

WEST NOBLE SCHOOL CORPORATION

Group Long Term Disability Income Insurance

Benefit Outline

Monthly Benefit: 66.67% of an Employee's Basic Monthly Earnings to a maximum of \$8,000, then reduced by Other Income Benefits as outlined in the contract.

Basic Monthly Earnings: Means the Employee's gross monthly income, before taxes, from the Employer based on a maximum work week of forty (40) hours. Gross monthly income includes pre-tax contributions to an Employer-sponsored defined contribution plan and a cafeteria plan, if any. Earnings do not include income received from commissions, bonuses, or expense accounts.

Elimination Period: 90 days. This is the period of time a disabled Employee must wait before monthly disability benefits begin.

Maximum Benefit Duration: SSFRA (Social Security Full Retirement Age). This is the length of time that an insured Employee may be entitled to benefits if continuously disabled as outlined in the contract.

Accidental Dismemberment & Loss of Sight Benefit: A benefit equal to the monthly benefit will be paid to the Employee for a fixed period of time for the loss of limb(s) or sight due to accidental injury. The loss must occur within 100 days of the covered accident.

Accumulation of Elimination Period: For the purposes of Accumulating the Elimination Period, the following will apply if the Residual Benefit is included: if the Employee satisfies the Elimination Period within 180 days, then the Disability will be treated as continuous.

Continuation of Coverage during Active Military Service: If an Employee is on leave of absence for active military leave as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the employee's coverage may be extended for a certain amount of time as defined in the contract and while the required premiums are paid.

Continuation of Coverage during Leave of Absence and/or Temporary Layoff: Coverage may be continued for a short period of time for eligible insureds who are temporarily laid off or are on a leave of absence and while premiums are paid.

Continuation of Coverage under the Family Medical Leave Act (FMLA): If eligible under the insurance contract and approved for the FMLA benefit, the insured's coverage may be continued for a period of time outlined in the contract while on employer approved leave of absence under the FMLA.

Cost of Living Freeze: Any inflationary increases in other benefit payment(s) (i.e., Social Security) that the Employee may be receiving will not further reduce monthly disability benefits paid under the contract.

Continuity of Coverage: This provision applies when coverage under this policy replaces a Participating Unit's prior plan of Long Term Disability insurance that terminated on the day before the effective date of the Participating Unit under this policy. This provision will apply only to Employees insured under the Participating Unit's prior plan on its termination date. Continuity of Coverage will apply to an Employee who would not get full coverage under this policy because of the following situations:

- 1) failure of the Employee to be Actively At Work due to Total Disability on the effective date of the Participating Unit's coverage under this policy; or
- 2) a Pre-Existing Condition limitation of this policy.

Cost of Living Adjustment Benefit: Employees will be eligible for cost of living adjustments to the Monthly Benefit on the July 1st following 12 consecutive calendar months of receiving Disability benefits and on each subsequent July 1st. The maximum number of adjustments will be 5 years. An Employee's Gross Monthly Benefit will be increased by the lesser of 3% or the Consumer Price Index. Cost of living adjustment increases shall not be limited by the Maximum Monthly Benefit.

Maternity Coverage: Benefits will be paid the same as any other qualifying disability, subject to any applicable pre-existing condition exclusion.

Drug & Alcohol Abuse/Mental Illness Limitations: Benefit payments due to drug and alcohol abuse and/or mental illness will not be payable beyond the maximum benefit duration. In addition, if the maximum benefit duration is longer than 24 months, benefits for disability due to drug and alcohol abuse and/or mental illness will not exceed 24 months of monthly benefit payments. Benefit payments for disabilities due to drug and alcohol abuse and/or mental illness are cumulative for the lifetime of the contract.



Partial Disability Benefit: A partial disability benefit may be paid, if because of injury or sickness an Employee, while unable to perform the material and substantial duties of his/her regular occupation on a full-time basis, is performing at least one of the material and substantial duties of his/her regular occupation, or another occupation, on a part- or full-time basis, and is earning less than 80% of his/her indexed pre-disability earnings due to the same injury or sickness. If it has been determined that the Employee is partially disabled, then the Partial Disability Benefit and Return to Work Benefit would apply.

Return to Work Benefit: After total disability, if it is determined that the Employee can return to work on a part-time basis, a monthly disability benefit will be paid to supplement his/her earnings. However, during the first 12 months of his or her return to part-time work, there will be no offset against the monthly disability benefit from his/her part-time earnings unless such earnings combined with incomes from all other sources, including the monthly benefit, exceeds 100% of the pre-disability earnings.

Pre-Existing Condition Exclusion: Benefits will not be paid if the Employee's disability begins in the first 12 months following the effective date of the Employee's coverage; and the Employee's disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which:

- 1) the Employee received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the 3 months just prior to the Employee's individual effective date of insurance; or
- 2) the Employee had symptoms for which an ordinarily Prudent Person would have consulted a physician in the 3 months just prior to the Employee's individual effective date of insurance; and
- 3) the Employee was not treatment free for 3 consecutive months after the Employee's individual effective date of insurance.

Recurrent Disability Provision: A recurrent disability is the direct result of the injury or sickness that caused a prior disability. The benefit allows payments to continue without satisfying a new elimination period if an Employee returns to active full-time work and has a recurrent disability within 6 months of return to active work.

Residual Benefits: With the residual benefit, the elimination period can be met using total disability, partial disability, or a combination of both.

Social Security Incentive: The monthly benefit will not be reduced for one (1) month by income received as Social Security Benefits unless this income combined with income from other sources, including the monthly benefit, exceeds 100% of the pre-disability earnings.

Survivor Benefit: If the Employee dies and had been receiving a monthly benefit under this contract for 180 or more days, his or her eligible survivor (spouse or children) will receive a lump sum amount equal to 3 times his or her gross monthly benefit.

Total Disability: This means an insured Employee that cannot perform the material and substantial duties of his or her regular occupation because of injury or sickness. After benefits have been paid for 5 years, he or she cannot perform the material and substantial duties of *any* gainful occupation for which he or she is reasonably fitted by training, education or experience.

Mandatory Rehabilitation Program: This is designed to assist an Insured Employee in returning to work. An Insured Employee's claim is reviewed and medical and vocational information is analyzed to determine what services might assist in this process. If at any time an Insured Employee declines to take part or cooperate in a rehabilitation evaluation or program that AUL determines is appropriate for his or her disability and has been approved by his or her physician, AUL may discontinue paying the Insured Employee a monthly benefit for disability.

Waiver of Premium: If eligible under the insurance contract and approved for this benefit, AUL will waive premium payments for an insured's coverage while he remains disabled.

Workplace Modification Benefit: If eligible under the insurance contract for this benefit, AUL may pay the expense for any reasonable and necessary modification to the workplace to accommodate the disability and enable the insured to return to active work with the employer.

Terminations: The Individual Terminations Section in the Certificate of Insurance governs Terminations.

Note: This invitation to inquire allows interested employees an opportunity to inquire further about group insurance coverage and is limited in its description of the losses for which benefits may be payable. The contract has exclusions, limitations, reduction of benefits and terms under which the contract may be continued in force or discontinued. The contract may contain a waiting or elimination period between its effective date and the effective date of coverage, and a time period between the date a loss occurs and the date benefits begin to be payable for the loss.

If a choice of the amount of benefits is offered, the amount of benefits provided depends upon the coverage selected and premiums can vary with the amount of benefits selected. If a range of benefit levels is present, the insured is only entitled to the benefit level shown in the contract.

Any payable benefit is based on a percentage of annual base salary subject to AUL's approval, contract maximums, contract reductions and according to contract terms and conditions.