

#12

CSEA CHAPTER 428/TULARE COUNTY

LONG TERM DISABILITY

YOUR PLAN PAYS A MONTHLY DISABILITY BENEFIT: 60% of your Monthly Compensation not to exceed: (1) a maximum monthly Disability Benefit of \$3,600.00. (b) a maximum covered Monthly Compensation of \$6,000.00; and (3) the amount for which premium is being paid.

BENEFITS BEGIN: On the 31st day of Total Disability due to a covered Accident or Illness.

MONTHLY PREMIUM: \$0.65 per \$100 of covered Monthly Salary.

BENEFITS ARE PAYABLE:

AGE REDUCTION SCHEDULE

<u>Age</u>	<u>Maximum Benefit Period</u>
Under 64	5 years
65 through 68	to age 70
69 or older	1 year

ELIGIBILITY: All employees currently specified by the Employer, Association, or collective Bargaining Agreement.

ELIGIBILITY DATE OF COVERAGE: Your coverage will take effect on the requested Effective Date following the date we approve your written application, provided you are on Active Employment and premium has been paid.

ACTIVE EMPLOYMENT: "Active Employment" means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Employment on a day which is not a scheduled work day only if you are not Disabled and would be able to perform in the usual manner all the regular duties of your employment if it were a scheduled work day.

DISABILITY PAYMENT: Means your Disability Benefit minus Deductible Sources of Income.

MINIMUM DISABILITY BENEFIT: The Disability Payment payable will be no less than \$100.00 or 10% of the Monthly Disability Benefit.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING: Your Disability Payment will be calculated as follows: For the first 1 month(s) Disability Payments are provided, the Disability Payment will be lesser of: (a) your Disability Benefit; or (b) 100% of your Monthly Compensation less any Deductible Sources of Income you receive or are entitled to receive. After 1 month(s) the Disability Payment will be the lesser of: (a) the Disability Benefit (as indicated on your application for coverage, as approved by us) less any Deductible Sources of Income you receive or are entitled to receive; or (b) 60% of your Monthly Compensation, less any Deductible Sources of Income you receive or are entitled to receive.

DEDUCTIBLE SOURCES OF INCOME WILL INCLUDE: (a) other group disability income; (b) governmental or other retirement system as a result of your Regular Occupation, whether due to disability, normal retirement or voluntary election of retirement benefits; (c) United States Social Security Act or similar plan or act, including any amounts due your dependent(s) on account of your Disability; (d) sick leave or other salary or wage continuance plans including substitute differential or similar pay provided by the Employer which extend after 30 calendar days; (e) State Disability; and (f) unemployment compensation. If we determine that you may qualify for benefits under items (b) or (c) listed above, we may estimate the amount of benefits you may be entitled to receive.

COST OF LIVING ADJUSTMENT: The Disability Payment will not be reduced due to a cost of living increase if the increase from a Deductible Source of Income takes effect after the onset of Disability and while benefits are payable under the Policy.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND WORKING: We will provide a Disability Payment if you are Disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury.

If you are Disabled and your Disability Earnings are greater than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury, we will figure your payments as follows: You will receive payments based on the percentage of Monthly Compensation you are losing due to your Disability computed as follows: (a) subtract your Disability Earnings from your Monthly Compensation; (b) divide the answer in item (a) by your Monthly Compensation. This is your percentage of lost earnings; and (c) multiply your Disability Payment by the answer in item (b).

We will stop payments and your claim will end, if at any time you are no longer Disabled or if your Disability Earnings exceed 80% of your Monthly Compensation or at the end of 1 year, whichever comes first. The Elimination Period cannot be satisfied with days you are Disabled and working.

DISABILITY EARNINGS: Means the gross monthly earnings you receive while Disabled and working.

If you reside in a state other than your employer's state of domicile, where required by law, policy provisions and benefits may vary.

MENTAL ILLNESS LIMITED BENEFIT: If you are Disabled due to a Mental Illness, regardless of the cause, Disability Payments will be provided for the period of up to 2 years, not to exceed the Maximum Disability Period, as long as: (a) you are under the Regular and Appropriate Care of a Physician; and (b) you receive medical treatment (mental or medical examination alone will not be considered treatment) from either: (1) a registered specialist in psychiatry; (2) a Physician administering treatment on the advice of a registered specialist in psychiatry who certifies that such treatment is medically necessary; or (3) a Physician, if in our opinion, a specialist in psychiatry is not required to certify that such treatment is medically necessary. After that, benefits will be paid only if you are confined to a Hospital.

ALCOHOLISM AND DRUG ADDICTION LIMITED BENEFIT: If you are Disabled due to alcoholism or drug addiction, a limited benefit of up to 15 days for each Disability will be paid. In no event will benefits be paid for more than 15 days of Disability in any 12-month period. If drug addiction is sustained at the hands of, or while under the Regular and Appropriate Care of a Physician in the course of treatment for Accidental Injury or Sickness, it will be covered the same as any other illness.

WAIVER OF PREMIUM: If you become Disabled due to a covered Accidental Injury or Sickness, and are eligible to receive a Disability Payment, your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following: (a) your satisfaction of the Elimination Period; or (b) 6 months of continuous Disability, whichever is later, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins. Waiver of Premium will continue until: (a) the end of your Disability; (b) the end of the Maximum Benefit Period; (c) the date you are no longer eligible to receive a Disability payment; (d) the date the Policy terminates; or (e) the date your employment with the Policyholder or subscribing Employer unit ends, whichever first occurs. We will require proof on an annual basis that you remain Disabled during said period.

EXCLUSIONS: The Policy does not cover any loss, fatal or non-fatal, which results from: (a) intentionally self-inflicted injury while sane or insane; (b) **War:** War or acts of war when serving as a member of any military, air force, naval organization, or an auxiliary unit thereto. This exclusion includes Accidental Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war or acts of war. We will refund the pro rata unearned premium for any such period you or your dependents are not covered; (c) Accidental Injury sustained or Sickness contracted while in the service of the armed forces of any country; (d) committing a felony; (e) penal incarceration. We will not pay benefits for Disability or any other loss for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer; or (f) Accidental Injury or Sickness arising out of and the course of any occupation for wage or profit or for which you are entitled to Workers' Compensation*.

*The term "entitled to Workers' Compensation" shall also include Workers' Compensation claim settlements which occur via compromise and release. Further, no benefits will be paid under this Policy for any period during which you are entitled to Workers' Compensation benefits.

HOSPITAL: The term "Hospital" shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatrics ward; or as an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

PRE-EXISTING CONDITION LIMITATION: We will pay a limited Monthly Disability Payment for a Pre-Existing Condition. This benefit will be equal to 1-month's Disability Benefit during any 12-month period. This limitation will be waived after you have: (a) gone 12 months treatment-free for such condition after your effective Date of coverage; or (b) been continuously covered under the Policy for 24 months.

Any increase in benefits will be subject to this Pre-Existing Condition limitation. A new Pre-Existing Condition period must be satisfied with respect to any increase applied for and approved by us.

PRE-EXISTING CONDITION: The term "Pre-Existing Condition" means a disease, Accidental Injury, Sickness, physical condition or mental illness for which you had: treatment; incurred expense; took medication; received care or services including diagnostic testing or related measures; or received a diagnosis or advice from a Physician, during the 12-month period immediately before your Effective Date of coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Accidental Injury, Sickness, physical condition or mental illness.

DISABILITY (or Disabled) for the first 24 months of Disability, means that you are benefits are unable to perform the material and substantial duties of your occupation. After that, Disability means that you are unable to perform the material and substantial duties of any Gainful Occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

LEAVE OF ABSENCE: Your coverage may be continued for up to 1 year during a Leave of Absence approved in writing by your Employer.

TERMINATION OF INSURANCE: Your insurance coverage will end on the earliest of these dates: (a) the date you do not meet the Eligibility requirements as defined in the Eligibility paragraph in this brochure; (b) the date you retire; (c) the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision; (d) the end of the last period for which premium has been paid; or (e) the date the Policy is discontinued. **If:** (a) your coverage ends as a result of your termination of Active Employment; (b) such termination is caused by an Accidental Injury or Sickness for which Disability Benefits would be payable; and (c) Disability is established prior to the termination of Active Employment, **then:** Disability will be paid as if such termination had not occurred. Termination of the Policy will have no effect on Disability Payments, which began before termination. We may end your coverage if you submit a fraudulent claim.



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