

WEA Trust
Long Term Disability Plan

A WEA Insurance Corporation
Group Long Term Disability Policy



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P.O. Box 7338 (53707-7338)
Madison, Wisconsin
Voice/TDD:
608-276-4000
1-800-279-4000

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Important Notice

(Keep this notice with your insurance papers)

Problems with your insurance?

If you are having problems with WEA Insurance Corporation, do not hesitate to call or write WEA Insurance to resolve your problem. The address and phone numbers are:

WEA Insurance Corporation
P.O. Box 7338
Madison, WI 53707-7338
Voice/TDD: 1-800-279-4000 or 608-276-4000

You may also write the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency that enforces Wisconsin's insurance laws, and file a complaint. The address is:

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873

Or, you may call 1-800-236-8517 outside of Madison or 266-0103 in Madison, and request a complaint form.

Group Long Term Disability Policy and Certificate

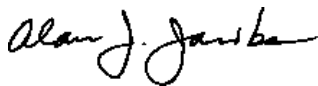
WEA Insurance Corporation

This is an indemnity insurance policy. It obligates the Company to replace a percentage of the income lost by a Covered Employee when he or she cannot work due to Disability. Initial eligibility for a Benefit under this policy requires that a Covered Employee be unable to perform adequately the material and substantial duties of his or her Regular Occupation due to involuntary and medically proven physical or mental impairment(s). Income that a beneficiary earns by working and certain other benefits for which the beneficiary is eligible because of his or her Disability will reduce the Benefit payable under this policy.

The WEA Insurance Corporation (herein called the Company) does hereby agree to provide benefits in accordance with all of the provisions, exclusions, and limitations of this policy.

IN WITNESS WHEREOF, the WEA Insurance Corporation, by its President and Vice President, has executed and attested this policy.

President,



WEA Insurance Corporation
Madison, Wisconsin

Vice President,



WEA Insurance Corporation
Madison, Wisconsin

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Article I

Employer's Policy Provisions: Rights and Obligations of the Company and the Policyholder

Participation Requirements

This policy will be effective on the date specified on the Employer's Application for Group Insurance, **provided** that the following participation requirements are met. If the Employer does not maintain compliance with these participation requirements, the Company may terminate the policy.

1. Seventy-five percent (75%) of the Employees eligible for coverage under a **Contributory Policy** are actually covered by the policy;
2. One hundred percent (100%) of the Employees eligible for coverage under a **Noncontributory Policy** are actually covered by the policy;
3. The Employer and a bargaining agent affiliated with the Wisconsin Education Association Council have negotiated the insurance coverage provided by this policy;
4. The Employer's plan which provides the Benefits of this policy satisfies the nondiscrimination requirements in effect under sections 501(c)(9) and 505(b) of the Internal Revenue Code; **and**
5. The Employer meets the contribution requirements established by the Company for this policy. If the Company insures ninety percent (90%) of Covered Salary, then the Employer must contribute one hundred percent (100%) of the premium so that the policy is a Noncontributory Policy.

An employee is eligible for coverage under this policy only if his or her job and number of hours of regular employment meet the criteria of the Eligible Class specified by the Employer on the Application for Group Insurance.

Premium

The monthly premium required for each Employee covered by this policy for any part of that month is the product of the rate shown on the Rate Summary and the Employee's Covered Salary. The monthly premium required by this policy is the sum of the premiums for all Covered Employees. The premium will always be based on the rates for the Benefits which are in effect on the date that the premium is due. The Company may establish a new rate for any or all of the Benefits provided under this policy on any of the following dates:

1. Any policy anniversary date, **provided** that the Company notifies the Employer at least thirty-one (31) days prior to that date;
2. Any date premium is due, **provided** that the rate(s) being changed have been in effect for at least twelve (12) months prior to the change **and** the Company notifies the Employer at least thirty-one (31) days prior to that date; **and**
3. Any date on which any provision of this policy is materially changed by agreement between the Employer and the Company or by statute.

The Company will not increase premium rates by twenty-five percent (25%) or more without sixty (60) days' notice to the Employer.

Premium is due for a Covered Employee for each month in which he or she is covered under this policy for at least one day, **except** that if an Employee's initial coverage begins after the fifteenth (15th) day of the month, the premium liability for that Employee will commence on the first day of the month following the date of his or her coverage.

The Employer will notify the Company **immediately** whenever a Covered Employee ceases to be eligible for coverage. The premium liability for that Employee will cease on the last day of the month in which the coverage terminates.

The payment of premium **per se** will not obligate the Company to provide Benefits to an individual who is not eligible for coverage by this policy.

When Premiums Are Due

The monthly premium required by this policy is due and payable by the Employer to the Company on or before the twentieth (20th) day of the month preceding the month of coverage.

Grace Period

The Company will allow a grace period of thirty-one (31) days for the receipt of any premium due after the first premium. During the grace period this policy will continue in force. The grace period will start with the first day of the month following the day the premium is due. There will be no grace period if the Employer or the Company has given written notice of termination to the other party as provided herein.

Termination of the Policy by the Policyholder

The Employer may terminate this policy on the first day of any month by giving written notice of termination to the Company at least thirty-one (31) days prior to that date. If the Employer does not pay the premium when due or within the grace period, this policy will terminate at the expiration of the grace period. The Employer is liable to the

Company for the payment of all premiums due and unpaid, including the premium for coverage during the grace period, as well as the costs and reasonable legal fees incurred by the Company in collecting the premiums owed.

In the event that the Company agrees to waive the automatic termination of this policy caused by the nonpayment of premium, the Company may charge interest on the delinquent premium and the Employer will pay that interest. The interest rate applicable to a month in which interest is charged will be the prime interest rate published in *The Wall Street Journal* on the first business day of that month plus one percent (1%).

Retroactive Salary Adjustments

When, as the result of collective bargaining or the Employer's decision, the Annual Salaries of Employees in the Eligible Class specified on the Employer's Application for Group Insurance or an identifiable group of those Employees are retroactively adjusted, the Covered Salaries will be retroactively adjusted for **all** affected Employees in the Eligible Class or identifiable group. The Employer will pay the additional premium required by the increase in Covered Salaries retroactive to the effective date of the salary adjustments.

Waiver of Premium

The Company will waive the premium required for a Covered Employee after satisfaction of the Elimination Period.

Termination of the Policy by the Company

If the Employer does not comply with all of the Participation Requirements and premium obligations specified above, the Company may terminate this policy by giving written notice to the Employer at least thirty-one (31) days prior to the termination date.

In addition, the Company may terminate this policy for any legally permissible reason on

any policy anniversary date by giving written notice to the Employer at least sixty (60) days prior to that date.

Information Required From the Policyholder

The Employer will furnish to the Company any information which the Company may require for the administration of this policy. The Company may inspect, at any reasonable time, any records of the Employer which are relevant to the administration of this policy.

Clerical Error

The Employer's failure, due to clerical error, to report the name of an Employee who is eligible for coverage under this policy will not deprive that person of coverage or affect the Benefits to which he or she is entitled, **provided** that the correct enrollment information is furnished to the Company no later than six (6) months after the date the Employee became eligible for coverage. There will be no retroactive coverage by this policy to correct a clerical error unless that clerical error is reported to the Company within six (6) months after its occurrence.

If the Employer erroneously pays premium on a salary which is less than the Covered Employee's actual Covered Salary, the Employer will correct that error by paying the required additional premium. Further, the error will be corrected retroactively to its origin **and** all like errors must be corrected for all Covered Employees in the Eligible Class.

The Employer's failure to report the termination of coverage for any person will not continue that coverage beyond the appropriate date of termination as defined by this policy.

An Employer's error will not create any liability whatsoever for the Company.

Incontestability

No statement made by an Employee, except a fraudulent misstatement, will be used to contest the validity of the Employee's coverage under this policy after that coverage has been in effect for two (2) years.

Statements by Employees or Agents of the Company

No statement or representation by any employee or agent of the Company can alter or waive any of the requirements or provisions of this policy, and no statement or representation with respect to the interpretation or application of any provision of this policy is binding on the Company unless it is issued by an officer in writing on behalf of the Company.

Entire Contract and Changes

The entire contract of insurance consists of:

1. This policy and any amendments;
2. The Benefit Summary;
3. The Rate Summary;
4. The Application for Group Insurance;
5. The Employees' enrollment applications;
6. The evidence of insurability forms submitted by Employees; **and**
7. Reimbursement Agreements signed by Covered Employees who receive Benefits.

No change in this policy will be valid unless written and signed by an officer of the Company. No agent may change the policy or waive any of its provisions.

Conformity With State Statutes

Any provision of this policy which conflicts with the statutes of the state in which the policy is issued is hereby amended to conform to the minimum requirements of those statutes. The effective date of any such required amendment will be the latest date permitted by those statutes.

Article II

Definitions

Whenever the words “**you**” or “**your**” appear in this policy, they refer to a **Covered Employee** as defined in Article II; and whenever the words “**we**,” “**us**,” or “**our**” appear, they refer to the **Company** as defined in Article II.

These defined terms appear throughout this policy. As a general rule, terms which are capitalized in the text of the policy are included in this list of defined terms. Capitalized terms which are not in this list refer to items on the Benefit Summary or on the Employer’s Application for Group Insurance or are defined in the article in which they are used.

Annual Salary means “the total compensation, exclusive of bonuses and overtime, to be earned by the Covered Employee in exchange for the performance of a normal year of services to the Employer at the current rate of pay.” If you become Disabled during the period between school years, and you do not regularly work during those months, your Annual Salary is that which you were receiving at the end of the preceding school year.

Company means “the WEA Insurance Corporation.”

Contributory Policy means “a policy for which the Covered Employee reimburses the policyholder a portion of the premium required by the policy.”

Covered Employee means “an Employee meeting the eligibility requirements of this policy, including any required evidence of insurability, whose written application for coverage has been approved by the Company and for whom premium has been received.”

Covered Loss means “that portion of the Covered Salary which would have been earned by the Covered Employee after the

Elimination Period if he or she were not Disabled, but which has been lost and not otherwise replaced.”

Covered Salary means “the Annual Salary of the Covered Employee that has been most recently declared by the Employer for the purpose of premium computations before the Date of Disability.” In no event will the Covered Salary on which Benefits are based exceed the Annual Salary on which premiums have been paid.

Date of Disability means “the date which the Company determines to be the first day on which the Covered Employee was Disabled.”

Disabled and **Disability** mean “the inability of a Covered Employee to perform adequately the material and substantial duties of his or her Regular Occupation due to his or her own involuntary and medically proven and documented physical or mental impairment(s).”

Elimination Period means “the period of calendar days for which no Benefits will be paid under this policy to a Covered Employee who has been found by the Company to be Disabled.” The length of the Elimination Period is specified on the Benefit Summary and begins on the Date of Disability.

Employee means “an individual who is engaged in active, regular performance of job duties for, and is earning wages from, the Employer and whose job and number of hours of regular employment meet the criteria for inclusion in the Eligible Class specified on the Employer’s Application for Group Insurance.”

Employer means “the employer identified on the Application for Group Insurance and on the Benefit Summary.”

Gross Benefit means “the monthly Benefit amount calculated as a percentage of Covered Salary before any reduction for Other Income Benefits and earnings during a Period of Disability.”

Monthly Covered Salary means “the Covered Employee’s Covered Salary divided by twelve (12).”

Net Benefit means “the monthly amount due under this policy as a partial replacement of a Covered Loss.”

Noncontributory Policy means “a policy for which the Employer pays one hundred percent (100%) of the required premium.”

Period of Disability means “one continuous period of Disability beginning on the Covered Employee’s Date of Disability, including the Elimination Period, and ending on the date on which the Covered Employee dies or ceases to be Disabled or Totally Disabled.”

Once the Elimination Period has been satisfied, successive periods of Disability or Total Disability will be deemed to be the same Period of Disability **unless**

- Due to an unrelated cause and separated by a return to the regular performance of duties for the Employer or
- Due to the same or related cause but separated by a return to the regular performance of duties for the Employer for six (6) months.

Physician means “a qualified practitioner other than the Covered Employee or a member of his or her immediate family (i.e., spouse, parent, sibling, or child) who is licensed to diagnose and treat the physical or mental impairment(s) causing the Covered Employee’s Disability.” This definition includes only the following practitioners, and only to the extent that the services provided are within the scope of the individual practitioner’s professional license:

- M.D. – Doctor of Medicine
- D.O. – Doctor of Osteopathy

- D.S.C. – Doctor of Surgical Chiropody
- D.P.M. – Doctor of Podiatric Medicine
- O.D. – Doctor of Optometry
- D.C. – Doctor of Chiropractic
- D.D.S. – Doctor of Dental Surgery
- D.M.D. – Doctor of Medical Dentistry

Regular Care of a Physician means “the Covered Employee is being seen by a Physician at intervals of time appropriate for treating the disabling impairment(s); the Covered Employee’s Physician is rendering and/or prescribing a pertinent treatment plan or a practical protocol, if one exists, for alleviating or eliminating the impairment(s) causing the Disability or Total Disability; **and** the Covered Employee is complying with all aspects of the Physician-prescribed treatment plan.”

Regular Occupation means “the position held by the Covered Employee with the Employer on the Covered Employee’s Date of Disability.”

Substantial Gainful Activity means “activity of a nature generally performed as work for remuneration or profit, involving the performance of significant physical or mental duties, or a combination of the two.” Work will be considered substantial even if it is performed part-time, and even if it is less demanding and less responsible than your former work; and it will be considered gainful even if it pays less than your former work.

Totally Disabled and Total Disability mean “a disability which meets the criterion established by the Social Security Act for the receipt of Social Security Disability Insurance benefits, which criterion is the inability to engage in any Substantial Gainful Activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.”

Waiting Period means “the period of time an Employee must be continually at work for the Employer before he or she is eligible for coverage under this policy.” The length of the Waiting Period is established by the Employer and specified on the Employer’s Application for Group Insurance.

Article III

Eligibility and Dates of Coverage

Individuals Eligible for Coverage

Employees are eligible for coverage under this policy following the fulfillment of the applicable Waiting Period.

A former Employee deemed to be an Employee by the Employer but on **paid** leave of absence when this policy takes effect is eligible for coverage as an Employee **provided** that:

- The individual is not Disabled;
- The leave of absence is an Employer-approved paid leave;
- The leave is of a type which is generally available to all Employees in the Eligible Class of Employees (e.g., paid sick leave or sabbatical leave);
- The individual has a reasonable expectation of continued employment with the Employer at all times during the leave of absence; **and**
- The Employer pays the required premium for coverage commencing on the date this policy takes effect.

Coverage for such Employees will extend for a maximum of two (2) years from the date the paid leave commences.

A former Employee who is on an **unpaid** leave of absence or who is Disabled on the date this policy takes effect will **not** be eligible for coverage under this policy until he or she resumes the active, regular performance of job duties as a member of the Eligible Class of Employees.

Effective Date of Coverage for Employees

To be covered, an Employee must submit an application for coverage to us within thirty (30) days of initial eligibility and we must accept that application. (Readers are reminded that a disabled person is not an “Employee” as the term is used in this policy.)

We will accept timely applications submitted by Employees who have fulfilled the required Waiting Period. In all other cases, we may require extraordinary evidence that the person is, in fact, an Employee within the meaning of this policy, that the person is not Disabled on the date of application and will not be Disabled on the initial date of coverage, and that the person is not likely to become Disabled in the foreseeable future.

The Effective Date of Coverage for an Employee means “the first day on which that Employee, if he or she becomes Disabled, is eligible for Benefits under the terms of this policy.”

Effective Date of Coverage for Disabled Persons

An individual who would be an Employee but for being Disabled on the date this policy takes effect, and who submits a timely application which is otherwise acceptable to us, will be accepted as a Covered Employee on the date on which the individual is no longer Disabled and resumes active Employee status, subject to any required Waiting Period.

There is one exception: If the policy becomes effective for an Eligible Class of Employees

that was not previously covered by a group Long Term Disability plan, the Effective Date of Coverage for an individual who would be an Employee but for being Disabled on the date this policy takes effect, with respect to any loss which is attributable to the same or related causes as the subject Disability or is connected with the subject Disability in any way, will be the date immediately following six (6) months of regular performance as an Employee, subject to any required Waiting Period.

The application for coverage must be submitted to us no later than thirty (30) days after the individual ceases to be Disabled and resumes the status of Employee.

Effective Date of Coverage for Persons on Unpaid Leave of Absence

A former Employee who is on an unpaid leave of absence on the date this policy takes effect, and who submits a timely application which is acceptable to us, will be accepted as a Covered Employee on the date on which the individual resumes active Employee status, subject to any required Waiting Period and provided that the individual is not Disabled.

There is one exception: If the policy becomes effective for an Eligible Class of Employees that was not previously covered by a group Long Term Disability plan, the Effective Date of Coverage for a former Employee who is on an unpaid leave of absence on the date this policy takes effect and who suffered from an illness or injury during that unpaid leave of absence, with respect to any loss resulting from a Disability which is attributable to the same or related causes as the subject illness or injury or is connected with the subject illness or injury in any way, will be the date immediately following six (6) months of regular performance as an Employee, subject to any required Waiting Period.

The application for coverage must be submitted to us no later than thirty (30) days after the individual resumes active Employee status.

Coverage During Unpaid Leave of Absence

Coverage under this policy may be continued for a former Employee deemed to be an Employee by the Employer who is on an unpaid leave of absence **provided** that:

- We receive written notice in advance of a leave approved by the Employer which advises of the Employer's intent to continue coverage under this policy during the leave and includes the beginning and ending dates of the leave and the amount of the Covered Employee's Covered Salary;
- The unpaid leave is a temporary, short-term leave of one year or less and the Covered Employee is reasonably expected to resume the active, regular performance of job duties as a member of the Eligible Class of Employees at the end of the leave;
- Such leaves of absence and the right to continue coverage under this policy during an unpaid leave of absence are available to all eligible Employees in the Eligible Class of Employees covered by this policy;
- The Covered Salary during the unpaid leave is the Covered Employee's pre-leave Covered Salary, and not the salary the Covered Employee will earn upon his or her return to work at the end of the leave; **and**
- The Employer pays the required premium for coverage throughout the leave of absence.

The policy's requirement of a Covered Loss applies as well to coverage during an unpaid leave of absence. Therefore, if the Covered Employee becomes Disabled during the leave, Benefits will not begin until after both the Elimination Period **and** the scheduled duration of the leave have expired. The Elimination Period can be satisfied during the leave of absence, after the Date of Disability.

Late Application for Coverage

An Employee who applies for coverage under this policy more than thirty (30) days after his or her date of initial eligibility will be denied coverage unless he or she provides written evidence of insurability which we, in our sole discretion, deem sufficient. If we approve the application, coverage will take effect on the first day of the month following our date of approval.

Coverage Termination Dates

A Covered Employee's coverage under this policy will terminate on the **earliest** of the following dates:

- The date this policy terminates for any reason;
- The date of expiration of the period for which the last required premium was timely paid;
- The date on which the Covered Employee ceases to be an Employee, ceases to be a member of the Eligible Class of Employees, or otherwise ceases to be eligible for coverage by this policy;
- The date on which the Maximum Benefit Period specified on the Benefit Summary is completed;
- The date on which a former Covered Employee, who is Disabled on the date this policy ceases to cover the Eligible Class of Employees of which he or she was a member, returns to active work for the Employer;
- The date which is one (1) year from the date on which the Covered Employee commenced an Employer-approved unpaid leave of absence; **or**

- The date which is two (2) years from the date on which the Covered Employee commenced an Employer-approved paid leave of absence.

Generally, the date on which a Covered Employee ceases to be an Employee is the last date on which he or she actively performs job duties for the Employer. However, coverage will continue beyond that date for a Covered Employee whose individual employment contract is not renewed, **provided** that a preexisting collective bargaining agreement or Employer policy provides for extended coverage **and provided** further that all required premiums are paid. Coverage will continue (i) for the duration specified in the collective bargaining agreement or Employer policy, or (ii) until August 31 of the year in which the individual employment contract is not renewed, or (iii) until the date on which the former Covered Employee begins the active, regular performance of job duties as an employee of another employer in a non-temporary occupation, whichever occurs **first**.

Suspension of Coverage

Coverage of a Covered Employee will be suspended during any military leave for active duty (including periods of annual training) in the National Guard or any active or reserve component of the military forces of any state or country including the United States. Coverage will resume upon the Employee's return to active, regular performance of job duties with the Employer, **except** that if the military leave ends during a period in which the Employee would not regularly be scheduled to work for the Employer, coverage will resume on the date the Employee could have resumed active, regular performance of job duties for the Employer had such date been a regularly scheduled work day.

Article IV

Qualification for Benefits

This policy establishes two distinct stages of a single, continuous Period of Disability for which you may qualify for Benefits. The first stage is the first twenty-four (24) months of one Period of Disability and the second stage is any remainder of that Period of Disability. To qualify for Benefits during the first twenty-four (24) months of one Period of Disability, you must satisfy the requirements in the sections below entitled “Qualification for Benefits During the First Twenty-four (24) Months of Disability” and “Satisfying the Elimination Period.” To qualify for Benefits after the first twenty-four (24) months, you must, in addition, satisfy the requirements in the section below entitled “Qualification for Benefits After Twenty-four (24) Months of Disability” on page 10.

Qualification for Benefits During the First Twenty-four (24) Months of Disability

During the first twenty-four (24) months of one Period of Disability, you will qualify for a monthly Benefit when:

- We have received persuasive and un rebutted proof of a Covered Loss in the form required by the sections in Article V entitled “Notice of Claim” and “Proof of Loss” on page 12;
- You have satisfied the applicable Elimination Period; **and**
- You have applied for all other benefits, including Social Security Disability Insurance benefits (hereinafter referred to as SSDI benefits) and Wisconsin Retirement System disability benefits (hereinafter referred to as WRS disability

benefits), for which you may be eligible due to Disability or Total Disability.

Satisfying the Elimination Period

The length of the Elimination Period is specified on the Benefit Summary and begins on the Date of Disability. In order to receive Benefits under this policy, you must be Disabled for the duration of the specified Elimination Period.

Benefits will be paid only after you complete the Elimination Period **and** prove a Covered Loss. During the first year of Disability no Benefits will be paid during months in which you would ordinarily receive no salary or wages from the Employer. You may use sick leave to satisfy the Elimination Period and may satisfy the Elimination Period during a period in which you would not ordinarily receive income from the Employer (e.g., vacation periods, holidays, or the summer months).

If, following your Date of Disability and before you satisfy the Elimination Period, you endeavor to resume work for the Employer but work only ten (10) days or less, then the Elimination Period will continue but will be extended by the number of days, including any partial days, on which you worked.

If, following your Date of Disability and before you satisfy the Elimination Period, you report to work for the Employer on more than ten (10) days, the Elimination Period will start over. In that case, a new Period of Disability will begin on the next day you are unable to work due to the same or related cause(s) and we will assign a new Date of

Disability to coincide with the first day of the new Period of Disability.

There is an exception to the rules described in the preceding two paragraphs: If, following your Date of Disability and before you satisfy the Elimination Period, you return to work for the Employer with our approval at a job other than your Regular Occupation in satisfaction of your mitigation obligations described in the section of Article V entitled “Involuntary’ Loss of Income,” on page 13, and in the section in Article VIII entitled “Duty to Make Efforts to Recover and Otherwise Mitigate Losses,” on page 21, any days on which you work, including any partial days, will count toward satisfaction of the Elimination Period.

If, during the Elimination Period, you return to work for the Employer, and during that return become Disabled due to a cause unrelated to the previous Disability, the Elimination Period for your second Disability will begin on the date we determine to be your subsequent Date of Disability.

Qualification for Benefits After Twenty-four (24) Months of Disability

After the first twenty-four (24) months of a continuous Period of Disability, **no Benefits are payable** under this policy **unless** you have applied for **both** SSDI benefits **and** WRS disability benefits **before** the end of the first twenty-four (24) months of Disability.

However, you will be eligible to receive Benefits after twenty-four (24) months of a continuous Period of Disability if you did not apply for SSDI benefits because you are not a participant in any of the programs available through the Social Security Administration and are therefore ineligible for a Social Security disability benefit. Similarly, you will be excused from the requirement of applying for WRS disability benefits if you are not eligible for a disability benefit from the Wisconsin Department of Employee Trust Funds.

To receive Benefits under this policy after the first twenty-four (24) months of a Period of

Disability, you must continue to incur a Covered Loss **and** must be Totally Disabled.

- If you apply for SSDI benefits before the end of twenty-four (24) months of Disability and SSDI benefits are awarded, we will presume that you satisfy the policy’s definition of Total Disability and will pay you a monthly Benefit for as long as you continue to be Totally Disabled, incur a Covered Loss, and receive SSDI benefits, subject to the Maximum Benefit Period specified on the Benefit Summary.
- If you apply for SSDI benefits before the end of twenty-four (24) months of Disability and SSDI benefits are not awarded, we will presume that you do not satisfy the policy’s definition of Total Disability and will terminate Benefit payments at the end of twenty-four (24) months of Disability. In that event, if you believe that the weight of the evidence clearly contradicts the Social Security Administration determination, you will have the right, upon request, to receive our application of the Social Security Administration disability standard. If we determine that you meet the Social Security Administration disability standard (the policy’s definition of Total Disability), we will pay you a monthly Benefit for as long as you continue to incur a Covered Loss and continue, in our sole discretion, to meet the policy’s definition of Total Disability, subject to the Maximum Benefit Period specified on the Benefit Summary.
- If you do not apply for SSDI benefits because you are ineligible for a Social Security disability determination, we will apply the Social Security Administration disability standard to determine whether you are Totally Disabled as defined in this policy. If we determine that you meet the Social Security Administration disability standard (the policy’s definition of Total Disability), we will pay you a monthly Benefit for as long as you continue to incur a Covered Loss and continue, in our sole discretion, to meet the policy’s definition of Total Disability, subject to the Maximum Benefit Period specified on the Benefit Summary.

Notwithstanding any other provision of this policy, your Benefits will terminate after the first twenty-four (24) months of one Period of Disability **unless** you meet the applicable requirements set forth in this section. However, if your Benefits terminate because you are not receiving SSDI benefits, we will reinstate your Benefits retroactive to the date of termination **if**, on the date of termination of Benefits, you had applied for and were awaiting an initial determination by the Social Security Administration or a decision on an administrative appeal of an adverse initial determination **and** it is subsequently determined that you were entitled to SSDI benefits prior to the date on which Benefits under this policy terminated.

Change in Benefits

If the Benefits provided by this policy are changed while coverage is in effect, the changes will apply to you only if your Period of Disability begins **after** the effective date of the change. The Benefits in force on your Date of Disability will continue to be the Benefits applicable for you during that Period of Disability even if the Benefits provided by this Policy are changed after that date.

Article V

Claims Procedure

Notice of Claim

To initiate a claim for Benefits, you must send us written notice of your claim within ninety (90) days of the claimed Disability. The purpose of this notice is to alert us to the existence and nature of your possible Covered Loss and allow us to obtain information and documents necessary to process your claim in a timely fashion. The Notice of Claim must include the following information:

- Your Regular Occupation
- The name of your Employer
- The date you were last actively at work for your Employer
- The date upon which you claim you first became Disabled
- Your Annual Salary on that date
- The nature of the illness or injury causing your claimed Disability
- The nature and extent of your claimed disabling impairment(s)
- The identity of your diagnosing and treating Physician(s)

You may submit the Notice of Claim to us by letter or by the appropriate form which you can obtain either at the Employer's business office or by calling us. We will mail the form within ten (10) days of receiving your request. You can obtain information about how to initiate and substantiate a claim for Benefits by calling us at 1-800-279-4000.

Proof of Loss

To substantiate a claim for Benefits, you must provide proof of a Covered Loss. This requires both proof of Disability and proof that the Disability has caused an actual loss of Covered Salary. The Notice of Claim will inform us of the claimed Disability but actual Proof of Loss must be filed within ninety (90) days of the first loss of Covered Salary caused by the claimed Disability.

You are responsible for providing us with proof, which we deem sufficient, that you have suffered a Covered Loss (a loss of Covered Salary because of Disability). If you do not provide the required Proof of Loss, you are not entitled to Benefits.

We will not pay any cost you may incur in establishing initial and continuous Proof of Loss.

Section 631.81 of the Wisconsin Statutes extends the time permitted to file the Notice of Claim or Proof of Loss for twelve (12) months beyond the ninety (90) days required by the policy, **but only if** the Company is not prejudiced by the failure to file the Notice of Claim or Proof of Loss within ninety (90) days **and** it was not reasonably possible for the Covered Employee to meet the 90-day time limit.

We often find that our ability to accurately investigate and adjudicate claims of Disability is significantly reduced when the claim is filed more than three (3) months after the claimed Date of Disability. Because our interest is prejudiced when claims are filed more than ninety (90) days after the onset of the disability, we reserve the right to deny such claims.

The required Proof of Loss will not be complete until appropriate and sufficient declarations have been submitted by you, by the Employer, and by your treating Physician. You can obtain acceptable forms for this purpose either at the Employer's business office or by calling us. We will mail the forms within ten (10) days of receiving your request. You may use the appropriate Employee form as your Notice of Claim (see the last paragraph of the section entitled "Notice of Claim" above) as well.

To substantiate the cause and extent of the Covered Loss, we will require information from the Employer regarding your inability to perform the duties of your Regular Occupation and objective evidence confirming your Disability from a Physician licensed and qualified to diagnose the impairment(s) causing the claimed Disability, in addition to the information you provide yourself. A Physician's declaration that you are Disabled, without accompanying objective medical and/or psychiatric evidence, is not sufficient to substantiate your Disability.

Continuing Proof of Loss

After you begin receiving Benefits, we will regularly require proof of continuing Covered Losses, including reports by your treating Physician which provide objective medical and/or psychiatric evidence, to confirm your continued Disability. Continuing Proof of Loss will not be deemed sufficient unless you are under the Regular Care of a Physician.

"Involuntary" Loss of Income

Your loss of income must be "**involuntary**." The following illustrates this point: If, during a Period of Disability, a position for which you are qualified and capable of performing becomes available with your Employer and the position is offered to you, you must perform the work and earn the wage. If you do not take the position, the loss of that amount of Covered Salary which would have been replaced by the income from that position will not be due to Disability or Total Disability and you will not be entitled to Benefits to replace that amount.

Article VI

Benefits

When you have timely proven that you have been Disabled for the entirety of the Elimination Period and have incurred a Covered Loss, we will pay you a monthly Benefit. The monthly Benefit is the Gross Benefit reduced by the amount of certain disability benefits available to you from other sources and by a portion of any income you earn during the Period of Disability. This Net Benefit is the amount owed to you.

You **must apply** for all other benefits for which you may be eligible due to your Disability or Total Disability. These other benefits are referred to in this policy as Other Income Benefits and are discussed more fully in the section below entitled “Other Income Benefits” on page 16. Because this policy indemnifies the loss of a fixed percentage of Covered Salary, a Net Benefit is paid to you only when the total of all Other Income Benefits and earnings fails to provide the assured portion of Covered Salary.

Gross Benefit

Your Gross Benefit is the product of your Monthly Covered Salary and the Percent of Covered Salary Insured by this policy. The Percent of Covered Salary Insured is specified on the Benefit Summary.

Covered Salary will not exceed the Maximum Covered Salary specified on the Benefit Summary or the Annual Salary on which premiums have been paid. The Maximum Covered Salary is subject to periodic review and adjustment. When the Maximum Covered Salary is adjusted, we will revise the Employer’s Benefit Summary to reflect that adjustment. Your Benefit Summary is not revised, however, and therefore may show an outdated figure for Maximum Covered Salary.

You may consult the Employer’s Benefit Summary, or call us, for the currently effective Maximum Covered Salary.

Net Benefit

Your Gross Benefit will be reduced by fifty percent (50%) of any income you earn during any month through the active performance of any gainful activity. In addition, if the sum of the remaining fifty percent (50%) of such earnings and your Gross Benefit exceeds your Monthly Covered Salary, your Gross Benefit will be further reduced by that excess amount.

If you were earning income (in addition to your Covered Salary from the Employer) prior to becoming Disabled, we will not reduce your Gross Benefit by any portion of those monthly earnings unless the level of the earnings increases after your Disability. In that event, the Gross Benefit will be reduced by the amount of any increase in the manner described in the preceding paragraph.

After the Gross Benefit has been adjusted for earned income, it will be further reduced by the total of all Other Income Benefits for which you are eligible. The Benefit resulting from this further reduction is the Net Benefit due you.

In no event will we reduce your Gross Benefit by the amount of a cost of living adjustment in your Social Security Disability Insurance (SSDI) benefit if or to the extent that such a reduction will result in payment of a lower Net Benefit than the original Net Benefit we paid to you before the first SSDI cost of living adjustment was applied.

The concepts described in this section are illustrated by Example 3 in the Appendix to this policy.

Reduction in Earnings

We recognize that some impairments are progressive in nature and are not immediately disabling. Therefore, if you suffer an impairment which precludes the performance of some but not all of the duties of your Regular Occupation, and if your subsequent Disability results in a claim for Benefits, we will not consider any intermediate reduction in salary when calculating Benefits. Instead, we will determine Covered Salary, and hence Gross Benefit, by using your single highest Annual Salary for the two (2) year period immediately preceding your Date of Disability, **provided** that you prove that the reduction from the higher salary was involuntary and due to physical or mental impairment(s). Covered Salary will be determined in this manner even though the premium has been paid on the basis of the reduced salary rather than the Covered Salary.

Benefits During Rehabilitation and Retraining

We also recognize that many Covered Employees will need to resume partial work responsibilities in a rehabilitation or retraining program and encourage you to participate in such programs. When we have preapproved the continuation of Benefits in the context of such work activity, then Benefits will continue, subject to the integration and all other provisions of the policy.

Integration of Other Income Benefits

The calculation of the Net Benefit due you requires adjusting your Gross Benefit by the total amount of all Other Income Benefits received by or available to you. This process of adjusting your Gross Benefit by the amount of Other Income Benefits to arrive at your Net Benefit is called **integration**. The concepts described in this section and in the section below entitled “Other Income Benefits” are illustrated by Example 2 in the Appendix to this policy.

Your Gross Benefit will always be reduced by all Other Income Benefits which are **available** to you or which you are **eligible** to receive as a result of your Disability, **whether or not** you apply for and receive such payments or benefits. These Other Income Benefits are listed in the section below entitled “Other Income Benefits.”

To receive the full measure of income assured by this policy, you **must** apply for all Other Income Benefits for which you may be eligible as soon as you are entitled to Benefits under this policy. If you do not apply for and actively pursue in good faith all Other Income Benefits for which you may be eligible, we may make our own conclusion as to whether you are entitled to those benefits. If we reasonably and in good faith determine that you are probably entitled to Other Income Benefits, we will estimate the amount of those benefits and reduce the Gross Benefit by that estimated amount as of the date on which we deem you were eligible to receive those Other Income Benefits. Integration of the estimated amount of those Other Income Benefits that we have determined are available to you will continue until you provide us with proof that you have filed the appropriate application(s) for those Other Income Benefits.

We will not estimate the amount of Other Income Benefits nor reduce your Gross Benefit while applications or administrative appeals for Other Income Benefits are pending, **provided**:

- You apply for in good faith and pursue to our satisfaction all Other Income Benefits for which we determine you might be eligible;
- You designate, at our request, an agent endorsed by us as your representative in the application process and cooperate with that representative at all stages of the application process;
- You keep us timely informed of the status of all applications for Other Income Benefits;
- You sign a Reimbursement Agreement; **and**
- You pursue, when approved by us, administrative appeals of Other Income Benefit denials.

Other Income Benefits

Types of Benefits

The other benefits available to or received by you because of Disability or Total Disability are referred to as Other Income Benefits.

Your Gross Benefit will be reduced by the amount of all Other Income Benefits which you are eligible to receive as a result of Disability or Total Disability including, but not limited to, the following:

1. Any payment from a governmental (federal, state, or political subdivision of a state) benefit plan, under any name, title, or description and whether insured or funded by the governmental unit, for which eligibility and level of benefit is based in whole or in part on your Disability or Total Disability, including, but not limited to, the following:

- **Social Security Disability Insurance (SSDI) benefits**, including Auxiliary and/or Dependents' benefits based on your Social Security earnings record. Integration of Auxiliary and Dependents' Social Security benefits will occur if indicated on the Benefit Summary.

If you are eligible for SSDI benefits but choose instead to receive a Social Security Retirement Insurance benefit, we will estimate the amount of the SSDI benefit which you were eligible to receive and will integrate Benefits under this policy with the estimated amount. In such event, your Benefits under this policy will cease two (2) years from the Date of Disability.

- **Wisconsin Retirement System (WRS) disability benefits**. If you are eligible for WRS disability benefits but choose instead to receive a WRS retirement annuity or a WRS separation benefit, we will estimate the amount of the WRS disability benefit which you were eligible to receive and will integrate the Benefits under this Policy and the estimated amount.

- **Worker's Compensation benefits**, or benefits from any other payment program established under similar law, including amounts payable due to settlement of a disputed claim by stipulation or compromise.

2. **Unemployment Compensation benefits** you receive for or during any period in which we pay you a Benefit.
3. Any payment from an **Employer-sponsored (group or individual) Long Term or Short Term Disability plan**, if any portion of the premium is paid by the Employer.*
4. Any payment pursuant to the "work loss" coverage available through individual **no-fault automobile** insurance policies.*
5. **Sick leave pay** you receive from your Employer. In determining whether you are entitled to sick leave pay and whether that sick leave pay is subject to integration, we will apply the rule(s) established by your Employer which are uniformly applicable to Employees' entitlement to receive sick leave pay.

In the absence of an established Employer rule regarding sick leave pay, we will integrate the cash value of all disability-related, cash or non-cash, benefits which are based on your accrued sick leave and provided to you by your Employer.

- * When integrating these benefit payments, your Gross Benefit will be reduced by only that portion of the benefit which exceeds the percentage of your Covered Salary that this policy does not insure.

Lump Sum Award of Benefits

If you receive Other Income Benefits in a lump sum payment, we will integrate those benefits and the Benefits under this policy in one of the following ways:

1. If you receive a **retroactive** lump sum payment of Other Income Benefits for a period of time during which you received Benefits under this policy, we may reduce one or more subsequent Benefit payments

under this policy to fully recoup the amount of the overpayment resulting from the retroactive Other Income Benefit award, or we may require that you immediately repay in full the overpayment resulting from the retroactive Other Income Benefit award.

2. If you receive a **prospective** lump sum payment of Other Income Benefits which covers a period of time during which you will receive Benefits under this policy, we will allocate that lump sum payment over a reasonable number of months in the future and will reduce your Gross Benefit by the monthly pro rata share.

Income Not Subject to Integration

We will not reduce your Gross Benefit by the amount of other income or benefits you receive which you could have received even if you were not Disabled or Totally Disabled. For example, we will not reduce your Gross Benefit by the amount you receive for accrued vacation pay, severance pay, deferred compensation, or retirement income benefits.

Appeal of a Denial of Other Income Benefits

When we determine that reasonable grounds exist to appeal a denial of Other Income Benefits, you must actively pursue in good faith the administrative appeal(s) of such denial. We will pay the reasonable and necessary costs of administrative appeals that we approve regardless of the outcome of the appeal and will pay the reasonable and necessary costs of a non-approved administrative appeal if the appeal is successful.

Benefit Calculation

The Benefit calculation methods described in this section are illustrated by Example 1 in the Appendix to this policy.

Contract Day Method

During the twenty-four (24) month period following your Date of Disability, your Benefits will be calculated on a contract day basis. Under this method, your Covered

Salary is divided by the number of scheduled work days in your contracted work year to yield a daily rate of pay. Each month, this daily rate of pay is multiplied by the number of scheduled work days you are unable to work due to Disability and then by the Percent of Covered Salary Insured indicated on the Benefit Summary to yield a Gross Benefit for that month.

The contract day method of Benefit calculation is intended to calculate, each month, the amount of salary you would have earned except for your Disability. For example, if your Covered Salary is \$38,000 and your work year has 190 scheduled work days, your daily rate of pay is \$200. If you satisfy your Elimination Period on November 12 and have 11 remaining scheduled work days in November, your Gross Benefit for November would be calculated using a salary value of \$2,200 (\$200/day times 11 days) multiplied by the Percent of Covered Salary Insured stated on your Benefit Summary. If you were Disabled all of December and had 18 scheduled work days in December, your Gross Benefit for December would be calculated using a salary value of \$3,600 (\$200/day times 18 days). Under this payment method, it should be noted that, during the first twenty-four (24) months of a Period of Disability, **we will not pay a Benefit to you in months during which you are not ordinarily scheduled to work.** Thus, if you are Disabled in July and had no scheduled work days in July, your Gross Benefit for July would be zero.

Monthly Method – Annualization of Salary

To facilitate the administration of the policy and to establish consistent monthly Benefit payments for each Covered Employee, we will “annualize” Covered Salary after twenty-four (24) months of a Period of Disability. To “annualize” your Covered Salary, we will divide your Covered Salary by twelve (12) to yield a Monthly Covered Salary. The Monthly Covered Salary will then be multiplied by the Percent of Covered Salary Insured indicated on the Benefit Summary to yield your Gross Benefit.

When Covered Salary is “annualized,” the method of Benefit calculation changes from the contract day method outlined above to the monthly method. We will always “annualize” your Covered Salary twenty-four (24) months after your Date of Disability. Monthly Benefit payments based on the “annualized” Covered Salary begin in the twenty-fifth (25th) month of a Period of Disability.

We may “annualize” your Covered Salary sooner if we deem the monthly method to be a more reasonable and equitable method of calculating Benefit payments. We may also “annualize” Covered Salary, and calculate and pay Benefits accordingly, when you become eligible for Other Income Benefits which are paid on a monthly basis (e.g., SSDI benefits or WRS disability benefits).

We have the right, at our sole discretion, to pay the Net Benefit due you for any twelve (12)-month period in a lump sum at the beginning of that period.

Cost of Living Adjustments

This policy may include an amendment which specifies a Cost of Living Adjustment (COLA) Benefit. The amendment, if in force, provides for an annual adjustment to your Covered Salary. The adjusted Covered Salary is then used to calculate a new monthly Benefit. We offer two types of COLAs:

- The WEA Cost of Living Adjustment Benefit; and
- The CPI-U Cost of Living Adjustment Benefit.

The Benefit Summary indicates which, if either, of the COLA amendments applies to this policy. If a COLA applies, the Gross Benefit will be recalculated annually using the recalculation procedure set forth in the applicable Cost of Living Adjustment Amendment.

Benefit Termination Dates

Benefit payments pursuant to this policy terminate on the **earliest** of the following dates:

1. The date on which the Maximum Benefit Period specified on the Benefit Summary has been reached;
2. The date of your death;
3. The date on which you fail to furnish proof satisfactory to us that you remain Disabled or Totally Disabled as described in Article IV; **or**
4. The date which is twenty-four (24) months after your Date of Disability **unless**:
 - You have applied for WRS disability benefits (**unless** you are not eligible for a disability determination from the Wisconsin Department of Employee Trust Funds);
 - You are receiving Social Security Disability Insurance benefits (**unless** you are ineligible for a Social Security disability determination because you are not a participant in any benefit programs offered through the Social Security Administration); **and**
 - We have found you to be Totally Disabled.

If Benefits under this policy are suspended for six (6) consecutive months due to your failure to comply with all of the requirements of this policy, we can irrevocably terminate all further Benefits under this policy.

If you cease to be Disabled or Totally Disabled on a date which is more than twelve (12) months after you satisfied the Elimination Period and on which you would not regularly be scheduled to work (e.g., the summer months or periods between academic terms), Benefits under this policy will terminate on the day before the date that you would regularly be scheduled to resume active employment.

Company's Right of Recoupment

We will not pay Benefits to you before you sign a Reimbursement Agreement and that Agreement is on file with us.

Whenever we have made payments to you in excess of the amount required by the provisions of this policy, or during periods of time for which you subsequently receive a retroactive benefit from any Other Income Benefit source, you will reimburse us for any such excess, duplicate, or erroneous payments.

Upon request, you must execute and deliver to us such documents as may be required and do whatever else is necessary to secure our rights to recover any excess, duplicate, or erroneous payments.

You must reimburse us in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this policy. Such reimbursement will be due and payable immediately upon our notification to and demand of you. Or, at our option, the subsequent payment of Benefits or the refund of any premium owed you by us may be reduced or refused as a setoff and applied toward such reimbursement. If you delay in notifying us of your receipt of an Other Income Benefit or in making reimbursement to us, we will have the right to charge interest at a reasonable rate on the delinquent amount owed us.

Our acceptance of premium or other fees, or our providing or paying of Benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to us at law or in equity.

Article VII

Exclusions and Limitations

1. Benefits are not payable with respect to any Disability or Total Disability:

- Which results from service in the armed forces of any country or results from an act of war, whether declared or undeclared.
- Which occurs during any military leave for active duty (including training duty) in the National Guard or any active or reserve component of the military forces of any state or country including the United States.
- Which is caused or contributed to by intentionally self-inflicted injuries or attempted suicide.
- Arising from your participation in committing a felony.

2. Benefits are not payable with respect to any Period of Disability, or portion thereof, during which:

- You are not under the Regular Care of a Physician.
- You fail to satisfy your obligations as set forth in this policy.
- You are incarcerated for any reason.

We have the right to suspend Benefit payments during any period in which a limitation of the policy applies.

Article VIII

Responsibilities of a Disabled Covered Employee

Duty to Make Efforts to Recover and Otherwise Mitigate Losses

You must make a good faith effort to recover from, or reduce the severity of, your disability and the resulting loss of income, or you will forfeit Benefits. The policy requires you to take a variety of actions in this regard, including, but not limited to, the following:

1. You must accept any position within a broad definition of Regular Occupation that you can perform and the Employer makes available during the first twenty-four (24) months of Disability regardless of whether the compensation for such work is less than your Covered Salary. The income earned will be treated as described in Article VI in the section entitled "Net Benefit" on page 14.
2. You must arrange for and utilize the Regular Care of a Physician. In addition, you must pursue any reasonable medical procedure or treatment which would likely ameliorate or end your Disability and which does not pose unreasonable risks.
3. You must submit periodic, objective medical and/or psychiatric evidence from a Physician to substantiate that the Covered Loss is due to and continues to result from Disability.

4. You must engage in appropriate medical and/or occupational rehabilitation programs where these exist and can reasonably be expected to enable you to return to work, and notify us of such participation.
5. You must appeal denials of Other Income Benefits, and actively pursue that appeal in good faith, when we determine that reasonable grounds exist for an appeal and request you to do so.
6. You must promptly provide us with all information which we reasonably determine is necessary to validate, calculate, document, or administer your claim for Benefits, including immediate notice and periodic verification of the receipt of earnings and Other Income Benefits.

Duty to Furnish Information

To receive Benefits under this policy, you must authorize and direct medical care providers and sources of earnings or Other Income Benefits to provide us with any and all information and records that we reasonably determine to be relevant to the determination of Benefits or eligibility for Benefits. We do not pay any fees charged for submitting this information to us and any such costs will be your responsibility.

Company's Right to Examine

We have the right to require that you be examined by a health care professional of our choice and at our expense, when and as often as it is reasonable with respect to any claim for Benefits.

We also have the right to require your cooperation in a vocational assessment by a vocational expert of our choice and at our expense, when and as often as it is reasonable with respect to any claim for Benefits.

Covered Employee's Failure to Comply

We have the right to **suspend** Benefits during any portion of a Period of Disability in which you fail to comply with all of the requirements set forth in the policy.

We have the further right to **terminate** irrevocably all further Benefits under this policy when Benefits have been suspended for a period of six (6) consecutive months due to your failure to comply with all of the requirements of this policy.

Article IX

Subrogation

In some circumstances, we may pay Benefits to you even though another party or insurance company is liable for your loss of income. The following provisions establish our right, in such circumstances, to seek repayment from the liable party or parties of the Benefits we pay you. This right is known as the right of subrogation. You must cooperate with us in our attempts to recover payments from the liable party or parties.

We retain all rights of subrogation with respect to Benefits provided to you pursuant to this policy. In accepting the Benefits paid by us, you also accept the obligations below:

- To subrogate us to the rights, claims, interests, and causes of action which you may have against any party who may be liable for your injury, illness, or other loss, including any payments to which you are entitled under the uninsured or underinsured motorist provisions of an automobile insurance policy or a no-fault insurance policy, to the extent that we have provided Benefits for lost income under this policy;
- To transfer and assign such rights, claims, interests, and causes of action to us contemporaneous with, and to the extent of, any Benefits paid by us;
- To cooperate with us in any effort to recover Benefits paid by us from others who are liable for your injury, illness, or other loss. Such cooperation will include, but not be limited to, providing us with reasonable prior notice of and opportunity to participate in any claim by you against any such liable party or any settlement of such claim; **and**
- To make no settlement or compromise with any party or take any action to prejudice our subrogation rights.

Your right to be made whole for your loss takes priority over our right to recover the Benefits paid to you from the party who is liable for the loss. However, this provision does not obligate us to waive legal rights that we may have.

We are entitled to recover from you any reasonable costs and attorney's fees which we incur in enforcing our rights under this Article against you.

Article X

Appeal Procedure

Rights of the Covered Employee

If we deny your claim for Benefits, you have the following rights under this policy:

1. The right to submit, within the time required by this policy, all relevant evidence of entitlement to Benefits.
2. The right to a full and fair review of all claims submitted pursuant to this policy.
3. The right to a written explanation of the reason(s) for any denial of a claim for Benefits, including reference to the policy provisions on which the denial was based.
4. The right to examine any document in our possession relevant to your claim.
5. The right to appeal the denial of a claim for Benefits to our Board of Directors pursuant to our Appeal Procedure, **provided** that the appeal is properly submitted within sixty (60) days of the date on our final notice of denial of the claim. The Appeals Committee of the Board of Directors will issue a written decision on the appeal.
6. The right to obtain a written explanation of the procedures and requirements of our Appeal Procedure, including any necessary forms, by writing to our President or General Counsel at WEA Insurance Corporation, P.O. Box 7338, Madison, Wisconsin 53707-7338.

Legal Actions by the Covered Employee

No action at law or in equity may be brought to recover on this policy unless you have exhausted the Appeal Procedure referred to above. No such action may be brought after the expiration of three (3) years after the time written Proof of Loss is required to be furnished. However, this three-year period within which you may file a legal action will not include the period of time starting from the date we receive your appeal and ending on the date the Appeals Committee issues its written decision on the appeal.

Appendix

EXAMPLE 1: BENEFIT CALCULATION METHODS

The Benefit calculation methods described in Article VI in the section entitled “Benefit Calculation” are illustrated below.

A. BENEFIT CALCULATION METHOD: CONTRACT DAY

Date of Disability:	February 24, 1996
Elimination Period:	60 days
Date eligible for Benefits:	April 24, 1996
Disability ends:	April 23, 1997
Covered Salary:	\$38,000.00
Percent of Covered Salary Insured:	90%
Days in contracted work year:	190 days
Daily Gross Benefit:	\$180.00 (\$38,000.00 ÷ 190 x 90%)

Month/Year	Number of Days Payable	Daily Gross Benefit	Net Benefit Paid
April 1996	5	\$ 180.00	\$ 900.00
May 1996	22	\$ 180.00	\$ 3,960.00
June 1996	4	\$ 180.00	\$ 720.00
July 1996	0	\$ 180.00	\$ -0-
August 1996	9	\$ 180.00	\$ 1,620.00
September 1996	21	\$ 180.00	\$ 3,780.00
October 1996	22	\$ 180.00	\$ 3,960.00
November 1996	20	\$ 180.00	\$ 3,600.00
December 1996	15	\$ 180.00	\$ 2,700.00
January 1997	20	\$ 180.00	\$ 3,600.00
February 1997	20	\$ 180.00	\$ 3,600.00
March 1997	15	\$ 180.00	\$ 2,700.00
April 1997	17	\$ 180.00	\$ 3,060.00
Total	190	\$ 180.00	\$ 34,200.00

B. BENEFIT CALCULATION METHOD: ANNUALIZED SALARY

Date of Disability: February 24, 1996
 Elimination Period: 60 days
 Date eligible for Benefits: April 24, 1996
 Disability ends: April 23, 1997
 Covered Salary: \$36,000.00
 Percent of Covered Salary Insured: 90%
 Monthly Gross Benefit: \$2,700.00 (\$36,000.00 ÷ 12 x 90%)
 Daily Gross Benefit for partial month: \$90.00 (\$2,700.00 ÷ 30)

Month/Year	Number of Days Payable	Daily Gross Benefit for Partial Month	Net Benefit Paid
April 1996	7	\$ 90.00	\$ 630.00
May 1996	30	\$ 90.00	\$ 2,700.00
June 1996	30	\$ 90.00	\$ 2,700.00
July 1996	30	\$ 90.00	\$ 2,700.00
August 1996	30	\$ 90.00	\$ 2,700.00
September 1996	30	\$ 90.00	\$ 2,700.00
October 1996	30	\$ 90.00	\$ 2,700.00
November 1996	30	\$ 90.00	\$ 2,700.00
December 1996	30	\$ 90.00	\$ 2,700.00
January 1997	30	\$ 90.00	\$ 2,700.00
February 1997	30	\$ 90.00	\$ 2,700.00
March 1997	30	\$ 90.00	\$ 2,700.00
April 1997	23	\$ 90.00	\$ 2,070.00
Total	360	\$ 90.00	\$ 32,400.00

EXAMPLE 2: INTEGRATION OF OTHER INCOME BENEFITS

The concepts described in Article VI in the sections entitled “Integration of Other Income Benefits” and “Other Income Benefits” are illustrated by the examples below.

EXAMPLE 2A: INTEGRATION OF WORKER’S COMPENSATION BENEFITS

Date of Disability:	February 24, 1996
Elimination Period:	60 days
Date eligible for Benefits:	April 24, 1996
Covered Salary:	\$38,000.00
Percent of Covered Salary Insured:	90%
Days in contracted work year:	190 days
Daily Gross Benefit:	\$180.00 (\$38,000.00 ÷ 190 days x 90%)
Monthly Gross Benefit:	\$2,850.00 (\$38,000.00 ÷ 12 months x 90%)
Worker’s Compensation effective:	February 27, 1996
Weekly benefit:	\$120.00
Worker’s Compensation ceases:	September 15, 1996

To allow proper integration, the Worker’s Compensation weekly benefit must be converted to a daily benefit:

Worker’s Compensation weekly benefit:	\$120.00
Divide by 6	<u> ÷ 6</u>
(Worker’s Compensation pays 6 days/week)	\$ 20.00 (Worker’s Compensation daily benefit)

1. If Benefits are paid on a contract day basis, the daily Gross Benefit payable will be reduced by the Worker’s Compensation daily benefit for each day such benefit is received.

2. BENEFIT CALCULATION METHOD: ANNUALIZED SALARY

If Benefits are paid on a monthly basis because the Covered Salary has been annualized, the full *monthly* Worker’s Compensation benefit will be used for integration purposes.

To determine the *monthly* Worker’s Compensation benefit, multiply the daily Worker’s Compensation benefit by the number of days Worker’s Compensation benefits are paid in a given month. (This number will vary and can be obtained by simply subtracting the number of Sundays in the month.)

Example: Worker’s Compensation benefits payable for May 1996

$$\$20.00 \times 27 \text{ days} = \$540.00$$

Monthly Gross Benefit:	\$ 2,850.00
Monthly Worker’s Compensation benefit:	<u> 540.00</u>
Monthly Net Benefit:	\$ 2,310.00

3. BENEFIT CALCULATION METHOD: CONTRACT DAY/PARTIAL MONTH

If Benefits are paid on a contract day basis for a *partial* month, the *monthly* Worker's Compensation benefit must be divided by the total number of days Benefits could have been payable in that month to arrive at the daily Worker's Compensation integration amount.

Example: May 1996

$\$540.00 \div 22 \text{ days payable} = \24.54 (Daily Worker's Compensation amount to be integrated.)

Worker's Compensation weekly benefit:	\$120.00*
Worker's Compensation daily benefit:	\$20.00 ($\$120.00 \div 6$)
Worker's Compensation monthly benefit:	\$540.00 ($\$20.00 \times 27 \text{ days}$)
Daily Gross Benefit:	\$180.00
Number of days Benefits payable	22 days
Gross Benefit:	\$ 3,960.00 ($\$180.00 \times 22 \text{ days}$)
Worker's Compensation integration amount:	<u>\$ 539.88</u> ($\$24.54 \times 22 \text{ days}$)
Net Benefit:	\$ 3,420.12

* This amount is based on a set weekly Worker's Compensation benefit such as Temporary Total Disability (TTD) benefits. Temporary Partial Disability (TPD) benefits will fluctuate. You must submit actual Worker's Compensation benefits paid and earnings received during any period you receive TPD benefits.

Worker's Compensation benefits paid to you during the summer months will be included in our integration calculations.

Minor variances in calculations are due to rounding.

EXAMPLE 2B: INTEGRATION OF SSDI BENEFITS IN FIRST YEAR OF DISABILITY
(Method is the same for integration with WRS disability benefits in first year.)

BENEFIT CALCULATION METHOD: CONTRACT DAY

Date of Disability: February 24, 1996
Elimination Period: 60 days
Date eligible for Benefits: April 24, 1996
Annualization Date: May 1, 1997
Covered Salary: \$38,000.00
Percent of Covered Salary Insured: 90%
Days in contracted work year: 190 days
Daily Gross Benefit: \$180.00 (\$38,000.00 ÷ 190 days x 90%)
SSDI effective date: September 1, 1996
Monthly SSDI benefit: \$1,085.00
Daily SSDI benefit: \$56.00**

**Daily SSDI calculation for integration purposes:

- 1) Multiply the monthly benefit by the number of months benefits will be received prior to annualization of salary (\$1,085.00 x 8 months = \$8,680.00); and
- 2) Divide the product by the number of days WEA Insurance will pay Benefits during that same time period (\$8,680.00 ÷ 155 = \$56.00/day).

Month and Number of Days Benefits Payable	Gross Benefit Payable (90% of Covered Salary)	SSDI (effective 9/1/96)	Net Benefit Paid
April 1996 (5 days)	\$ 900.00	\$ -0-	\$ 900.00
May 1996 (22 days)	\$ 3,960.00	\$ -0-	\$ 3,960.00
June 1996 (4 days)	\$ 720.00	\$ -0-	\$ 720.00
July 1996 (0 days)	\$ -0-	\$ -0-	\$ -0-
August 1996 (9 days)	\$ 1,620.00	\$ -0-	\$ 1,620.00
September 1996 (21 days*)	\$ 3,780.00	\$ 1,176.00	\$ 2,604.00
October 1996 (22 days*)	\$ 3,960.00	\$ 1,232.00	\$ 2,728.00
November 1996 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 2,480.00
December 1996 (15 days*)	\$ 2,700.00	\$ 840.00	\$ 1,860.00
January 1997 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 2,480.00
February 1997 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 2,480.00
March 1997 (15 days*)	\$ 2,700.00	\$ 840.00	\$ 1,860.00
April 1997 (22 days*)	\$ 3,960.00	\$ 1,232.00	\$ 2,728.00
Total 195 days	\$ 35,100.00	\$ 8,680.00	\$26,420.00

* Integration days = 155

In this 12-month period (April 24, 1996, through May 1, 1997):

WEA Insurance pays: \$26,420.00
SSDI pays: \$ 8,680.00 (8 months x \$1,085.00)

WEA Insurance integrates: \$ 8,680.00 (\$56.00 x 155 days)

Total Benefit entitlement = \$34,200.00 (90% of Annual Salary = .90 x \$38,000.00)

Total benefits received = \$35,100.00 (\$26,420.00 + \$8,680.00)***

***Total benefits received exceed one year's total Benefit *entitlement* by \$900.00 because the first month of disability was a partial month and contract day Benefits are paid until the "annualization date" which in this case is May 1, 1997. Thus, five contract days are paid from April 24, 1997, to May 1, 1997. (5 days x \$180.00/day = \$900.00)

Minor variances in calculations are due to rounding.

EXAMPLE 2C: INTEGRATION OF COMBINED SSDI & WRS DISABILITY BENEFITS

BENEFIT CALCULATION METHOD: CONTRACT DAY

Date of Disability:	February 24, 1996
Elimination Period:	60 days
Date eligible for Benefits:	April 24, 1996
Annualization date:	May 1, 1997
Covered Salary:	\$38,000.00
Percent of Covered Salary Insured:	90%
Days in contracted work year:	190 days
Daily Gross Benefit:	\$180.00 (\$38,000.00 ÷ 190 days x 90%)
SSDI effective date:	September 1, 1996
Monthly SSDI benefit:	\$1,085.00
Daily SSDI benefit:	\$56.00 (\$1,085.00 x 8 months ÷ 155 days)**
WRS effective date:	August 1, 1996
Monthly WRS benefit:	\$1,476.00
Daily WRS benefit:	\$81.00 (\$1,476.00 x 9 months ÷ 164 days)**

**Daily SSDI/WRS calculation for integration purposes.

- 1) Multiply the monthly SSDI/WRS benefit by the number of months SSDI/WRS benefits will be received prior to annualization of salary; and
- 2) Divide the product by the number of days WEA Insurance will pay Benefits during that same time period.

Month and Number of Days Benefits Payable	Gross Benefit Payable (90% of Covered Salary)	SSDI (Effective 9/1/96)	WRS (Effective 9/1/96)	Net Benefit Paid
April 1996 (5 days)	\$ 900.00	\$ -0-	\$ -0-	\$ 900.00
May 1996 (22 days)	\$ 3,960.00	\$ -0-	\$ -0-	\$ 3,960.00
June 1996 (4 days)	\$ 720.00	\$ -0-	\$ -0-	\$ 720.00
July 1996 (0 days)	\$ -0-	\$ -0-	\$ -0-	\$ -0-
August 1996 (9 days*)	\$ 1,620.00	\$ -0-	\$ 729.00	\$ 891.00
September 1996 (21 days*)	\$ 3,780.00	\$ 1,176.00	\$ 1,701.00	\$ 903.00
October 1996 (22 days*)	\$ 3,960.00	\$ 1,232.00	\$ 1,782.00	\$ 946.00
November 1996 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 1,620.00	\$ 860.00
December 1996 (15 days*)	\$ 2,700.00	\$ 840.00	\$ 1,215.00	\$ 645.00
January 1997 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 1,620.00	\$ 860.00
February 1997 (20 days*)	\$ 3,600.00	\$ 1,120.00	\$ 1,620.00	\$ 860.00
March 1997 (15 days*)	\$ 2,700.00	\$ 840.00	\$ 1,215.00	\$ 645.00
April 1997 (22 days*)	\$ 3,960.00	\$ 1,232.00	\$ 1,782.00	\$ 946.00
Total 195 days	\$ 35,100.00	\$ 8,680.00	\$ 13,284.00	\$13,136.00

* Integration days = 155 days for SSDI benefits; 164 days for WRS benefits

In this 12-month period (April 24, 1996, through May 1, 1997):

WEA Insurance pays:	\$13,136.00
SSDI pays:	\$ 8,680.00 (8 months x \$1,085.00)
WRS pays:	\$13,284.00 (9 months x \$1,476.00)
WEA Insurance integrates:	\$21,964.00 (\$8,680.00 + \$13,284.00)

Total Benefit entitlement = \$34,200.00 (90% of Annual Salary = .90 x \$38,000.00)

Total benefits received = \$35,100.00 (\$13,136.00 + \$8,680.00 + \$13,284.00)***

***Total benefits received exceed one year's total Benefit *entitlement* by \$900.00 because the first month of disability was a partial month and contract day Benefits are paid until the "annualization date" which in this case is May 1, 1997. Thus, five contract days are paid from April 24, 1997, to May 1, 1997 (5 days x \$180.00/day = \$900.00).

Minor variances in calculations are due to rounding.

EXAMPLE 2D: INTEGRATION OF SSDI BENEFITS AFTER “ANNUALIZATION” OF SALARY (Showing COLA implementation and “Social Security Freeze.”)

BENEFIT CALCULATION METHOD: ANNUALIZED SALARY

Date of Disability:	February 24, 1996
Initial Covered Salary:	\$36,000.00
Percent of Covered Salary Insured:	90%
Initial Monthly Gross Benefit:	\$2,700.00 (\$36,000.00 ÷ 12 months x 90%)
Initial SSDI benefit:	\$1,060.00

Initial “Social Security Freeze” calculation:

Initial Gross Benefit:	\$2,700.00
Initial SSDI Benefit:	<u>- 1,060.00</u>
Original Net Benefit and “Freeze” figure:	\$1,640.00

(The “Freeze” figure refers only to the initial reduction for SSDI benefits.)

If, at any time, the monthly Net Benefit is the same as or higher than the freeze figure, we will use that Net Benefit and reduce it by all other benefits and earnings. If the monthly Net Benefit is lower than the freeze figure, we will use the freeze figure and reduce it by all other benefits and earnings.

SSDI Cost of Living Adjustment:

Increase of 2.9% effective December 1, 1996: $\$1,060.00 \times 1.029 = \$1,090.00$

Note: The Social Security Administration rounds SSDI benefits to next **lower** dollar.

First LTD COLA:	March 1, 1997 (\$36,000.00 x 2.0% = \$720.00)*
New Covered Salary:	\$36,720.00
New Monthly Gross Benefit:	\$2,754.00 (\$36,720.00 ÷ 12 x 90%)

***Note:** Please see the WEA Cost of Living Adjustment Benefit on page 41 or the CPI-U Cost of Living Adjustment Benefit on page 44 for details of COLA calculation.

In no event will we reduce your Gross Benefit by the amount of a cost of living adjustment in your Social Security Disability Insurance (SSDI) benefit if or to the extent that such a reduction will result in a lower Net Benefit than the original Net Benefit we paid to you before the first SSDI cost of living adjustment was applied. In effect, this means that, while you are receiving Benefits, your total income from all sources (policy Benefits, Other Income Benefits, and earnings) will increase each year by at least the amount of your SSDI cost of living adjustment.

Monthly Benefit after March 1, 1997:

Monthly Gross Benefit:	\$2,754.00
Monthly SSDI benefit:	<u>- 1,090.00</u>
Monthly Net Benefit:	\$1,664.00

Minor variances in calculations are due to rounding.

EXAMPLE 3: INTEGRATION OF EARNINGS

The concepts described in Article VI in the section entitled “Net Benefit” are illustrated below:

BENEFIT CALCULATION METHOD: CONTRACT DAY

Date of Disability:	February 24, 1996
Elimination Period:	60 days
Date eligible for Benefits:	April 24, 1996
Covered Salary:	\$38,000.00
Percent of Covered Salary Insured:	90%
Days in contracted work year:	190 days
Daily Covered Salary:	\$200.00 (\$38,000.00 ÷ 190)
Daily Benefit:	\$180.00 (\$200.00 x 90%)
Return to work half-time (50%):	September 1, 1996
Daily earnings:	\$105.00 (current salary \$39,900.00* ÷ 190 days x 50%)
Return to work full-time:	February 3, 1997

***Note:** Salary increased with new contract year.

WEA Insurance reduces your Gross Benefit by 50% of any income you earned during any month through the active performance of any gainful activity. In addition, if the sum of the remaining 50% of such earnings and your Gross Benefit exceeds your Covered Salary, your Gross Benefit will be further reduced by that excess amount. Your earnings and Benefits in combination may equal but not exceed 100% of your pre-disability Covered Salary.

Daily calculations:

\$180.00	Daily Gross Benefit
- <u>52.50</u>	Daily earnings (\$105.00 x 50%)
\$127.50	Daily Benefit before checking for excess earnings

Check for excess earnings:

\$ 180.00	Gross Benefit
+ <u>52.50</u>	Remaining 50% of earnings
\$ 232.50	Total Benefits and earnings exceed Daily Covered Salary
- <u>200.00</u>	Daily Covered Salary
\$ 32.50	Benefit must be reduced by this excess

Final calculation:

\$ 180.00	Gross Benefit
- 52.50	50% of daily earnings
- <u>32.50</u>	Amount by which remaining 50% of earnings exceeds Daily Covered Salary
\$ 95.00	Net Benefit

Monthly Calculations:

Month and Number of Days Benefits Payable		Gross Benefit Payable (90% of Covered Salary)	Earnings (effective 9/1/96)	Net Benefits Paid
April 1996	(5 days)	\$ 900.00	\$ -0-	\$ 900.00
May 1996	(22 days)	\$ 3,960.00	\$ -0-	\$ 3,960.00
June 1996	(4 days)	\$ 720.00	\$ -0-	\$ 720.00
July 1996	(0 days)	\$ -0-	\$ -0-	\$ -0-
August 1996	(9 days)	\$ 1,620.00	\$ -0-	\$ 1,620.00
September 1996	(21 days*)	\$ 3,780.00	\$ 2,205.00	\$ 1,995.00
October 1996	(22 days*)	\$ 3,960.00	\$ 2,310.00	\$ 2,090.00
November 1996	(20 days*)	\$ 3,600.00	\$ 2,100.00	\$ 1,900.00
December 1996	(15 days*)	\$ 2,700.00	\$ 1,575.00	\$ 1,425.00
January 1997	(20 days*)	\$ 3,600.00	\$ 2,100.00	\$ 1,900.00
February 1997	(0 days)	\$ -0-	\$ -0-	\$ -0-
Total	140 days	\$ 24,840.00	\$ 10,290.00	\$16,510.00

* Integration days = 98

During your half-time return to work, your earnings and Benefits in combination can equal but not exceed 100% of your pre-disability Covered Salary.

100% of pre-disability income for return to work period
September 1, 1996, through January 31, 1997: \$19,600.00 (98 days x \$200.00)

Earnings - September 1, 1996, through January 31, 1997: \$10,290.00 (98 days x \$105.00)
Benefits - September 1, 1996, through January 31, 1997: \$ 9,310.00 (98 days x \$95.00)

Total Benefits and earnings for return to work period
September 1, 1996, through January 31, 1997: \$19,600.00

Total Benefits and earnings for entire period of disability
April 24, 1996, through January 31, 1997: \$26,800.00 (\$16,510.00 + \$10,290.00)

If you are working at another position and earning income before you become Disabled, and if you are able to continue working in that position after you become Disabled, we will **not** reduce your Gross Benefit by any portion of the income you earn at that other position. If, after Disability, you are able to increase your earnings from this other position, we will reduce your Gross Benefit by such increase in earnings in the manner noted above.

Minor variances in calculations are due to rounding.

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Amendments

These amendments are not part of this policy unless they are listed on your Benefit Summary.

WEA Insurance Corporation Group Long Term Disability Policy and Certificate Amendment

This amendment is only applicable if your Benefit Summary indicates “Minimum Benefit: 25% of Gross Benefit”

In consideration of the mutual agreement between the WEA Insurance Corporation and the Employer, the Group Long Term Disability Policy and Certificate, to which this amendment is attached and made a part, is hereby amended as follows:

Minimum Benefit

The following paragraph is hereby added to the section entitled “Net Benefit” in Article VI:

Any reduction of your Gross Benefit by the amount of Other Income Benefits received by or available to you will not reduce your Net Benefit for any month to less than twenty-five percent (25%) of your Gross Benefit. In applying this Minimum Benefit for any period of less than one (1) month, a daily pro rata percentage will be used.

Except as expressly stated above, this amendment does not waive, alter, or extend any of the provisions or exclusions and limitations of the policy.

Amendment Effective Date – The effective date of this amendment is coincident with the Effective Date stated on the Benefit Summary.

WEA Insurance Corporation Group Long Term Disability Policy and Certificate Amendment

This amendment is only applicable if your Benefit Summary indicates “Minimum Benefit: \$50.00”

In consideration of the mutual agreement between the WEA Insurance Corporation and the Employer, the Group Long Term Disability Policy and Certificate, to which this amendment is attached and made a part, is hereby amended as follows:

Minimum Benefit

The following paragraph is hereby added to the section entitled “Net Benefit” in Article VI:

Any reduction of your Gross Benefit by the amount of Other Income Benefits received by or available to you will not reduce your Net Benefit for any month to less than Fifty Dollars (\$50.00). In applying this Minimum Benefit for any period of less than one (1) month, a daily pro rata percentage will be used.

Except as expressly stated above, this amendment does not waive, alter, or extend any of the provisions or exclusions and limitations of the policy.

Amendment Effective Date – The effective date of this amendment is coincident with the Effective Date stated on the Benefit Summary.

WEA Insurance Corporation Group Long Term Disability Policy and Certificate Amendment

This amendment is only applicable if your Benefit Summary indicates “Minimum Benefit: \$100.00”

In consideration of the mutual agreement between the WEA Insurance Corporation and the Employer, the Group Long Term Disability Policy and Certificate, to which this amendment is attached and made a part, is hereby amended as follows:

Minimum Benefit

The following paragraph is hereby added to the section entitled “Net Benefit” in Article VI:

Any reduction of your Gross Benefit by the amount of Other Income Benefits received by or available to you will not reduce your Net Benefit for any month to less than One Hundred Dollars (\$100.00). In applying this Minimum Benefit for any period of less than one (1) month, a daily pro rata percentage will be used.

Except as expressly stated above, this amendment does not waive, alter, or extend any of the provisions or exclusions and limitations of the policy.

Amendment Effective Date – The effective date of this amendment is coincident with the Effective Date stated on the Benefit Summary.

WEA Insurance Corporation Group Long Term Disability Policy and Certificate Amendment

This amendment is only applicable if your Benefit Summary indicates “WEA COLA”

In consideration of the mutual agreement between the WEA Insurance Corporation and the Employer, the Group Long Term Disability Policy and Certificate, to which this amendment is attached and made a part, is hereby amended as follows:

WEA Cost of Living Adjustment Benefit

The following provision is hereby added to Article VI:

If Disabled, you will be entitled to an annual cost of living adjustment to your monthly Benefits under this policy commencing on the later of the following dates:

- The first day of the first month which is twelve (12) months from the date you satisfy the Elimination Period, or
- The first day of the first month following the date on which changes in annual salaries for the teacher group are made effective for purposes of coverage and premium amounts under the policy.

The Monthly Covered Salary for purposes of this Amendment is the Monthly Covered Salary as defined in Article II of the policy.

Adjusted Monthly Covered Salary is defined as your Monthly Covered Salary plus the accumulated annual cost of living adjustments resulting from application of this Amendment.

Benefit Recalculation Procedures

If you are paid on the basis of the **teachers’ salary schedule**, your Gross Benefit will be recalculated pursuant to the following procedure:

1. We determine your Monthly Covered Salary on your Date of Disability. Your step and lane placement on the salary schedule are fixed as of your Date of Disability and will remain fixed for the entire Period of Disability.
2. In the first year of entitlement to the cost of living adjustment, your Monthly Covered Salary is multiplied by one hundred percent (100%) **plus** the annual percent increase (or **minus** the annual percent decrease) in salary for your step and lane, as determined from the teacher salary schedule in effect on the date the cost of living adjustment is to be applied, to arrive at your Adjusted Monthly Covered Salary.

3. The cost of living adjustment will be applied annually, **except** if no relevant salary increase is implemented for the teacher group for a given year, no cost of living adjustment will be applied in that year. In that case, the cost of living adjustment(s) will be retroactively applied to the first day of the month following the effective date of the new teacher salary schedule when that new salary schedule becomes effective and retroactive premium is paid.
4. In subsequent years, your Adjusted Monthly Covered Salary is multiplied by one hundred percent (100%) **plus** the annual percent increase (or **minus** the annual percent decrease) in salary for your step and lane, as determined from the teacher salary schedule in effect on each date the cost of living adjustment is to be applied, to arrive at your new Adjusted Monthly Covered Salary each year.
5. Your Gross Benefit is recalculated by multiplying the Adjusted Monthly Covered Salary by the Percent of Covered Salary Insured in effect under this policy on your Date of Disability.

In no event will your Gross Benefit exceed the Maximum Gross Benefit in effect under this policy on the date the cost of living adjustment is to be applied.

If you are not paid on the basis of the teachers' salary schedule, your Gross Benefit will be recalculated pursuant to the procedure set forth below. For the purposes of applying this cost of living adjustment, we determine annual salary increases and decreases relative to a **comparison teacher salary**. This comparison salary is calculated by averaging the following three salaries from the teachers' salary schedule: (1) BA Step O, (2) MA Step O, and (3) MA Step 10. We will determine the percent increase in this comparison salary using the teacher salary schedule in effect on your Date of Disability and the teacher salary schedule in effect on the date the cost of living adjustment is to be applied.

1. In the first year of entitlement to the cost of living adjustment, your Monthly Covered Salary on your Date of Disability is multiplied by one hundred percent (100%) **plus** the annual percent increase (or **minus** the annual percent decrease) in the comparison teacher salary, as determined from the teacher salary schedule in effect on the date the cost of living adjustment is to be applied, to arrive at your Adjusted Monthly Covered Salary.
2. The cost of living adjustment will be applied annually, **except** if no relevant salary increase is implemented for the teacher group for a given year, no cost of living adjustment will be applied in that year. In that case, the cost of living adjustment(s) will be retroactively applied to the first day of the month following the effective date of the new teacher salary schedule when that new salary schedule becomes effective and retroactive premium is paid.
3. In subsequent years your Adjusted Monthly Covered Salary is multiplied by one hundred percent (100%) **plus** the annual percent increase (or **minus** the annual percent decrease) in the comparison teacher salary, as determined from the teacher salary schedule in effect on each date the cost of living adjustment is to be applied, to arrive at your new Adjusted Covered Salary each year.
4. Your Gross Benefit is recalculated by multiplying your Adjusted Monthly Covered Salary by the Percent of Covered Salary Insured in effect under this policy on your Date of Disability.

In no event will your Gross Benefit exceed the Maximum Gross Benefit in effect under this policy on the date the cost of living adjustment is to be applied.

Integration of Other Income Benefits

Your recalculated Gross Benefit will be subject to the reductions required by the provisions of Article VI, in the sections entitled “Net Benefit,” on page 14, and “Benefits During Rehabilitation and Retraining,” on page 15, in effect under this policy on the date on which the cost of living adjustment is to be applied.

Whenever the amount of the Social Security Disability Insurance (SSDI) benefit or the Wisconsin Retirement System (WRS) disability benefit received by or available to you is increased, your Gross Benefit will be reduced by the amount of any such increase. However, in no event will we reduce your Gross Benefit by the amount of a cost of living adjustment in your SSDI benefit if or to the extent that such reduction will result in payment of a lower Net Benefit than the original Net Benefit we paid to you before the first SSDI cost of living adjustment was applied. In effect, this means that, while you are receiving Benefits, your total income from all sources (policy Benefits, Other Income Benefits, and earnings) will increase each year by at least the amount of your SSDI cost of living adjustment. This concept is illustrated by Example 2D in the Appendix to the policy.

Except as expressly stated above, this amendment does not waive, alter, or extend any of the provisions or exclusions and limitations of the policy.

Amendment Effective Date – The effective date of this amendment is coincident with the Effective Date stated on the Benefit Summary.

WEA Insurance Corporation Group Long Term Disability Policy and Certificate Amendment

This amendment is only applicable if your Benefit Summary indicates “CPI-U COLA”

In consideration of the mutual agreement between the WEA Insurance Corporation and the Employer, the Group Long Term Disability Policy and Certificate, to which this amendment is attached and made a part, is hereby amended as follows:

CPI-U Cost of Living Adjustment Benefit

The following provision is hereby added to Article VI:

If Disabled, you will be entitled to an annual cost of living adjustment to your monthly Benefits under this policy beginning on the first September 1 which is at least twelve (12) months from your Date of Disability. Your Gross Benefit will be recalculated annually using a cost of living adjustment to your Monthly Covered Salary, as described below:

The Monthly Covered Salary for purposes of this Amendment is the Monthly Covered Salary as defined in Article II of the policy.

Adjusted Monthly Covered Salary is defined as your Monthly Covered Salary plus the accumulated annual cost of living adjustments resulting from application of this Amendment.

The cost of living adjustment will be based on the U.S. City Average, All Items, Consumer Price Index for All Urban Consumers with an Index Base of 1982-84 as published by the U.S. Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the CPI-U).

The cost of living adjustment will be determined by using the annual percent change in the CPI-U measured from June 1 of the preceding year through May 31 of the year in which the cost of living adjustment is to be applied. The annual percent change in the CPI-U may be positive, negative, or zero.

We will annually calculate your Adjusted Monthly Covered Salary as described below each September 1 after you become entitled to the cost of living adjustment.

Your Gross Benefit will be recalculated as follows:

1. In the first year of entitlement to the cost of living adjustment, your Monthly Covered Salary is multiplied by one hundred percent (100%) **plus** the percent increase (or **minus** the percent decrease) in the CPI-U for the annual period listed above, to arrive at your Adjusted Monthly Covered Salary.
2. In subsequent years, your Adjusted Monthly Covered Salary is multiplied by one hundred percent (100%) **plus** the annual percent increase (or **minus** the annual percent decrease) in the CPI-U to arrive at your new Adjusted Monthly Covered Salary each year.

3. Your Gross Benefit is recalculated by multiplying your Adjusted Monthly Covered Salary by the Percent of Covered Salary Insured in effect under this policy on your Date of Disability.

In no event will your Gross Benefit exceed the Maximum Gross Benefit in effect under this policy on September 1 of the year in which the cost of living adjustment is to be applied.

Integration of Other Income Benefits

Your recalculated Gross Benefit will be subject to the reductions required by the provisions of Article VI, in the sections entitled “Net Benefit,” on page 14, and “Benefits During Rehabilitation and Retraining,” on page 15, in effect under this policy on September 1 of the year in which the cost of living adjustment is to be applied.

On September 1 of each year, your Gross Benefit will be reduced by the amount of any Social Security Disability Insurance (SSDI) benefit increases and Wisconsin Retirement System (WRS) disability benefit increases received by or available to you during the previous twelve (12) month period. However, in no event will we reduce your Gross Benefit by the amount of a cost of living adjustment in your SSDI benefit if or to the extent that such reduction will result in payment of a lower Net Benefit than the original Net Benefit we paid to you before the first SSDI cost of living adjustment was applied. In effect, this means that, while you are receiving Benefits, your total income from all sources (policy Benefits, Other Income Benefits, and earnings) will increase each year by at least the amount of your SSDI cost of living adjustment. This concept is illustrated by Example 2D in the Appendix to the policy.

Except as expressly stated above, this amendment does not waive, alter, or extend any of the provisions or exclusions and limitations of the policy.

Amendment Effective Date – The effective date of this amendment is coincident with the Effective Date stated on the Benefit Summary.

AMENDMENT

to the WEA Trust Long Term Disability Plan

If you are insured under the WEA Trust Long Term Disability Plan, this amendment provides notice that your policy, and any amendments to it, are posted online at the WEA Trust Web site.

The “Important Notices” page in the front of your policy is amended as follows:

Important Notices

(Keep these notices with your insurance papers)

Problems with your insurance?

If you are having problems with WEA Insurance Corporation, do not hesitate to call or write WEA Insurance to resolve your problem. The address and phone numbers are:

WEA Insurance Corporation
P.O. Box 7338
Madison, WI 53707-7338
Voice/TTY: (608) 276-4000 or (800) 279-4000

You may also write the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency that enforces Wisconsin’s insurance laws, and file a complaint. The address is:

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873

Or, you may call (800) 236-8517 outside of Madison or (608) 266-0103 in Madison, and request a complaint form.

You may view all of the WEA Trust’s insurance policies on our Web site, weatrust.com. If we amend your policy, we will add the amendment to our online policies.

To view your policy, go to weatrust.com and click on “Policies” under the Forms & Resources tab. If you prefer to receive a paper policy, please call our Customer Service Department at (800) 279-4000 to request it.

AMENDMENT

to the WEA Trust Long Term Disability Plan

This amendment updates your Long Term Disability plan in the following ways:

- It adds the Group Long Term Disability Insurance Agreement to the list of documents that make up the entire insurance contract, effective April 1, 2013.
- It deletes all policy language stating we will not pay any costs you incur in substantiating entitlement to benefits, effective June 1, 2013.
- It revises certain policy language that describes the appeal process for denial of a claim or an application for coverage, effective June 1, 2013.

In Article I, “Employer’s Policy Provisions: Rights and Obligations of the Company and the Policyholder,” the “Entire Contract and Changes” provision is deleted and replaced with the following, effective April 1, 2013:

Entire Contract and Changes

The entire contract of insurance consists of:

1. This policy and any amendments;
2. The Benefit Summary;
3. The Rate Summary;
4. The Application for Group Insurance;
5. Group Long Term Disability Insurance Agreement;
6. The Employees’ enrollment applications;
7. The evidence of insurability forms submitted by Employees; **and**
8. Reimbursement Agreements signed by Covered Employees who receive Benefits.

No change in this policy will be valid unless written and signed by an officer of the Company. No agent may change the policy or waive any of its provisions.

The policy states that we will not pay any costs you incur in substantiating entitlement to benefits. Effective June 1, 2013, all such references are deleted as follows:

- In Article V, “Claims Procedures,” the third paragraph under “Proof of Loss,” is deleted.
- In Article VIII, “Responsibilities of a Disabled Covered Employee,” the last sentence under “Duty to Furnish Information,” is deleted.

In Article X, “Appeal Procedure,” under “Rights of the Covered Employee,” # 6 is deleted, and #5 is deleted and replaced with the following, effective June 1, 2013:

5. The right to appeal the denial of a claim for Benefits or an application for coverage in accordance with our appeal procedure, if we receive your appeal within 60 days of the date on our final notice of denial of the claim. We will send you our written decision on the appeal.

AMENDMENT

to the WEA Trust Long Term Disability Plan

If you are insured under the WEA Trust Long Term Disability Plan, this amendment provides notice that your policy, and any amendments to it, are posted online at the WEA Trust Web site.

The “Important Notices” page in the front of your policy is replaced with the following:

Important Notices

(Keep these notices with your insurance papers)

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

PROBLEMS WITH YOUR INSURANCE—If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

WEA Insurance Corporation
P.O. Box 259537
Madison, WI 53725-9537
Voice/TTY: (800) 279-4000 or (608) 276-4000

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin’s insurance laws, and file a complaint. You can file a complaint electronically with the **OFFICE OF THE COMMISSIONER OF INSURANCE** at its website at <http://oci.wi.gov/>, or by contacting:

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873
1-800-236-8517
608-266-0103

You may view all of the WEA Insurance Corporation insurance policies on our website, weatrust.org. If we amend your Certificate, we add the amendment to our online plan documents. If you prefer to receive a paper policy, please call us at (800) 279-4000 to request it.