorporation Provision

The Certificates of Insurance are attached to, incorporated in and made a part of, this Policy.

The provisions found in the Certificate will control the benefit plan, period of coverage, exclusions, claims and other general policy provisions pertaining to state insurance law requirements.

In all other respects, The Policy and certificates remain the same.

APPLICATION FOR GROUP LIFE, AD&D, SHORT TERM DISABILITY AND LONG TERM DISABILITY (Defined Contribution Plans)

EMPLOYER INFORMATION

- FULL LEGAL NAME OF EMPLOYER (as it should appear in policy): Warden & Smith Inc Telephone Number: (843) 531-2188
Area Code
- EMPLOYER'S FEDERAL TAX ID NUMBER: 51-0411882 Full Years in Business: 60
Type of Business: Corporation E-mail Address: brandon@wardenandsmith.com
I.e.: Partnership, Sole Proprietorship, Corporation, etc
- ADDRESS Street: 290 US Hwy 1 S Post Office Box: 130 ZIP: 29520
City: Chehaw County: Charleston State: SC ZIP: 29520
- ADMINISTRATIVE CORRESPONDENCE with the applicant should be addressed to:
Name: Brandon King Title: Sec/Treasurer
- NATURE OF BUSINESS: Ready Mix Concrete
- REQUESTED EFFECTIVE DATE (12:01 a.m.): September 1, 2017
- PREMIUMS ARE TO BE PAID MONTHLY.
- Are there subsidiary or affiliate businesses covered under this plan? Yes No
If YES, please state name and nature of each subsidiary or affiliate: Pageland Sand - sand pit
- Are separate billings required? Yes No
If YES, please provide billing instructions: Separate billing for Warden & Smith employees & Pageland Sand employees bill to same address
- Type of Administration: Home Office administered Group Administered IMGU/TPA/GBA Administered
- Will the requested insurance replace existing insurance? Yes No
If YES, give coverage, name of existing carrier and proposed termination date: n/a

EMPLOYEE ELIGIBILITY

- The normal work week for full-time employees is 40 hours.
Eligibility: All regular full-time employees working a minimum of 40 hours per week.
(The minimum work week for full-time employees to be eligible for benefits is 30 hours. Employees working fewer than 30 hours per week may be acceptable; contact Companion Life for approval.)
- Current eligible employees are to be covered:
 Immediately on the requested effective date.
 After _____ days of continuous employment.
 First of the month following _____ days of continuous employment.
- Current eligible employees are to be covered immediately.
- Employees hired after the plan effective date are to be covered:
 Immediately.
 After _____ days of continuous employment.
 First of the month following 90 days of continuous employment.
 LTD (minimum of 60 days): 90
- Number of Eligible Employees: 18
- Number of Enrolled Employees: STD: 3 ✓
LTD: 3 ✓
- Number of family members in firm (no more than 50%): _____
- SCHEDULE OF BENEFITS (if space provided is inadequate, please attach additional page).

CLASS DEFINITIONS (Describe Below)	BASIC LIFE/AD&D	SHORT TERM DISABILITY	LONG TERM DISABILITY
<input checked="" type="checkbox"/> All Full-Time Employees <input type="checkbox"/> Other	<input type="checkbox"/> \$25,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> Other n/a	Benefit Period <input checked="" type="checkbox"/> 8-8-13 <input type="checkbox"/> 8-8-26 <input type="checkbox"/> 15-15-52 Weekly Benefit Max. \$1,250 Benefit Amount: 60%	Elimination Period <input checked="" type="checkbox"/> 90 Days <input type="checkbox"/> 180 Days Pre-ex: <u>12/12</u> Benefit Amount: 60% to \$3K max
Percentage of Premium Paid <u>100%</u>	(n/a)	<input checked="" type="checkbox"/> 0% (Post-Tax) - not taxable <input type="checkbox"/> 100% (Pre-Tax) - taxable	(n/a)
Defined Contribution Amount		Please select one: <input checked="" type="checkbox"/> \$40	

If a Section 125 Plan is in effect, please complete Question 21.

(Defined Contribution Plans)

19. Are there any eligible classes or divisions? Yes No If YES, please describe

20. Are any eligible employees disabled at this time? Yes No If YES, please describe

21. Is a Section 125 Plan in effect? Yes No

If yes, please indicate which Companion Life Benefits will be subject to the Section 125 Plan and note the employer's and employee's contributions

<input type="checkbox"/> Life & AD&D	<input type="checkbox"/> STD	<input checked="" type="checkbox"/> LTD	<input type="checkbox"/> Voluntary Life
ER _____	LR _____	LR \$40	FR _____
EF _____%	EF _____	EF <u>DC</u>	EF _____

22. BASIC LIFE AND AD&D BENEFITS reduce as follows:

35% at age 65, 50% at age 70 and then 75% at age 75. Benefits terminate when employee is no longer actively at work.

23. BASIC LIFE AND AD&D guaranteed issue amount \$ n/a

24. DEPENDENT LIFE BENEFITS Yes No n/a

- A. Spouse Amount: \$5,000
- B. Maximum Child Amount: 14 Days to 6 Months \$100 6 Months and over \$5,000
- C. Coverage for children continues until age 26

25. SHORT TERM DISABILITY (STD) BENEFITS Yes No (Excludes occupational injury or sickness)
Includes maternity: 12/12 pre-ex included

26. TRUE GROUP LONG TERM DISABILITY BENEFITS Yes No

- A. Maximum Monthly Benefit: 10-24 eligible lives, up to \$1,000 per month 25-99 eligible lives, up to \$5,000 per month
- B. Maximum Benefit per life will be: SSNRA (Reducing Benefit Duration) 5 Years 2 Years
- C. Maximum Monthly Benefit add \$100 minimum or 10% LTD Benefit
- D. Own Occupation Definition is 5 Years
- E. Benefit Integration: Primary and Family Social Security (Standard)
- F. Pre-existing Condition Limitations: Standard: 12/6/24 (12/12 in MD and SC, 3/17 in PA)

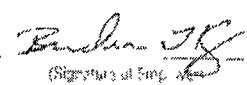
27. SPECIAL REQUESTS/INSTRUCTIONS
n/a

PLEASE READ CAREFULLY

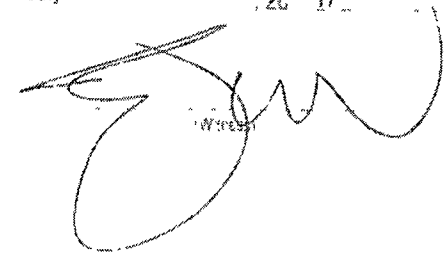
Quotations were based on the proposed data submitted to Companion Life. Final premium rates will be determined on the basis of the actual composition of the group of persons who become insured.

If the initial deposit is at least equal to the first month's premium, and if the requested insurance is acceptable under Companion Life's current rules and practices, insurance under the terms of the policy shall be effective on the effective date requested. Otherwise, insurance becomes effective only when a policy is delivered and accepted in writing. In the interim, liability is limited to a return of the original deposit. Only Companion Life's Home Office has the authority to guarantee the acceptability of the requested insurance.

Dated at Charaw, SC this 21st day of July, 2017


(Signature of Employer)

Treasurer


(Witness)



28. INITIAL DEPOSIT (Minimum first month's premium is required): \$

29. Are all the employees to be insured for Disability Income covered by Workers' Compensation? Yes No
If NO, explain _____

30. Have you explained to the employer that an employee not actively at work on the policy effective date will not be covered until such employee returns to active work full time unless approved in writing by an underwriter or officer of Companion Life?
 Yes No Remarks _____

31. Is there another group insurance plan(s) that duplicates any of the benefits applied for with this application that will remain in force or be placed concurrently with this plan(s)? Yes No If YES, please describe the benefit amounts and purpose(s) of this plan(s) _____

32. Is Agent or Broker licensed in the state of this group for the types of insurance indicated? Yes No

33. To the best of the Agent's or Broker's knowledge, representation is is not involved with this transaction

34. Print name of Agent/Broker Timothy J. Williams

35. Signature of Agent/Broker [Signature] Date 7-21-17

FRAUD WARNING (Not Applicable in AZ, FL, MD, OR, VA): Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits (in TX, may be committing) a fraudulent insurance act, which is a crime and subjects (in KS, which may be determined by a court of law to be a crime which subjects) such person to criminal and civil penalties.

FRAUD WARNING (FL only): Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

Table of Contents

Your certificate is divided into the following sections:	Page
Section 1 – Schedule of Insurance ..	..11
Section 2 – Definitions .....	..13
Section 3 – Eligibility and Enrollment .....	..19
Section 4 – Period of Coverage .....	...20
Section 5 – Benefits .....	...23
Section 6 – Exclusions and Limitations .....	...28
Section 7 – General Provisions .....	...29

Section 1 - Schedule of Insurance

The Policy of long term Disability insurance provides You with long term income protection if You become Disabled from a covered injury, Sickness or pregnancy. **Please refer to Your group enrollment form to see the Option that applies to You.**

The benefits described herein are those in effect as of 09/01/2017 .

Cost of coverage: You must contribute to the cost of your coverage

Eligible Class(es) for Coverage: All Full-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates; excluding temporary, leased or seasonal employees. Full-time employment means the employee must work at least 40 hours per week.

Additional Eligibility Requirements for Eligible Class

ALL FULL TIME EMPLOYEES

Maximum Monthly Benefit: \$3000

Minimum Monthly Benefit: the greater of:

- 1) \$100; or
- 2) 10% of the benefit based on Monthly Income Loss before the deduction of Other Income Benefits.

Benefit Percentage: 60.00% of Pre-disability Earnings

Eligibility Waiting Period for Coverage: 90 Days of continuous service

You will be eligible for coverage on the first day of the month on or next following the date on which You complete the Eligibility Waiting Period for Coverage.

The Eligibility Waiting Period for Coverage will be reduced by the period of time You were a Full-time or Part-time Active Employee with the Employer in an eligible class under the Prior Policy.

Elimination Period: 90 Days

Section 1 - Schedule of Insurance

Maximum Duration of Benefits Table

Age When Disabled	Benefits Payable
Prior to Age 63 ..	.....To Normal Retirement Age or 48 months, if greater
Age 63..	.....To Normal Retirement Age or 42 months, if greater
Age 64..	.....36 months
Age 65..	.....30 months
Age 66..	.....27 months
Age 67 ..	.....24 months
Age 68.....	.....21 months
Age 69 and over...	.....18 months

Normal Retirement Age means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by your date of birth as follows:

Year of Birth	Normal Retirement Age
1937 or before ..	.....65
1938 ..	.....65 + 2 mo.
1939 ..	.....65 + 4 mo.
1940 ..	.....65 + 6 mo.
1941 ..	.....65 + 8 mo.
1942 ..	.....65 + 10 mo
1943 through 1954 ..	.....66
1955 ..	.....66 + 2 mo.
1956 ..	.....66 + 4 mo
1957 ..	.....66 + 6 mo.
1958 ..	.....66 + 8 mo.
1959 ..	.....66 + 10 mo.
1960 or after..	.....67

Section 2 - Definitions

Actively at Work

means at work with the Employer on a day that is one of the Employer's scheduled workdays. On that day, You must be performing for wage or profit all of the regular duties of Your Occupation:

- 1) in the usual way; and
- 2) for Your usual number of hours.

We will consider You Actively at Work on a day that is not a scheduled work day only if You were Actively at Work on the preceding scheduled work day.

Active Employee

means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

Any Occupation

means any occupation for which You are qualified by education, training or experience, and that has an earnings potential greater than the lesser of:

- 1) the product of Your Indexed Pre-disability Earnings and the Initial Benefit Period Benefit Percentage; or
- 2) the Maximum Monthly Benefit

Current Monthly Earnings

means Monthly earnings You receive from:

- 1) the Employer; and
 - 2) other employment;
- while You are Disabled.

However, if the other employment is a job You held in addition to Your job with the Employer, then during any period that You are entitled to benefits for being Disabled from Your Occupation, only the portion of Your earnings that exceed Your average earnings from the other employer over the 12 month period just before You became Disabled will count as Current Monthly Earnings.

Current Monthly Earnings also includes the pay You could have received for another job or a modified job if:

- 1) such job was offered to You by the Employer, or another employer, and You refused the offer; and
- 2) the requirements of the position were consistent with:
 - a) Your education, training and experience; and
 - b) Your capabilities as medically substantiated by Your Physician.

Section 2 - Definitions (Continued)

Mental Illness

means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

- 1) Mental Retardation;
- 2) Pervasive Developmental Disorders;
- 3) Motor Skills Disorder;
- 4) Substance-Related Disorders;
- 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
- 6) Narcolepsy and Sleep Disorders related to a General Medical Condition

Monthly Benefit

means a monthly sum payable to You while You are Disabled, subject to the terms of The Policy.

Monthly Income Loss

means Your Pre-disability Earnings minus Your Current Monthly Earnings.

Other Income Benefits

means the amount of any benefit for loss of income, provided to You or to Your family, as a result of the period of Disability for which You are claiming benefits under The Policy. This includes any such benefits for which You or Your family are eligible or that are paid to You, to Your family or to a third party on Your behalf, pursuant to any:

- 1) temporary, permanent disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 2) governmental law or program that provides disability or unemployment benefits as a result of Your job with the Employer;
- 3) plan or arrangement of coverage, other than income from any accumulated sick time, salary continuation or paid time off, whether insured or not, which is received from the Employer as a result of employment by or association with the Employer or which is the result of membership in or association with any group, association, union or other organization;
- 4) mandatory "no-fault" automobile insurance plan;
- 5) disability benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
 - d) similar plan or act; that You, Your spouse and/or children, are eligible to receive because of Your Disability; or
- 6) disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency:
 - a) that begins after You become Disabled; or
 - b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Section 2 - Definitions (Continued)

Other Income Benefits also means any payments that are made to You or Your family, or to a third party on Your behalf, pursuant to any:

- 7) disability benefit under the Employer's Retirement plan;
- 8) temporary, permanent disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 9) portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for Your loss of earnings; or
- 10) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
 - a) You were receiving it prior to becoming Disabled; or
 - b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement;
(Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by Your aftertax contributions.); or
- 11) retirement benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan;
 - d) similar plan or act;

that You, Your spouse and children receive because of Your retirement, unless You were receiving them prior to becoming Disabled.

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof satisfactory to Us of:

- 1) the amount attributed to loss of income; and
- 2) the period of time covered by the lump sum or settlement.

We will prorate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 24 months. We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

- 1) takes effect after the date benefits become payable under The Policy; and
- 2) is a general increase which applies to all persons who are entitled to such benefits.

Physician

means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) practicing within the scope of that license; and
- 4) not You or Related to You by blood or marriage.

Section 2 - Definitions (Continued)

Pre-disability Earnings

means, Your regular monthly rate of pay,

- 1) not including contributions you make through a salary reduction agreement with the Employer to:
 - a) an Internal Revenue Code (IRC) Section 401(k), 403(b) or 457 deferred compensation arrangement;
 - b) an executive non qualified deferred compensation arrangement; or
 - c) a salary reduction arrangement under an IRC Section 125 plan; and
- 2) not including Bonuses, commissions tips and tokens overtime pay or expense reimbursements for the same period as above.

However, if You are an hourly paid Employee, Predisability Earnings means the product of:

- 1) the average number of hours You worked per month, not including overtime, over the most recent 12 month period immediately prior to the last day You were Actively at Work before You became Disabled, multiplied by;
- 2) Your hourly wage in effect on the last day You were Actively at Work before You became Disabled.

Prior Policy

means the long term disability insurance carried by Employer on the day before the Policy Effective Date.

Regular Care of a Physician

means that You are being treated by a Physician:

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

to achieve the maximum medical improvement.

Rehabilitation

means a process of Our working together with You in order for Us to plan, adapt, and put into use options and services to meet Your return to work needs. A Rehabilitation program may include, 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; or
 - d) speech therapy;
- 4) work-place modification to the extent not otherwise provided;
- 5) job placement;
- 6) transitional work; and
- 7) similar services.

Related

means Your spouse or other adult living with You, sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild or similar relationship in law.

Section 2 - Definitions (Continued)

Retirement Plan

means a defined benefit or defined contribution plan that provides benefits for Your retirement and which is not funded wholly by Your contributions. It does not include:

- 1) a profit sharing plan;
- 2) thrift, savings or stock ownership plans;
- 3) a non-qualified deferred compensation plan; or
- 4) an individual retirement account (IRA), a tax sheltered annuity (TSA), Keogh Plan, 401(k) plan, 403(b) plan or 457 deferred compensation arrangement.

Substance Abuse

means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

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

Substance includes alcohol and drugs but excludes tobacco and caffeine

The Policy

means the policy which We issued to the Policyholder under the policy number shown on the face page.

Tips (and Tokens)

means the monthly average of monetary tips and tokens You received from the Employer over:

- 1) the 24 month period ending immediately prior to the date You became Disabled; or
- 2) the period of time You worked for the Employer, if shorter than the above 24 months.

We, Our, or Us

means Companion Life Insurance Company

Your Occupation

means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.

Section 3 - Eligibility and Enrollment

Eligible Persons:
Who is Eligible for Coverage?

All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

Eligibility for Coverage:
When will I become Eligible?

You will become eligible for coverage on the later of:
1) the Policy Effective Date ; or
2) the date on which You complete the Eligibility Waiting Period for Coverage.

See the Schedule of Insurance for the Eligibility Waiting Period for Coverage.

Enrollment:
How do I enroll for coverage?

For plans for which You pay some or all of the premium, You must enroll. To enroll, You must:

- 1) complete and sign a group insurance enrollment form which is satisfactory to Us; and
- 2) deliver it to the Employer

If You do not enroll within 31 days after becoming eligible under The Policy, or if You were eligible to enroll under the Prior Policy and did not do so, and later choose to enroll or if You enroll for a Monthly Benefit Amount greater than the Guaranteed Issue Amount:

- 1) You must give Us Evidence of Insurability satisfactory to Us

Evidence of Insurability: *What is Evidence of Insurability?*

Evidence of Insurability may include, but will not be limited to:

- 1) a completed and signed application approved by Us;
- 2) a medical examination;
- 3) an attending Physician's statement; and
- 4) any additional information We may require.

All Evidence of Insurability will be furnished at Your expense. We will then determine if You are insurable under The Policy.

Section 4 - Period of Coverage

Effective Date:
When does my coverage start?

If you are not required to contribute toward The Policy's cost, Your coverage will start:

- 1) for benefit amounts not requiring Evidence of Insurability, on the date You become eligible; or
- 2) for benefit amounts requiring Evidence of Insurability, on the date We approve such evidence.

If You must contribute toward the Policy's cost, Your coverage will start on the earliest of:

- 1) The date You become eligible, for benefit amounts not requiring Evidence of Insurability, if You enroll or have enrolled by then;
- 2) The date on which You enroll, for benefit amounts not requiring Evidence of Insurability, if You do so within 31 days after the date You are eligible
- 3) the date We approve Your Evidence of Insurability, for benefit amounts requiring Evidence of Insurability.

Deferred Effective Date: *Will my coverage start or an increase in my coverage take effect if I am not Actively at Work on the date my coverage is to start or increase?*

If You are absent from work due to:

- 1) accidental bodily injury;
- 2) Sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy;

on the date Your insurance or increase in coverage would otherwise have become effective, Your insurance, or increase in coverage will not become effective until You are Actively at Work one full day.

Do coverage amounts change if there is a change in my rate of pay?

Your coverage may increase or decrease on the date there is a change in Your Pre-disability Earnings. However, no increase in coverage will be effective unless on that date You:

- 1) are an Active Employee; and
- 2) are not absent from work due to being Disabled.

If You were so absent from work, the effective date of such increase will be deferred until You are Actively at Work for one full day.

No change in Your Pre-disability Earnings will become effective until the date We receive notice of the change.

What happens if the Employer changes the Policy?

Any increase or decrease in coverage because of a change in The Policy will become effective on the date of the change, subject to the following provisions:

- 1) the Deferred Effective Date provision; and
- 2) Pre-existing Conditions Limitations.

Continuity From a Prior Policy: *Is there continuity of coverage from a Prior Policy?*

If You were:

- 1) insured under the Prior Policy; and
- 2) not eligible to receive benefits under the Prior Policy;

on the day before the Policy Effective Date, the Deferred Effective Date provision will not apply.

Section 4 - Period of Coverage

Is my coverage under The Policy subject to the Pre-existing Condition Limitation?

If You become insured under The Policy on the Policy Effective Date and were covered under the Prior Policy on the day before the Policy Effective Date, the Pre-existing Conditions Limitation will end on the earliest of :

- 1) the Policy Effective Date, if Your coverage for the Disability was not limited by a Pre-existing condition restriction under the Prior Policy; or
- 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a Pre-existing condition limitation under the Prior Policy.

The amount of the Monthly Benefit payable for a Pre-existing Condition in accordance with the above paragraph will be the lesser of:

- 1) the Monthly Benefit which was paid by the Prior Policy; or
- 2) the Monthly Benefit provided by The Policy.

The Pre-existing Conditions Limitation will apply after the Policy Effective Date to the amount of a benefit increase which results from a change from the Prior Policy to The Policy, a change in benefit options, a change of class or a change in The Policy.

Do I have to satisfy an Elimination Period under The Policy if I was Disabled under the Prior Policy?

If You received monthly benefits for disability under the Prior Policy, and You returned to work as a Full-time Active Employee before The Policy Effective Date, then, if within 6 months of Your return to work:

- 1) You have a recurrence of the same disability while covered under The Policy; and
- 2) there are no benefits available for the recurrence under the Prior Policy;

the Elimination Period, which would otherwise apply, will be waived if the recurrence would have been covered without any further elimination period under the Prior Policy.

Termination:
When will my coverage stop?

Your coverage will end on the earliest of the following:

- the date The Policy terminates;
- the date The Policy no longer insures Your class;
- the date premium payment is due but not paid by the Employer;
- the last day of the period for which You make any required premium contribution;
- the last day of the month on or next following the month in which Your Employer terminates Your employment;
- the date You cease to be a Full-time Active Employee in an eligible class for any reason;

unless coverage is extended under the Continuation Provisions.

Continuation Provisions: *Can my insurance be continued?*

Your coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

- 1) is subject to any reductions in the Policy;
- 2) is subject to payment of premium by the Employer; and
- 3) terminates when the Policy terminates, or coverage for Your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Section 4 - Period of Coverage

Family Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Military Leave of Absence: If You enter active military service and are granted a military leave of absence in writing, Your coverage may be continued for up to 2 months, or longer if required by other applicable law. If the leave ends prior to the agreed upon date, this continuation will cease immediately.

Coverage while Disabled: Does my insurance continue while I am Disabled and no longer an Active Employee?

If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:

- 1) during the Elimination Period while You remain Disabled by the same Disability; and
- 2) after the Elimination Period for as long as You are entitled to benefits under The Policy.

Waiver of Premium: Am I required to pay Premiums while I am Disabled??

No premium will be due for You:

- 1) after the Elimination Period; and
- 2) for as long as benefits are payable.

Extension of Benefits for Disability: Do my benefits continue if the Policy terminates?

If You are entitled to benefits while Disabled and The Policy terminates, benefits:

- 1) will continue as long as You remain Disabled by the same Disability; but
- 2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

Section 5 - Benefits

Disability Benefit:
When do I qualify for Disability Benefits?

We will pay You a Monthly Benefit if You:

- 1) become Disabled while insured under The Policy;
- 2) are Disabled throughout the Elimination Period;
- 3) remain Disabled beyond the Elimination Period; and
- 4) submit Proof of Loss to Us.

Benefits accrue as of the first day after the Elimination Period and are paid monthly. However, benefits will not exceed the Maximum Duration of Benefits.

Mental Illness And Substance Abuse Benefits: *Are benefits limited for Mental Illness or Substance Abuse?*

If You are Disabled because of:

- 1) Mental Illness that results from any cause;
- 2) any condition that may result from Mental Illness;
- 3) alcoholism; or
- 4) the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance;

then, subject to all other provisions of The Policy, We will limit the Maximum Duration of Benefits.

Benefits will be payable:

1. As long as You are confined in a hospital or other place licensed to provide medical care for the disabling condition; or
2. If not confined, or after You are discharged and still Disabled, for a total of 24 months for all such disabilities during Your lifetime.

Recurrent Disability:
What happens if I recover but become Disabled again?

Periods of Recovery during the Elimination Period will not interrupt the Elimination Period, if the number of days You return to work as an Active Employee are less than one-half (1/2) the number of days of Your Elimination Period.

Any day within such period of Recovery, will not count toward the Elimination Period.

After the Elimination Period, if You return to work as an Active Employee and then become Disabled and such Disability is:

- 1) due to the same cause; or
- 2) due to a related cause; and
- 3) within 6 months of the return to work,

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 6 months or more, any recurrence of a Disability will be treated as a new Disability. The new Disability is subject to a new Elimination Period and a New Maximum Duration of Benefits.

Period of Disability means a continuous length of time during which You are Disabled under The Policy.

Recover or Recovery means that You are no longer Disabled and have returned to work with the Employer and premiums are being paid for You.

Section 5 - Benefits

Calculation of Monthly Benefit: Return to Work Incentive: *How are my Disability benefits calculated?*

If You remain Disabled after the Elimination Period, but work while You are Disabled, We will determine Your Monthly Benefit for a period of up to 12 consecutive months as follows:

- 1) multiply Your Pre-Disability Earnings by the Benefit Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit. Current Monthly Earnings will not be used to reduce Your Monthly Benefit. However, if the sum of Your Monthly Benefit and Your Current Monthly Earnings exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of excess.

The 12 consecutive month period will start on the last to occur of:

- 1) the day You first start work; or
- 2) the end of the Elimination Period.

If You are Disabled and not receiving benefits under the Return to Work Incentive, We will calculate Your Monthly Benefit as follows:

- 1) multiply Your Monthly Income Loss by the Benefit Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

Calculation of Monthly Benefit: *What happens if the sum of my Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of my Pre-disability Earnings?*

If the sum of Your Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of the excess.

However, Your Monthly Benefit will not be less than the Minimum Monthly Benefit.

If an overpayment occurs, We may recover all or any portion of the overpayment, in accordance with the Overpayment Recovery provision.

Minimum Monthly Benefit: *Is there a Minimum Monthly Benefit?*

Your Monthly Benefit will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

Partial Month Payment: *How is the benefit calculated for a period of less than a month?*

If a Monthly Benefit is payable for a period of less than a month, we will pay 1/30 of the Monthly Benefit for each day You were Disabled.

Section 5 - Benefits

Denial of Social Security Benefits:

After the Initial Benefit Period expires, is there any allowance if I am ineligible for Social Security?

If Your Disability prevents You from performing the Essential Duties of Any Occupation, but Your claim for disability benefits under The United States Social Security System, or an alternative plan for federal, state or municipal employees:

- 1) was denied because You have not worked under these systems long enough to be eligible for disability benefits, Your Monthly Benefit during the Continuing Benefit Period will be calculated using the Initial Benefit Period Percentage; or
- 2) is still pending at the time the Initial Benefit Period expires, benefits may be paid at the Initial Benefit Period Percentage until the earlier to occur of:
 - a) the 12th month following the expiration of the Initial Benefit Period; or
 - b) the final adjudication of Your claim for Social Security disability benefits.

Termination of Benefit Payment:

When will my benefit payments end?

Benefit payments will stop on the earliest of:

- 1) the date You are no longer Disabled;
- 2) the date You fail to furnish Proof of Loss;
- 3) the date You are no longer under the Regular Care of a Physician;
- 4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
- 5) the date of Your death;
- 6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition.
- 7) the last day benefits are payable according to the Maximum Duration of Benefits Table; or
- 8) the date Your Current Monthly Earnings:
 - a) are equal to or greater than 80% of Your indexed Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
 - b) are greater than the lesser of: the product of Your indexed Pre-disability Earnings and the Benefit percentage if You are receiving benefits for being Disabled from Any Occupation;
- 9) the date no further benefits are payable under any provision in The Policy that limits benefit duration;
- 10) the date You refuse to participate in a Rehabilitation program, or refuse to cooperate with or try:
 - a) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation or a Reasonable Alternative;
 - b) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation or a Reasonable Alternative;
 - c) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being disabled from Any Occupation; or
 - d) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being disabled from Any Occupation;provided a qualified Physician or other qualified medical professional agrees that such modifications, Rehabilitation program or adaptive equipment accommodate Your medical limitation; or
- 11) the date you receive retirement benefits from any employer's Retirement plan, unless:
 - a) You were receiving them prior to becoming Disabled; or
 - b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of future retirement.

Section 6 – Exclusions and Limitations

Exclusions: *What Disabilities are not covered?*

The Policy does not cover, and We will not pay a benefit for any Disability:

- 1) unless You are under the Regular Care of a Physician;
- 2) that is caused or contributed to by war or act of war (declared or not);
- 3) caused by Your commission of or attempt to commit a felony;
- 4) caused or contributed to by Your being engaged in an illegal occupation;
- 5) caused or contributed to by an intentionally self-inflicted Injury;

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

- 1) was sponsored by the Employer; and
 - 2) was terminated before the Effective Date of The Policy,
- no benefits will be payable for the Disability under The Policy.

Pre-existing Condition Limitation: *Are benefits limited for Pre-existing Conditions?*

We will not pay any benefit, or any increase in benefits, under The Policy for any Disability that results from, or is caused or contributed to by, a Pre-existing Condition, unless, at the time You become Disabled:

You have been continuously insured under The Policy for 365 consecutive day(s).

Pre-existing Condition means:

- 1) any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse; or
- 2) any manifestations, symptoms, findings, or aggravations related to or resulting from such accidental bodily injury, sickness, Mental Illness, pregnancy, or Substance Abuse;

for which You received Medical Care during the 365 day period that ends the day before:

- 1) Your effective date of coverage; or
- 2) the effective date of a Change in Coverage.

Medical Care is received when a physician or other health care provider:

- 1) is consulted or gives medical advice; or
- 2) recommends, prescribes, or provides Treatment.

Treatment includes but is not limited to:

- 1) medical examinations, tests, attendance or observation; and
- 2) use of drugs, medicines, medical services, supplies or equipment.

Section 7 – General Provisions

Notice of Claim:
When should I notify the Company of a claim?

You must give Us, or Our representative, written notice of a claim within 30 days after Disability or loss occurs. If You cannot give notice within that time, You must give it to Us as soon as reasonably possible. Such notice must include Your name, Your address and the Policy Number.

Claim Forms:
Are special forms required to file a claim?

We or Our representative will send forms to You to provide Proof of Loss, within 15 days of receiving a Notice of Claim. If We do not send the forms within 15 days, You may submit any other written proof which fully describes the nature and extent of Your claim.

Proof of Loss:
What is Proof of Loss?

Proof of Loss may include but is not limited to the following:

- 1) documentation of:
 - a) the date Your Disability began;
 - b) the cause of Your Disability;
 - c) the prognosis of Your Disability;
 - d) Your Pre-disability Earnings, Current Monthly Earnings or any 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 Care of a Physician;
- 2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
- 3) the names and addresses of all:
 - a) Physicians or other qualified medical professionals You have consulted;
 - b) hospitals or other medical facilities in which You have been treated; and
 - c) pharmacies which have filled Your prescriptions within the past three years;
- 4) Your signed authorization for Us to obtain and release:
 - a) medical, employment and financial information; and
 - b) any other information We may reasonably require;
- 5) Your signed statement identifying all Other Income Benefits; and
- 6) 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 You may only get on a reduced basis. All proof submitted must be satisfactory to Us.

Additional Proof of Loss: *What additional proof of loss is the Company entitled to?*

To assist Us in determining if You are Disabled, or to determine if You meet any other term or condition of The Policy, We have the right to require You to:

- 1) meet and interview with our representative; and
- 2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of Our choice.

Any such interview, meeting or examination will be:

- 1) at Our expense; and
- 2) as reasonably required by us.

Your Additional Proof of Loss must be satisfactory to Us. Unless We determine You have a valid reason for refusal, We may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by Our representative.

Section 7 – General Provisions

Sending Proof of Loss: *When must proof of Loss be given?*

Written Proof of Loss must be sent to Us within 90 days after the start of the period for which We are liable for payment. If proof is not given by the time it is due, it will not affect the claim if:

- 1) it was not possible to give proof within the required time; and
- 2) proof is given as soon as possible; but
- 3) not later than 1 year after it is due, unless You are not legally competent.

We may request Proof of Loss throughout Your Disability. In such cases, We must receive the proof within 30 days of the request.

Claim Payment: *When are benefit payments issued?*

When We determine that You;

- 1) are Disabled; and
- 2) eligible to receive benefits;

We will pay accrued benefits at the end of each month that You are Disabled. We may, at Our option, make an advance benefit payment based on Our estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to Us is received.

Benefits are not payable for any period during which You are confined to a penal or correctional institution if the period of confinement exceeds 30 days.

Claims to be Paid: *To whom will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any payment is owed to:

- 1) Your estate;
- 2) a person who is a minor; or
- 3) a person who is not legally competent;

then We may pay up to \$1,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.

Claim Denial: *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to the Policy provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

Claim Appeal: *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to Us for a full and fair review. To do so:

- 1) You must request a review upon written application within:
 - a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
 - b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
- 2) You may request copies of all documents, records, and other information relevant to Your claim; and
- 3) You may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim.

Section 7 – General Provisions

Social Security:
When must I apply for Social Security Benefits?

You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

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

Benefit Estimates:
How does the Company estimate Disability benefits under the United States Social Security Act?

We reserve the right to reduce Your Monthly Benefit by estimating the Social Security disability benefits You or Your spouse and children may be eligible to receive.

When We determine that You or Your Dependent may be eligible for benefits, We may estimate the amount of these benefits. We may reduce Your Monthly Benefit by the estimated amount.

Your Monthly Benefit will not be reduced by estimated Social Security disability benefits if:

- 1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
- 2) You have signed a form authorizing the Social Security Administration to release information about awards directly to Us; and
- 3) You have signed and returned Our reimbursement agreement, which confirms that You agree to repay all overpayments.

If We have reduced Your Monthly Benefit by an estimated amount and:

- 1) You or Your Dependent are later awarded Social Security disability benefits, We will adjust Your Monthly Benefit when We receive proof of the amount awarded, and determine if it was higher or lower than Our estimate; or
- 2) Your application for Social Security disability benefits has been denied, We will adjust Your Monthly Benefit when You provide Us proof of final denial from which You cannot appeal from an Administrative Law Judge of the Office of Hearing and Appeals.

If Your Social Security benefits were lower than we estimated, and We owe You a refund, We will make such refund in a lump sum. If Your Social Security Benefits were higher than we estimated, and If Your Monthly Benefit has been overpaid, You must make a lump sum refund to Us equal to all overpayments, in accordance with the Overpayment Recovery provision.

Overpayment:
When does an overpayment occur?

An overpayment occurs:

- 1) when We determine that the total amount We have paid in benefits is more than the amount that was due to You under the Policy; or
- 2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

- 1) retroactive awards received from sources listed in the Other Income Benefits definition;
 - 2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
 - 3) misstatement;
 - 4) fraud; or
- any error We may make.

Section 7 – General Provisions

Overpayment Recovery: *How does the Company exercise the right to recover overpayments?*

We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under this Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

- 1) recover such overpayments from:
 - a) You;
 - b) any other organization;
 - c) any other insurance company;
 - d) any other person to or for whom payment was made; and
 - e) Your estate.
- 2) Reduce or offset against any future benefits payable to You or Your survivors, including the Minimum Monthly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;
- 3) refer Your unpaid balance to a collection agency; and
- 4) pursue and enforce all legal and equitable rights in court

Subrogation: *What are the Company's subrogation rights?*

If You:

- 1) suffer a Disability because of the act or omission of a Third Party;
- 2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
- 3) do not initiate legal action for the recovery of such benefits from the Third Party in a reasonable period of time;

then We will be subrogated to any rights You may have against the Third Party and may, at Our option, bring legal action against the Third Party to recover any payments made by Us in connection with the Disability.

Third Party as used in this provision, means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under the Policy.

Reimbursement: *What are the Company's Reimbursement Rights?*

We have the right to request to be reimbursed for any benefit payments made or required to be made under the Policy for a Disability for which You recover payment from a Third Party.

If You recover payment from a Third Party as:

- 1) a legal judgment;
- 2) an arbitration award; or
- 3) a settlement or otherwise;

You must reimburse Us for the lesser of:

- 1) the amount of payment made or required to be made by Us; or
- 2) the amount recovered from the Third Party less any reasonable legal fees associated with the recovery.

Legal Actions: *When can legal action be taken against Us?*

Legal action cannot be taken against Us:

- 1) sooner than 60 days after the date proof of loss is given; or
- 2) 6 years after the date Written Proof of Loss is required to be given according to the terms of The Policy.

Section 7 – General Provisions

Insurance Fraud:
How does the Company deal with fraud?

Insurance Fraud occurs when You and/or Your Employer provide Us with false information or files a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

Misstatements:
What happens if facts are misstated?

If material facts about You were not stated accurately:

- 1) Your premium may be adjusted; and
- 2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

In the absence of Fraud, no statement made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during Your lifetime. In order to be used, the statement must be in writing and signed by You.

Policy Interpretation:
Who interprets the terms and conditions of The Policy?

We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy. This provision applies where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).