

STANDARD INSURANCE COMPANY

A Stock Life Insurance Company
900 SW Fifth Avenue
Portland, Oregon 97204-1282
(503) 321-7000

CERTIFICATE:

GROUP LONG TERM DISABILITY INSURANCE

Policyholder:	The State of Oregon by and through its Public Employee's Benefit Board
Policy Number:	606717-A
Effective Date:	January 1, 1993

A Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of the Group Policy. If your coverage is changed by an amendment to the Group Policy, we will provide the Policyholder with a revised Certificate or other notice to be given to you.

Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate.

"We", "us" and "our" mean Standard Insurance Company. "You" and "your" mean the Member. All other defined terms appear with the initial letter capitalized. Section headings, and references to them, appear in boldface type.



President

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COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. 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.

GENERAL POLICY INFORMATION

Group Policy Number: 606717-A
Policyholder: The State of Oregon by and through its Public Employee's Benefit Board
Employer(s): State Of Oregon
Group Policy Effective Date: January 1, 1993
State of Issue: Oregon

BECOMING INSURED

To become insured you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Active Work Provisions** and **When Your Insurance Becomes Effective**.

Definition of Member: You are a Member if you are an active employee of the Employer who is regularly scheduled to work and who meets the terms of eligibility outlined in the PEBB Administrative Rules.

You are not a Member if you are:

1. A seasonal/intermittent employee; or
2. An employee scheduled to work less than 90 days or a temporary employee; or
3. A full time member of the armed forces of any country.

Eligibility Waiting Period: You are eligible on the appropriate date determined below:

Elected or appointed officials: You are eligible on the first day of the month following the month in which you take your oath of office.

All other Members: You are eligible on the date you become a Member.

SCHEDULE OF INSURANCE

LTD Benefit: Plan 1 and 2: 60% of the first \$12,000 of your Predisability Earnings, reduced by Deductible Income.

Plan 3 and 4: 66 2/3% of the first \$12,000 of your Predisability Earnings, reduced by Deductible Income.

Maximum: Plan 1 and 2: \$7,200 before reduction by Deductible Income.

Plan 3 and 4: \$8,000 before reduction by Deductible Income.

Minimum: \$50

Assisted Living Benefit:

For Plan 1 and 2: An additional 20% of the first \$12,000 of your Predisability Earnings, not to exceed \$2,400. The Assisted Living Benefit is not reduced by Deductible Income.

For Plan 3 and 4: An additional 13 1/3% of the first \$12,000 of your Predisability Earnings, not to exceed \$1,600. The Assisted Living Benefit is not reduced by Deductible Income.

Benefit Waiting Period:

Plan 1: 90 days

Plan 2: 180 days

Plan 3: 90 days

Plan 4: 180 days

Maximum Benefit Period:

Determined by your age when Disability begins, as follows:

Age	Maximum Benefit Period
61 or younger	To age 65, or 3 years 6 months, if longer.
62.....	3 years 6 months
63.....	3 years
64.....	2 years 6 months
65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older	1 year

DISABILITY PROVISIONS

Own Occupation Period: The first 24 months for which LTD Benefits are paid.

Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

See **Definition of Disability** for more information.

EXCLUSIONS AND LIMITATIONS

Preexisting Condition

Exclusion: Yes

Preexisting Condition

Period: The 90 day period just before your insurance becomes effective.

Exclusion Period: 12 months

The Preexisting Condition exclusion also applies to a change in Plan which either decreases the Benefit Waiting Period or increases your LTD Benefit. The Preexisting Condition Period and Exclusion Period for the new Plan will be based on the effective date of your insurance under the new Plan. However, if benefits are

not payable under the new Plan because of the Preexisting Condition exclusion, your claim will be administered as if you had not elected to change Plans.

See **Exclusions** and **Limitations** for this and other exclusions and limitations.

DEDUCTIBLE INCOME

Social Security Offset: Full offset

Salary Continuation Offset: Sick Pay or other salary continuation paid to you by your Employer, but not including vacation pay.

See **Deductible Income** for this and other Deductible Income.

OTHER PROVISIONS

Survivors Benefit Amount: A lump sum equal to 3 times your LTD Benefit without reduction by Deductible Income.

Estate Payment Allowed: No

Leave of Absence Provision: See **When Your Insurance Ends**.

Reasonable Accommodation Expense Benefit: The expenses incurred for the reasonable accommodation or \$25,000, whichever is less.

Continuity of Coverage: Yes

Predisability Earnings based on: Earnings in effect on your last full day of Active Work.

However, if you become Disabled during the first 90 days in which you work less than half-time each month, the Predisability Earnings used to compute your LTD Benefit will be based on your average monthly earnings paid to you by your Employer during the 12 calendar month period ending on your last day of Active Work (or during your period of employment if less than 12 months).

PREMIUM CONTRIBUTIONS

Insurance is: Contributory

INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of the Group Policy after we receive satisfactory Proof Of Loss.

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DEFINITION OF DISABILITY

You are Disabled if you meet one of the following definitions during the period it applies:

- A. Own Occupation Definition of Disability; or
- B. Any Occupation Definition of Disability.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as your regular and ordinary employment with the Employer. Your Own Occupation is not limited to your job with your Employer.

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.

A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period 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, Mental Disorder, Injury or Pregnancy, you are unable to perform with reasonable continuity the Material Duties of your Own Occupation.

B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to perform with reasonable continuity the Material Duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

You may work in another occupation while you meet the Own Occupation Definition of Disability. If you are Disabled from your Own Occupation, there is no limit on your Work Earnings in another occupation.

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

Your Any Occupation Period and Own Occupation Period are shown in the **Coverage Features**.

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RETURN TO WORK INCENTIVE

A. During The Benefit Waiting Period

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

B. After The Benefit Waiting Period

You are eligible for the Return to Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined below:
 - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
 - b. Determine 100% of your Indexed Predisability Earnings.
 - c. If a. is greater than b., the difference will be Deductible Income.
2. After those first 12 months, one half of your Work Earnings will be Deductible Income.

Work Earnings means your gross monthly earnings from work you perform while Disabled, including earnings from your Employer, any other employer, or self-employment.

C. Family Care Expenses Adjustment

If you must pay Family Care Expenses in order to work, we will reduce the amount of the Work Earnings used in determining your Deductible Income, subject to the following:

1. Your Work Earnings will be reduced by the first \$250 per Family Member of the monthly Family Care Expenses you pay, but not to exceed a total of \$500 for all Family Members.
2. The Work Earnings and the Family Care Expenses must be for the same period.
3. You must give us satisfactory proof of the Family Care Expenses you pay.
4. The Work Earnings reduction by Family Care Expenses will end 24 months after it begins.

Family Care Expenses means the amount you pay to a licensed care provider for the care of your Family which is necessary in order for you to work.

Family Member means:

1. Your Child; or
2. Your Spouse, Domestic Partner, parent, grandparent, sibling, or other close family member residing in your home who is:
 - a. Continuously incapable of self-sustaining employment because of mental retardation or physical handicap; and
 - b. Chiefly dependent upon you for support and maintenance.

Child means:

1. Your child residing in your home (including the child of your Spouse or Domestic Partner and an adopted child), from live birth through age 11; or
2. Your child, age 12 or older, residing in your home (including the child of your Spouse or Domestic Partner and an adopted child) who is:
 - a. Continuously incapable of self-sustaining employment because of mental retardation or physical handicap; and
 - b. Chiefly dependent upon you for support and maintenance.

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REHABILITATION PLAN PROVISION

While you are Disabled you may qualify to participate in a Rehabilitation Plan. Rehabilitation Plan means a written plan, program or course of vocational training or education that is intended to prepare you to return to work.

To participate in a Rehabilitation Plan you must apply on our forms or in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to approve your Rehabilitation Plan.

An approved Rehabilitation Plan may include our payment of some or all of the expenses you incur in connection with the plan, including:

- a. Training and education expenses.
- b. Family care expenses.
- c. Job-related expenses.
- d. Job search expenses.

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REASONABLE ACCOMMODATION EXPENSE BENEFIT

If you are Disabled and 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 as shown in the **Coverage Features**.

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, 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.

A. Allowable Periods

1. During the Benefit Waiting Period: a total of 5 days of recovery for every 30 days of the Benefit Waiting Period.
2. During the Maximum Benefit Period: 180 days for each period of recovery.

B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, 1 through 5 below will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of Temporary Recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other group long term disability insurance policy under which you become insured during your period of Temporary Recovery.
5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

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WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of 1 through 4 below.

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other group LTD insurance policy under which you become insured during a period of Temporary Recovery.

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PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work unless a different date applies (see the **Coverage Features**). Any subsequent change in your earnings will not affect your Predisability Earnings.

Predisability Earnings means your monthly rate of earnings from your Employer, including:

1. Contributions you make through a salary reduction agreement with your Employer to:
 - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), or 457 deferred compensation arrangement;
or
 - b. An executive nonqualified deferred compensation arrangement.
2. Grant assistance wages
3. Stipends
4. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Predisability Earnings does not include:

1. Bonuses.
2. Overtime pay.
3. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
4. Your State Paid Benefit Dollars in excess of your premiums for medical insurance, dental insurance and the first \$50,000 of group life insurance.
5. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the average number of hours you worked per month during the preceding 3 calendar months (or during your period of employment if less than 3 months), but not more than 173.

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DEDUCTIBLE INCOME

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

1. Sick pay or other salary continuation as shown in the **Coverage Features**.
2. Your Work Earnings, as described in the **Return To Work Incentive**.
3. Any amount you receive or are eligible to receive because of your disability under any workers' compensation law or similar law, including amounts for partial or total disability, whether permanent, temporary, or vocational.
4. Any amount you, your spouse, or your children under age 18 receive or are eligible to receive because of your disability or retirement under:
 - a. The Federal Social Security Act;
 - b. The Canada Pension Plan;
 - c. The Quebec Pension Plan; or
 - d. Any similar plan or act.

Benefits your spouse or children receive or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence.

The **Coverage Features** states which one of the following options applies to your Social Security benefits.

- a. Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefits are Deductible Income.
- b. Primary offset: Primary benefits are Deductible Income, but dependents benefits are not.
- c. Partial dependents offset: Primary benefits are Deductible Income. Dependents benefits are Deductible Income as determined below:
 - (1) Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your dependents benefits to that amount.
 - (2) Multiply your Predisability Earnings by the dependents limit.
 - (3) If (1) is greater than (2), the difference will be Deductible Income.
5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under any other group insurance coverage.
7. 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.

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.
8. If you are a Member employed by the Oregon University System, any benefits you receive or are eligible to receive under any Employer-sponsored individual disability policy arranged for individuals in a common group.
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. Early retirement benefits under the Federal Social Security Act which are not actually received.
6. Group credit or mortgage disability insurance benefits.
7. Accelerated benefits paid under a life insurance policy.
8. Benefits from a through h below:
 - a. Profit sharing plan.
 - b. Thrift or savings plan.
 - c. Deferred compensation plan.
 - d. Plan under IRC Section 401(k) 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. Monthly Equivalentents

Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD 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 LTD 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 insurance policy issued by us. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD 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.

LT.RU.01

ADDITIONAL BENEFITS FOR THE SEVERELY DISABLED

A. Assisted Living Benefit

If you meet the requirements in 1 through 3 below, we will pay Assisted Living Benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

Assisted Living Benefit Requirements

1. You are Disabled and LTD Benefits are payable to you.
2. While you are Disabled:
 - a. You, due to loss of functional capacity as a result of Physical Disease or Injury, become unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance; or
 - b. You require Substantial Supervision for your health or safety due to Severe Cognitive Impairment as a result of Physical Disease or Injury.
3. The condition in 2.a or 2.b above is expected to last 90 days or more as certified by a Physician in the appropriate specialty as determined by us.

B. Amount Of The Assisted Living Benefit

See the **Coverage Features** for the amount of the Assisted Living Benefit.

C. Becoming Insured For Assisted Living Benefits

You are eligible for Assisted Living Benefit coverage if you are insured for LTD insurance. Subject to the **Active Work Provision**, your Assisted Living Benefit coverage becomes effective on the date your LTD insurance becomes effective.

D. Payment Of Assisted Living Benefits

We will pay Assisted Living Benefits within 30 days after Proof Of Loss is satisfied. Your Assisted Living Benefits will be paid to you at the same time LTD Benefits are payable.

E. Time Limits On Filing Proof Of Loss

Proof Of Loss for the Assisted Living Benefit must be provided within 90 days after the date the inability to perform Activities Of Daily Living or the Severe Cognitive Impairment begins. If that is not possible, it must be provided 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, the claim will be denied. These limits will not apply while the claimant lacks legal capacity.

F. When Assisted Living Benefits End

Assisted Living Benefits end automatically on the earliest of:

1. The date you no longer meet the requirements in item A. above.

2. The date your LTD Benefits end.

G. When Assisted Living Benefits Coverage Ends

Assisted Living Benefit coverage ends automatically on the earlier of:

1. The date your LTD insurance ends.
2. The date Assisted Living Benefit coverage terminates under the Group Policy.

H. Assisted Living Benefits After Insurance Ends Or Is Changed

Your right to receive Assisted Living Benefits will not be affected by the occurrence of the events described in 1 or 2 below that become effective after you become Disabled.

1. Termination or amendment of the Group Policy or your Employer's coverage under the Group Policy.
2. Termination of Assisted Living Benefit coverage while the Group Policy or your Employer's coverage under the Group Policy remains in force.

I. Exclusions and Limitations

No Assisted Living Benefit will be paid for any period when you are confined for any reason in a penal or correctional institution.

No Assisted Living Benefit will be paid if your inability to perform Activities Of Daily Living or your Severe Cognitive Impairment is caused or contributed to by:

1. 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.
2. Any intentionally self-inflicted Injury, while sane or insane.
3. A Mental Disorder.
4. Being under the influence of intoxicating liquor as defined by the laws of Oregon, alcoholism, use of any drug including hallucinogens unless prescribed by and used in accordance with the directions of a Physician, or drug addiction.
5. A Preexisting Condition.
 - a. Definition: For purposes of the Assisted Living Benefit, Preexisting Condition means a mental or physical condition for which you have done, or for which a reasonably prudent person would have done any of the following:
 - i. consulted a physician or other licensed medical professional,
 - ii. received medical treatment or services or advice,
 - iii. undergone diagnostic procedures, including self-administered procedures, or
 - iv. taken prescribed drugs or medicationduring the 3 months just before your Assisted Living Benefit coverage is effective.
 - b. Period Of Exclusion:

This exclusion will not apply after the Assisted Living Benefit coverage has been continuously in effect for a period of 12 months, if after that period you have been Actively At Work for at least one full day.
6. Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot. (Active participation does not include being at the scene of a violent disorder or riot while performing official duties.)

J. Definitions For Assisted Living Benefit

Activities Of Daily Living means Bathing, Continence, Dressing, Eating, Toileting, or Transferring.

Bathing means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.

Continence means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.

Dressing means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.

Eating means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.

Toileting means getting to and from and on and off the toilet, and performing related personal hygiene.

Transferring means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.

Hands-on Assistance means the physical assistance of another person without which the insured would be unable to perform the Activity Of Daily Living.

Standby Assistance means the presence of another person within arm's reach of the insured that is necessary to prevent, by physical intervention, injury to the insured while the insured is performing the Activity Of Daily Living (such as being ready to catch the insured if the insured falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the insured's throat if the insured chokes while Eating).

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) is measured by clinical evidence and standardized tests approved by us that reliably measure impairment in (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning. Severe Cognitive Impairment does not include loss or deterioration as a result of a Mental Disorder.

Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (such as may result from wandering).

SURVIVORS BENEFIT

If you die while LTD Benefits are payable, we will pay a survivors benefit according to 1 through 4 below.

1. The amount of the survivors benefit is shown in the **Coverage Features**.
2. The survivors benefit will first be applied to reduce any overpayment of your claim.
3. The survivors benefit will be paid at our option to any one or more of the following:
 - a. Your surviving Spouse or Domestic Partner;
 - b. Your surviving unmarried children under age 24 who meets the terms of eligibility outlined in the PEBB Administrative Rules;
 - c. Your Spouse's or Domestic Partner's surviving unmarried children under age 24 who meets the terms of eligibility outlined in the PEBB Administrative Rules; or
 - d. Any person providing the care and support of any of them.
4. If you are not survived by a Spouse, Domestic Partner or an unmarried child under age 24 who meets the terms of eligibility outlined in the PEBB Administrative Rules, no survivors benefit will be paid.

Spouse means the person to whom you are legally married.

Domestic Partner means an individual who, together with the Member, meets all of the criteria listed below. The individual and Member:

- (a) Are both at least eighteen (18) years of age;
- (b) Share a close personal relationship and are responsible for each other's common welfare;
- (c) Are each other's sole Domestic Partners;
- (d) Are not married to anyone nor has either had another Domestic Partner within the prior six months;
- (e) Are not related by blood closer than would bar marriage in the State of Oregon;
- (f) Have jointly shared the same regular and permanent residence for at least six (6) months immediately preceding the date of this Affidavit with the intent to continue doing so indefinitely;
- (g) Are jointly financially responsible for basic living expenses defined as the cost of food, shelter, and any other expenses of maintaining a household; and
- (h) Have completed an Affidavit of Domestic Partnership.

Affidavit of Domestic Partnership means a written document in which you and another individual attest that you meet the criteria set forth in OAR 101-010-005(6) on the date the document is signed.

LT.SB.01

WAIVER OF PREMIUM

Your insurance will continue without payment of premiums during the Benefit Waiting Period and while LTD Benefits are payable.

LT.WP.01X

BENEFITS AFTER INSURANCE ENDS OR IS CHANGED

Your right to receive LTD Benefits for a period of Disability which begins while you are insured will not be affected by:

1. Termination of the Group Policy after you become Disabled;
2. Termination of your insurance while the Group Policy remains in force; or
3. Any amendment to the Group Policy approved after the date you become Disabled.

LT.BA.01

EFFECT OF NEW DISABILITY

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

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. All provisions of the Group Policy, including the **Exclusions** and **Limitations** sections, will apply to the new cause of Disability.

LT.ND.01

EXCLUSIONS

A. 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.

B. Preexisting Condition

1. Definition

Preexisting Condition means a mental or physical condition for which you have done any of the following at any time during the Preexisting Condition Period shown in the **Coverage Features**:

- a. Consulted a Physician;
- b. Received medical treatment or services; or
- c. Taken prescribed drugs or medications.

2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

- a. Have been continuously insured under the Group Policy or Prior Plan for the entire Exclusion Period shown in the **Coverage Features**; and
- b. Have been Actively At Work for at least one full day after the end of the Exclusion Period.

LT.EX.01

LIMITATIONS

A. Care of A Physician

You must be under the ongoing care of a Physician during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician.

B. Mental Disorder

Payment of LTD Benefits is limited to 24 months for each period of continuous Disability caused or contributed to by a Mental Disorder. However, if you are confined in a Hospital at the end of the 24 months, this limitation will not apply while you are continuously confined.

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

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.

C. Imprisonment

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

LT.LM.01

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 LTD Benefits. Proof Of Loss must be provided at your expense.

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 LTD Benefits if you fail to attend an examination or cooperate with the examiner.

F. Time Of Payment

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

LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivor Benefit. If no Survivor Benefit is paid, the unpaid LTD Benefits 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 Group Policy 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

You must request in writing a review of a denial of all or part of your claim within 60 days after you receive 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 Group Policy.

I. Assignment

The rights and benefits under the Group Policy are not assignable.

LT.CL.01

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 end of the period within which Proof Of Loss is required to be given.

LT.TL.01

INCONTESTABILITY PROVISIONS

A. Incontestability Of Member's Insurance

Any statement you make to obtain insurance is a representation and not a warranty.

No misrepresentation by you will be used to reduce or deny your claim or contest the validity of your insurance unless:

1. Your insurance would not have been approved if we had known the truth; and
2. We have given you a copy of a written instrument signed by you which contains your misrepresentation.

After your insurance has been in effect for two years, we will not use a misrepresentation by you to reduce or deny your claim, unless it was a fraudulent misrepresentation.

B. Incontestability Of Group Policy

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

LT.IN.01

WHEN YOUR INSURANCE BECOMES EFFECTIVE

The **Coverage Features** states whether your insurance is Contributory or Noncontributory.

A. Noncontributory Insurance

Subject to the **Active Work Provisions**, your Noncontributory insurance becomes effective on the date you become eligible.

B. Contributory Insurance

You must apply in writing for Contributory insurance and agree to pay premiums to the Policyholder by signing a completed enrollment card. The Policyholder determines the amount of your contribution toward the cost of your insurance.

You may apply for insurance (a) within 60 days after you become eligible, (b) within 60 days of a change in family status as determined by your Employer, or (c) during your Employer's annual enrollment period.

Subject to the **Active Work Provisions**, your insurance becomes effective on:

1. The first day of the month next following the date your application is received by your Employer if you apply within 60 days after you become eligible for insurance.
2. The later of (a) the date of a change in family status as determined by your Employer, and (b) first day of the month next following the date your application is received by your Employer if you apply within 60 days of a change in family status.
3. The first day of the Employer's plan year following the date you apply if you apply for insurance during your Employer's annual enrollment period.

C. Takeover Provisions

If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.

LT.EF.01X

ACTIVE WORK PROVISIONS

A. Active Work Requirement

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 insurance, your insurance 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 the Material Duties of your Own Occupation at your Employer's usual place of business.

You will also meet the Active Work requirement if:

1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
2. You were Actively At Work on your last scheduled work day before the date of your absence; and
3. You were capable of Active Work on the day before the scheduled effective date of your insurance.

B. Changes In Insurance

This Active Work requirement also applies to any increase in your insurance. However, if you return to Active Work during a period of Disability or Temporary Recovery (see **Temporary Recovery**), you will not qualify for any change in insurance caused by a change in:

1. Your status as a member of a class;
2. The rate of earnings used to determine your Predisability Earnings; or
3. The terms of the Group Policy.

LT.AW.05

WHEN YOUR INSURANCE ENDS

Your insurance ends automatically on the earliest of:

1. The date the Group Policy terminates.
2. The last day of the last period for which you made the required premium contribution.
3. The last day of the calendar month in which your employment terminates. However, if premium payment for the next period of insurance is made prior to the date your employment terminates, the last day of the calendar month next following the month in which your employment terminates.
4. The last day of the calendar month in which you cease to be a Member. However, if premium payment for the next period of insurance is made prior to the date you cease to be a Member, the last day of the calendar month next following the month in which you cease to be a Member. If you cease to be a Member because you are not working the required minimum number of hours, your insurance will be continued during the following periods, unless it ends under items 1. through 3. above:

A. Members employed by the Oregon University System:

- (1) While you are receiving full salary (including sick pay) from your Employer.
- (2) During the first 90 days in which your Employer mandates that you involuntarily work less than half-time.
- (3) During the Benefit Waiting Period and while LTD Benefits are payable.
- (4) During the first 15 months of an approved sabbatical leave of absence or an approved temporary leave of absence for the purpose of conducting special research, subject to the following provisions:
 - (a) The leave of absence must be approved in writing by your Employer prior to the beginning of the leave of absence. The written approval must contain the date you are scheduled to return to work.
 - (b) You must pay the full premium for your Insurance continued under this provision by the first day of each calendar month during your leave of absence. Your Insurance under this provision will automatically end on the last day of the last period for which you made the required premium contribution for your continued Insurance.
 - (c) Your Insurance will end on your scheduled date to return to work if you are not Actively At Work, unless you are Disabled on that date.
 - (d) If you become Disabled during an approved sabbatical leave of absence, the Predisability Earnings used to compute the amount of your LTD Benefit during your sabbatical leave of absence and for the period of time after your scheduled date to return to work equal to your Benefit Waiting Period will be determined according to your monthly rate of earnings in effect as of the first day of your sabbatical leave of absence. Thereafter, your Predisability Earnings while you remain Disabled will be determined according to your monthly rate of earnings in effect as of the day before your sabbatical leave of absence.
 - (e) If you become Disabled during an approved temporary leave of absence for the purpose of conducting special research, your Benefit Waiting Period will be the longer of (i) your Benefit Waiting Period as described in the **Coverage Features** and (ii) the period ending on your

scheduled date to return to work. The Predisability Earnings used to compute the amount of your LTD Benefit will be determined according to your monthly rate of earnings in effect on the day before your approved leave of absence.

- (5) During a leave of absence if continuation of your insurance under the Group Policy is required by the state-mandated family or medical leave act or law.

B. All other Members:

- (1) While your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member.
- (2) During the first 90 days in which your Employer mandates that you involuntarily work less than half-time.
- (3) During the Benefit Waiting Period and while LTD Benefits are payable.
- (4) During a leave of absence if continuation of your insurance under the Group Policy is required by the state-mandated family or medical leave act or law.

LT.EN.16X

REINSTATEMENT OF INSURANCE

If your insurance ends, you may become insured again as a new Member. However, the following will apply.

1. If your insurance ends because you fail to make the required premium contribution, you must apply for insurance again during the times specified by your Employer.
2. If your insurance ends because you cease to be a Member due to a non-occupational injury or sickness, you will be eligible for insurance on the first day of the calendar month following the first month during which you either: (a) work half-time; or (b) receive accrued paid leave (sick leave, compensatory time, vacation or personal leave) equal to half-time. Insurance will become effective on the later of (i) the date you become eligible, and (ii) the date you apply, provided you meet the Active Work requirement on that date.
3. If your insurance ends because you cease to be a Member due to an occupational injury or sickness for which you received Worker's Compensation benefits, you will be eligible for insurance on the first day of the calendar month following the date you become a Member again. Insurance will become effective on the later of (i) the date you become eligible, and (ii) the date you apply, provided you meet the Active Work requirement on that date.
4. If your insurance ends because you cease to be a Member due to any other reason and you become a Member again within twelve months, the Eligibility Waiting Period will be waived. You will become eligible for insurance on the first day of the calendar month following the month in which you work half-time.
5. If your insurance ends because you are on a federal or state-mandated family or medical leave of absence or a military leave of absence and you become a Member again immediately following the end of the leave, the Eligibility Waiting Period will be waived and your insurance will become effective retroactive to the first day of the month in which you return, provided you are capable of Active Work requirement on that date.
6. The Preexisting Conditions Exclusion will be applied as if there had been no break in coverage in the following instances:
 - a. If you become insured again within 90 days.
 - b. If required by a state-mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.

LT.RE.01X

DEFINITIONS

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

Contributory means you pay all or part of the premium for your insurance.

CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. See **Coverage Features**.

Providing Evidence Of Insurability 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. At your expense, provide any additional information about your insurability that we may reasonably require.

Group Policy means the group long term disability insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to your body.

LTD Benefit means the monthly benefit payable to you under the terms of the Group Policy.

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

Noncontributory means the Policyholder or Employer pays the entire premium for your insurance.

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 medical professional, other than yourself, acting within the scope of the license.

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

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

LT.DF.06