

# Disability Plans

## Voluntary Disability Insurance Plan – Sedgwick CMS

California employers are required by state law to provide a short term disability plan for employees. While participation in the plan is required, the plan is considered voluntary because USF has chosen to self-fund and voluntarily offer a plan which provides the same or greater benefits than required by the state. The Voluntary Disability Insurance (VDI) Plan, provided in lieu of the State Disability Insurance Program, is paid for by payroll deduction. The cost is currently the same as that of the State plan. The cost will never exceed the cost of the State of California's plan. USF's Voluntary Disability Plan is administered by Sedgwick CMS.

If you are unable to work because of a non-job related injury or illness or due to pregnancy, VDI replaces part of your income until you are able to return to work (for up to one year).

### HOW DO I FILE A VOLUNTARY DISABILITY CLAIM?

You are responsible for filing your claim and other forms promptly and accurately. If you are not sure how to answer a question or what is required, contact the Benefits Representative.

1. Obtain a claim form from USF's Benefits Representative.
2. Fill out and sign the Employee/Claimant's Statement. Be sure that all information is correct; be especially careful with your social security number, address and dates. Errors may delay payment of a claim. If you wish to explain an answer more fully, attach a note to the form.
3. Give the form to your doctor for completion of the Physician's Statement. Your doctor should return the claim form to

Sedgwick CMS  
3280 E. Foothill Blvd., Suite 250  
Pasadena, CA, 91107  
1-800- 939-4911

4. Your doctor may be any licensed physician, surgeon, osteopath, chiropractor, podiatrist, optometrist, dentist, psychiatrist, nurse midwife, nurse practitioner or medical officer of a United States medical facility. An accredited religious practitioner may also certify. Additional requirements may apply if your doctor is a psychologist.

**Note:** *Late filing may result in loss of payment for the number of days the claim is late unless "good cause" for the delay is established.*

5. Inform the USF Benefits Representative of the last day at work and the anticipated first day of return.

## **WHAT ARE MY MATERNITY LEAVE BENEFITS?**

In accordance with California law, an employee receives short-term disability benefits for four weeks prior to the delivery date and for six weeks after the birth of the child (vaginal birth) or 8 weeks after the birth of the baby (caesarean birth). In addition, the employee may receive accrued sick leave pay for this time period. The total of short-term disability benefits and sick leave pay will not exceed the employee's total salary.

The employee may also receive Paid Family Leave (PFL) benefits for six weeks after the birth of the baby (see PFL benefits section). In addition, if the employee chooses, she may request up to twelve weeks in a twelve-month period of unpaid family care leave. The first six weeks of Family Care Leave will run concurrently with the PFL benefit. Please ask the Benefits Representative for more information about Family Care Leave.

## **HOW ARE BENEFITS PAID?**

The USF Voluntary Disability Plan is designed to serve you by mail. You do not need to leave home or the hospital to receive benefits.

1. After receiving your claim, Sedgwick CMS will request necessary verification information from USF's Benefits Representative and will determine your eligibility.
2. Benefits may begin with the day after the seven day waiting period of disability.
3. Benefits are paid as rapidly as possible after receipt of all needed information if you meet all eligibility requirements. The disability benefit check will be mailed to you. Normally, you will receive a check every two weeks. Partial weeks are paid at 1/7 of the weekly benefits amount for each day of disability.
4. USF's Benefits Representative will assist you in integrating your accrued sick leave with disability benefits. In this way, you may maintain your income at its regular level. If you desire, vacation leave may be used after you have exhausted your accrued sick leave. If you have questions about your benefit payment, you may contact Sedgwick CMS at 1-800-939-4911.

## **HOW ARE BENEFITS DETERMINED?**

On the 8th day of disability, the plan pays 60% of pay to a maximum of \$840 per week for a total maximum of 52 times your weekly benefit maximum.

## **Wage Continuation**

If you receive salary for accrued vacation and/or sick leave benefits from USF while disabled, combined VDI and USF wages will not exceed your weekly base salary immediately prior to disability.

## **Benefit Maximums**

The maximum benefit payable is 52 times the weekly benefit amount.

## **WHAT BENEFITS ARE NOT PAYABLE?**

VDI benefits are not payable in the following situations:

- When you are entitled to temporary disability benefits for workers' compensation; however, if your workers' compensation benefit is less than your voluntary disability benefit, the difference may be paid to you.
- When you are collecting unemployment insurance.
- When your disability is not supported by a physician's certificate stating medical facts, a conclusion about the disability, and an opinion as to the duration of the illness, unless hospitalized or receiving Workers' Compensation benefits.
- When you are receiving regular wages from any employer, except that partial benefits will be paid if partial wages are received but the total amount received may not exceed your weekly wage.
- When a false statement is made or facts withheld in order to receive benefits. The disqualification period may extend from 6 to 90 days.
- When arrested and confined because of a criminal violation.
- When confined by court order or court certification as a dipsomaniac, drug addict or sexual psychopath.

**Plan benefits will be limited to the State Plan Rate (weekly amount and maximum duration) and specified by the California Unemployment Insurance Code in the following situations:**

- Any disability occurring during the first three months of employment.
- Any disability arising during the extended coverage period (15 days) following the beginning of a leave of absence without pay or a layoff without pay. If you are covered by other plans and are entitled to other short-term disability benefits for the same disability, the benefit amount will be prorated.

## **WHAT IS THE SEDGWICK CMS CLAIMS REVIEW AND APPEAL PROCESS?**

If you think you have not received all benefits due you, contact Sedgwick CMS at [www.sedgwickcms.com](http://www.sedgwickcms.com). Most questions will be answered with a phone call. You may appeal the denial of a claim to the California Employment Development Department within 20 days from the date the notice of denial was mailed.

## **WHAT OTHER PROGRAMS ARE AVAILABLE?**

The Voluntary Disability Plan is sometimes confused with Workers' Compensation. They seem similar, but there are important differences. VDI covers off-the-job injury or sickness and is paid for by a payroll deduction from your paycheck. Workers'

Compensation covers job related injuries and illness and is paid for entirely by the University of San Francisco.

**Note:** *Refer to the Workers' Compensation section of this benefit manual for more detailed information about Workers' Compensation benefits.*

You may also be entitled to additional benefits or services:

- If you will need retraining or other services in order to return to work, contact the Department of Rehabilitation, San Francisco Office.
- If your disability is expected to exceed 90 days, contact USF's Benefits Representative for assistance with filing a long-term disability claim. Refer to the Long Term Disability section in this handbook for further information.
- If your disability is total and is expected to continue for five months or more, contact the Social Security Administration, San Francisco Office.

# Paid Family Leave (PFL) Benefits – Sedgwick CMS

Employees covered by Voluntary Disability Insurance (VDI) are also covered by Paid Family Leave insurance.

**PFL Benefits:** Benefits are payable when you: 1) care for a seriously ill family member including your child, spouse, parent or domestic partner/LDA or 2) bond with a new child of yours, your spouse or your domestic partner/LDA, within one year of the birth/adoption or foster care placement.

**Amount of Benefit:** The maximum and minimum weekly benefit under PFL will be the same amount as the maximum and minimum weekly disability benefit under the Voluntary plan.

For each day of any period of PFL for which benefits are payable, and which is less than a full week, the amount of benefit payable will be one-seventh (1/7) of the amount of the weekly benefit.

The maximum PFL benefit paid in a 12-month period is six (6) times the weekly benefit amount.

**PFL Waiting Period:** For each Disability Benefit Period, you must serve a seven-day non-reimbursable waiting period. You will not be required to use accrued vacation prior to receiving benefits. For a new mother who has received Voluntary Plan benefits due to pregnancy/maternity disability there is no waiting period for bonding with her baby.

## HOW DO I FILE A PAID FAMILY LEAVE CLAIM?

You are responsible for filing your claim and other forms promptly and accurately. If you are not sure how to answer a question or what is required, contact the Benefits Representative.

Obtain a claim form from USF's Benefits Representative.

Fill out and sign the Employee/Claimant's Statement. Be sure that all information is correct; be especially careful with your social security number, address and dates. Errors may delay payment of a claim. If you wish to explain an answer more fully, attach a note to the form.

Give the form to the care recipient's doctor for completion of the Physician's Statement. The doctor should return the claim form to

Sedgwick CMS  
3280 E. Foothill Blvd., Suite 250  
Pasadena, CA, 91107  
1-800- 939-4911

The doctor may be any licensed physician, surgeon, osteopath, chiropractor, podiatrist, optometrist, dentist, psychiatrist, nurse midwife, nurse practitioner or

medical officer of a United States medical facility. Additional requirements may apply if your doctor is a psychologist.

**Note:** *Late filing may result in loss of payment for the number of days the claim is late unless "good cause" for the delay is established.*

Inform the USF Benefits Representative of the last day at work and the anticipated first day of return.

# Long-Term Disability Insurance Plan- Sun Life of Canada

Long Term Disability (LTD) Insurance provides you with income protection if you become disabled from a covered sickness, accidental bodily injury, or pregnancy, and are unable to work for more than 90 days.

## WHO IS ELIGIBLE

All Law Faculty scheduled to work at least 20 hours per week and Part-Time Counseling Psychologist scheduled to work at least 20 hours per week, excluding Temporary Employees.

All Full-Time Employees scheduled to work at least 30 hours per week, excluding Temporary Employees.

## WHAT ARE THE MAXIMUM/MINIMUM BENEFIT AMOUNTS?

60% (Benefit Percentage) of your Total Monthly Earnings, not to exceed the Maximum Monthly Benefit, less Other Income Benefits.

- the **Maximum Monthly Benefit** is \$12,000.

Note: your amount of insurance is also subject to reductions for your employment earnings.

The **Minimum Monthly Benefit** is \$100.

## WHAT IS THE ELIMINATION PERIOD?

(The period of time you need to be continuously Totally or Partially Disabled before LTD benefits are payable) - 90 Days

## WHAT IS THE MAXIMUM BENEFIT PERIOD?

Your LTD benefits will continue for the longest period of time for which LTD benefits are payable or any one period of continuous disability from one or more causes. This is called the **Maximum Benefit Period**.

Your maximum benefit period is determined by the following:

60	60 Months
61	48 Months
62	42 Months
63	36 Months

64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and over	12 Months

**WHEN AM I ELIGIBLE FOR INSURANCE?**

If you are in an Eligible Class shown in the Benefit Highlights, you are eligible on the later of:

- November 1, 2000; or
- your first day of employment.

**WHEN DOES MY INSURANCE START?**

Your insurance starts on the date you are eligible, if you are Actively at Work on that date.

**WHAT IF I AM NOT ACTIVELY AT WORK ON THAT DATE?**

If you are not Actively at Work on the date your insurance would normally start, your insurance will not start until you are Actively at Work.

**WHEN DO CHANGES IN MY AMOUNT OF INSURANCE OCCUR?**

If your amount of insurance increases due to a change in your salary, your increase will take effect immediately upon the date of change, as long as you are Actively at Work on that date.

If your amount of insurance decreases due to a change in your salary, the decrease will take effect immediately upon the date of change.

If you are not Actively at Work on the date an increase in your insurance would normally start, the increase in your insurance will not start until you are Actively at Work.

**WHEN DOES MY INSURANCE CEASE?**

Your insurance ceases on the earliest of:

- the date the Group Policy terminates.
- the date you are no longer in an Eligible Class.
- the date your class is no longer included for insurance.
- the last day for which any required premium has been paid for your insurance.
- the date you retire.
- the date you request in writing to terminate your insurance.
- the date you enter active duty in any armed service during a time of war (declared or undeclared).
- the date your employment terminates.

- the date you cease to be Actively at Work.

### **ARE THERE ANY CONDITIONS UNDER WHICH MY INSURANCE CAN CONTINUE?**

Yes, your insurance will continue during any Elimination Period or any period the premium for your insurance is waived under the Group Policy.

If you are on temporary layoff, leave of absence or vacation, your Employer may continue your insurance by paying the required premium for the length of time specified below.

- Layoff - for up to 1 month
- Leave of Absence - for up to 1 month
- Vacation - for up to 3 months

You may be eligible to continue your insurance coverage pursuant to the Family and Medical Leave Act of 1993. You should contact your Employer for more details.

You may be eligible to continue your insurance coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA). You should contact your Employer for more details.

### **WHAT IS THE LONG TERM DISABILITY BENEFIT?**

Long Term Disability Benefits (LTD) partially replace your income if you become Totally or Partially Disabled while insured.

### **WHEN DO LTD BENEFITS BECOME PAYABLE?**

Sun Life will pay a monthly LTD benefit after the end of your Elimination Period, if Sun Life receives proof that you are:

- Totally or Partially Disabled due to an Injury or Sickness; and
- under the regular and continuing care of a Physician that provides appropriate treatment in accordance with your disabling condition.

### **WHAT CONDITIONS MUST BE MET FOR LTD BENEFITS TO CONTINUE?**

Sun Life will pay you an LTD benefit, up to the Maximum Benefit Period, if you provide proof that you continue to be Totally or Partially Disabled and you require the regular and continuing care of a Physician.

You need to provide proof when Sun Life asks for it, but the proof is at your expense. You need to provide Sun Life with proof of your monthly earnings (if applicable) on a quarterly basis.

### **WHAT IS THE TOTAL DISABILITY BENEFIT?**

If you are Totally Disabled, your Net Monthly Benefit will be calculated based on the Total Disability Benefit formula. You will qualify for this benefit if:

- you are not working or you are working but you are earning less than 20% of your

Indexed Total Monthly Earnings; and  
- during your Elimination Period and the next 24 months,  
- your Injury or Sickness, make you unable to perform the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for 24 months, you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience.

### **HOW IS THE TOTAL DISABILITY BENEFIT CALCULATED?**

To determine your Total Disability Benefit:

1. Take the lesser of:
  - a. your Total Monthly Earnings multiplied by the Benefit Percentage (shown in the Benefit Highlights); or
  - b. the Maximum Monthly Benefit (shown in the Benefit Highlights); then
2. Subtract Other Income Benefits from the amount determined in Step 1.

### **WHAT IS THE PARTIAL DISABILITY BENEFIT?**

If you are Partially Disabled, your Net Monthly Benefit will be calculated based on the Partial Disability Benefit formula. You will qualify for this benefit if:

- you are working and have Disability Earnings of more than 20% but less than 80% of your Indexed Total Monthly Earnings; and
- during your Elimination Period and the next 24 months because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for 24 months, you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience and you have Disability Earnings of less than 60% of your Indexed Total Monthly Earnings.

### **WHAT ARE OTHER INCOME BENEFITS?**

Other Income Benefits are those benefits provided to you while your monthly LTD benefit is payable. These Other Income Benefits must be provided to you as a result of the same Total or Partial Disability payable under the Group Policy. Other Income Benefits include:

1. The amount you are paid under:
  - a. Workers' Compensation Law as temporary disability benefits; or
  - b. Occupational Disease Law; or
  - c. Unemployment Compensation Law; or
  - d. Compulsory Benefit Act or Law; or
  - e. any other act or law of like intent.
2. The Railroad Retirement Act (including any dependent benefits).

3. Any labor management trustee, union or employee benefit plans that are funded in whole or in part by your Employer.
4. Any disability income benefits you are paid under any governmental retirement system as a result of your job with your Employer.
5. The disability benefits you receive under your Employer's Retirement Plan. (This applies only if the benefits do not reduce your accrued retirement benefit and does not include any amount rolled over or transferred to any other retirement plan as defined in Section 402 of the Internal Revenue Code.)
6. The disability benefits under the United States Social Security Act, or any similar plan or act, as follows:
  - a. Disability benefits you receive.
  - b. Disability benefits your spouse, child or children receive because of your Total or Partial Disability, unless the dependent benefits are paid directly to your divorced spouse or to your children in custody of your divorced spouse.
7. The amount you receive from any accumulated sick leave.
8. Any salary continuation paid to you by your Employer which causes your Net Monthly Benefit, plus Other Income Benefits and any salary continuation, to exceed 100% of your Total Monthly Earnings. The amount in excess of 100% of your Total Monthly Earnings will be used to reduce your Net Monthly Benefit.
9. Any amount you receive due to lost wages paid to you by compromise, settlement or other method as a result of a claim for any Other Income Benefit.
10. Any amount you receive from a voluntary separation of employment agreement from your Employer including severance pay or any other income settlement of an employment contract.

#### **WHAT IF I RECEIVE PAYMENT OF OTHER INCOME BENEFITS IN A LUMP SUM?**

If you receive a lump sum payment for any Other Income Benefits, Sun Life will prorate the lump sum on a monthly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a monthly basis over a reasonable period of time as determined by Sun Life.

#### **AM I REQUIRED TO APPLY FOR OTHER INCOME BENEFITS?**

You must apply for any Other Income Benefits for which you may be eligible and have a reasonable expectation of receiving benefits. If such benefits are denied, Sun Life will assist you with an appeal of the denial to any administrative level. Sun Life has the right to receive from you written documentation of your pursuit of Other Income Benefits.

#### **WHAT IS THE SOCIAL SECURITY DISABILITY INCOME ASSISTANCE PROGRAM?**

At your request, Sun Life will assist you (if appropriate) through the various levels of the Social Security claims process. Sun Life will assist you with your application and also through the appeals process.

#### **WHAT HAPPENS WHEN THE OTHER INCOME BENEFITS HAVE BEEN AWARDED OR HAVE BEEN DENIED?**

You must notify Sun Life in writing, within 31 days of receipt of notice, of the amount of Other Income Benefits when it is approved or if the amount is adjusted (other than for cost of living increases). Sun Life will make an adjustment to the Net Monthly Benefit when Sun Life receives written notice of the amount of the Other Income Benefit.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been underpaid, Sun Life will immediately make a lump sum refund to you of the amount that has been underpaid.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been overpaid, you must reimburse Sun Life the amount of the overpayment within 31 days of the award. Sun Life has the right to reduce your future LTD benefit payments until the amount of the overpayment has been repaid.

### **WHAT HAPPENS IF I RECEIVE INCREASES IN MY OTHER INCOME BENEFITS?**

After the first deduction for each of your Other Income Benefits, Sun Life will not reduce your monthly LTD benefit payments due to cost of living increases you receive from any sources described as Other Income Benefits. This does not apply to any increase in earnings you receive from employment.

### **WHEN DOES MY MONTHLY LTD BENEFIT CEASE?**

Your monthly LTD benefit will cease on the earliest of:

- the date you are no longer Totally or Partially Disabled.
- the date you die.
- the end of your Maximum Benefit Period.
- the date you do not provide adequate employment earnings information or proof that you continue to be Totally or Partially Disabled.
- during the first 24 months of Partial Disability, the date your Disability Earnings are more than 80% of your Indexed Total Monthly Earnings.
- after 24 months of Partial Disability, the date your Disability Earnings are more than 60% of your Indexed Total Monthly Earnings.
- for the first 24 months of Total or Partial Disability, the date you are able to perform on a full-time basis, the Material and Substantial Duties of your Own Occupation, even if you choose not to work.
- after the first 24 months of Total or Partial Disability, the date you are able to perform on a full-time basis any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience, even if you choose not to work.

**Full-time basis** means for the first 24 months of Total or Partial Disability, you are able or have the capacity to perform the Material and Substantial Duties of your Own Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial

Disability. After 24 months of Total or Partial Disability, you are able or have the capacity to perform any Gainful Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial Disability.

However, if you normally performed your Own Occupation on an average in excess of 40 hours per week, Sun Life will consider you as being able to perform that requirement if you work or have the capacity to work 40 hours per week.

### **WHAT HAPPENS IF I RETURN TO FULL-TIME WORK AND BECOME DISABLED AGAIN?**

Sun Life will treat this new Total or Partial Disability as part of your prior Total or Partial Disability if you returned to work and were Actively at Work for less than:

- six months, if due to the same or related causes;
- one day, if due to an entirely unrelated cause.

You will not have to complete a new Elimination Period.

Your monthly LTD benefit will be subject to the same terms and conditions as were applicable to the original Total or Partial Disability.

Your monthly LTD benefit will not continue if:

- you become eligible for coverage under any other group LTD policy; or
- the Group Policy terminates.

If your new disability begins later than the time periods specified, you will need to complete a new Elimination Period.

### **WHAT HAPPENS IF I PARTICIPATE IN A REHABILITATION PROGRAM?**

If you participate in a Rehabilitation Program, you will receive the greater of:

- your Benefit Percentage (as shown in the Benefit Highlights) multiplied by 1.10; or
- your current Net Monthly Benefit payable multiplied by 1.10.

To calculate the increased benefit:

1. Take your current Benefit Percentage and multiply by 1.10. Then calculate your Total or Partial Disability benefit including any deductions for Disability Earnings or Other Income Benefits.
2. Take your current Net Monthly Benefit payable and multiply by 1.10.

The greater of 1 or 2 is your Rehabilitation increased amount.

This increased amount will cease on the earliest of:

- the date you complete the Rehabilitation Program; or
  - the date you cease to participate in the Rehabilitation Program;
- or
- the date your LTD benefits cease; or
  - 12 months after your Rehabilitation Program began.

**Rehabilitation Program** means a program of vocational training or employment counseling under the supervision of a Certified Rehabilitation Counselor whose goal is to return you to work.

### **WHAT HAPPENS TO MY LTD BENEFIT IF I DIE?**

A Survivor Benefit equal to 6 times your last Gross Monthly Benefit is payable in a lump sum to your Eligible Survivor if Sun Life receives satisfactory proof that you died:

- after your Total or Partial Disability had continued for 180 or more consecutive days; and
- you were eligible to receive a monthly LTD benefit.

If you do not have an Eligible Survivor, the Survivor Benefit will be payable to your estate.

### **WHO ARE MY ELIGIBLE SURVIVORS?**

Your spouse, if living, or your children under age 25.

### **WHAT ARE THE LIMITATIONS?**

No LTD benefit will be payable to you for any Total or Partial Disability during any of the following periods:

- any period you are no longer under the regular and continuing care of a Physician providing appropriate treatment in accordance with your disabling condition.
- any period you do not submit to any medical examination as requested by Sun Life.
- any period of your Total or Partial Disability that is due to Mental Illness, unless you are under the continuing care of a specialist in psychiatric care.

After you complete your Elimination Period, LTD benefits are payable for 24 months. Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide psychiatric treatment.

- any period of your Total or Partial Disability that is due to Drug and Alcohol Illness, unless you are actively supervised by a Physician or rehabilitation counselor and are receiving continuing treatment from a rehabilitation center or a designated institution approved by Sun Life.

After you complete your Elimination Period, LTD benefits are payable for 24 months if, during the Elimination Period you:

- become confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment; or
- begin participation in a drug or alcohol rehabilitation program acceptable to Sun Life.

Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment.

- any period during which you are incarcerated.

### **WHAT ARE THE EXCLUSIONS?**

No LTD benefit is payable for any Total or Partial Disability that is due to:

- intentionally self-inflicted injuries.
- war, declared or undeclared, or any act of war.
- your active participation in a riot, rebellion or insurrection.

- your committing or attempting to commit an assault, felony or other criminal act.

- a Pre-Existing Condition.

**Pre-Existing Condition** means during the 3 months prior to your Effective Date of Insurance, you:

- received medical treatment, consultation, care or services, including diagnostic measures, or
- took prescribed drugs or medicines; or
- had symptoms which would have caused an ordinarily prudent person to have consulted a health care provider for diagnosis, care or treatment.

**Pre-Existing Condition for increases in amounts of insurance means** during the 3 months prior to your Effective Date of any increase in your amount of insurance, you:

- received medical treatment, consultation, care or services, including diagnostic measures, or
- took prescribed drugs or medicines; or
- had symptoms which would have caused an ordinarily prudent person to have consulted a health care provider for diagnosis, care or treatment.

**Pre-Existing Condition Exclusion Exception**

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 12 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

The Pre-Existing Condition Exclusion also will not apply to the initial amount of insurance or for any subsequent increases if you have been insured under the Group Policy for the immediately preceding 3 months prior to your Total or Partial Disability and during that period you have not:

- received any medical treatment, consultation, care or services, including diagnostic measures; or
- taken prescribed drugs or medicines; or
- had symptoms which would have caused an ordinarily prudent person to consult a health care provider for diagnosis, care or treatment.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

**WHAT HAPPENS WHEN MY EMPLOYER TRANSFERS INSURANCE CARRIERS TO SUN LIFE?**

In order to prevent losing your insurance, Sun Life will provide the following coverage.

If you are not Actively at Work on November 1, 2000 you will be insured if:

- you were insured under the prior insurer's group LTD policy at the time of the transfer; and
- you are a member of an Eligible Class; and
- premiums for you are paid up to date; and
- you are not receiving or eligible to receive benefits under the prior insurer's group LTD policy.

If you continue to be not Actively at Work and subsequently become Totally or Partially Disabled on or after November 1, 2000, any LTD benefit payable will be the lesser of:

- the LTD benefit payable under the Group Policy; or
- the LTD benefit payable under the prior insurer's group LTD policy, had it remained in force.

All other provisions of Sun Life's Group Policy will apply.

### **ARE DISABILITIES DUE TO A PRE-EXISTING CONDITION COVERED?**

LTD benefits may be payable for a Total or Partial Disability if you were:

- insured under the prior insurer's group LTD policy at the time of transfer; and
- Actively at Work and insured under the Group Policy on November 1, 2000.

Any benefit payable will be determined as follows:

1. if you have satisfied the Pre-Existing Condition Exception under the Group Policy, the LTD benefit will be based on the Group Policy's benefit provision.
2. if you cannot satisfy the Pre-Existing Condition Exception under the Group Policy, the prior insurer's pre-existing condition provision will be applied.
  - a. if you would have satisfied the prior insurer's pre-existing condition provision, considering time insured under both group policies, any benefit payable will be the lesser of:
    - i. the LTD benefit payable under the Group Policy; or
    - ii. the LTD benefit payable under the prior insurer's group LTD policy had it remained in force. If you cannot satisfy the Pre-Existing Condition Exception of the Group Policy or if the pre-existing condition provision under the prior insurer's group LTD policy would apply, no LTD benefit will be paid.

### **HOW IS A CLAIM SUBMITTED?**

To submit a claim, you or someone on your behalf must send Sun Life written Notice and Proof of Claim within the time limits specified. Your Employer has the Sun Life Notice and Proof of Claim forms.

### **WHEN DOES WRITTEN NOTICE OF CLAIM HAVE TO BE SUBMITTED?**

For long term disability, written notice of claim must be given to Sun Life no later than 30 days before the end of your Elimination Period or, within 30 days after the termination of the Group Policy, if earlier. If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting to receive the proof of claim forms.

### **WHEN DOES WRITTEN PROOF OF CLAIM HAVE TO BE SUBMITTED? FOR LONG TERM DISABILITY –**

Proof of claim must be given to Sun Life no later than 90 days after the end of your Elimination Period. If proof cannot be given within these time limits, proof must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

### **WHAT IS CONSIDERED PROOF OF CLAIM?**

Proof of Claim consists of at least the following information:

- what the disability is;
- the date the disability occurred; and
- the cause of the disability.

Proof of Claim includes, but is not limited to, Hospital records; Physician records; Psychiatric records; X-rays, narrative reports, or other diagnostic testing materials as required.

Sun Life may require as part of the Proof, authorizations to obtain medical and non-medical information.

Proof of your continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

### **WHEN ARE BENEFITS PAYABLE?**

Benefits are payable when Sun Life receives Proof of Claim.

### **WHEN WILL A DECISION ON MY CLAIM BE MADE?**

Sun Life will send you a written notice of decision on your claim within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim.

If Sun Life cannot make a decision within 45 days after receiving your claim, Sun Life will request a 30 day extension as permitted by U.S. Department of Labor regulations. If Sun Life cannot render a decision within the extension period, Sun Life will request an additional 30 day extension. Any request for extension will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because you failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

## **WHAT IF MY CLAIM IS DENIED?**

If Sun Life denies all or any part of your claim, you will receive a written notice of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. a description of any additional material or information needed to prove entitlement to benefits and an explanation of why such material or information is necessary;
5. a description of the appeal procedures and time limits;
6. your right to bring a civil action under ERISA, §502(a) following an adverse determination on review;
7. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request; and
8. the identity of any medical or vocational experts whose advice was obtained in connection with the claim, regardless of whether the advice was relied upon to deny the claim.

## **CAN I REQUEST A REVIEW OF A CLAIM DENIAL?**

If all or part of your claim is denied, you may request in writing a review of the denial within 180 days after receiving notice of denial.

You may submit written comments, documents, records or other information relating to your claim for benefits, and may request free of charge copies of all documents, records, and other information relevant to your claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify you of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify you in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because you failed to provide information necessary to decide your claim, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

## **WHAT IF MY CLAIM IS DENIED ON REVIEW?**

If Sun Life denies all or any part of your claim on review, you will receive a written notice

of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. your right to bring a civil action under ERISA, §502(a);
5. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request;
6. the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State Insurance regulatory agency."; and
7. the identity of any medical or vocational experts whose advice was obtained in connection with the appeal, regardless of whether the advice was relied upon to deny the appeal.

#### **WHO ARE BENEFITS PAYABLE TO?**

Survivor Benefits are payable to your Eligible Survivor as defined in the Long Term Disability Income Benefit Provision. All other benefits payable during your lifetime are payable to you.

If a benefit is payable to your estate, if you are a minor, or you are not competent, Sun Life has the right to pay an amount of the benefit up to \$5,000 to any of your relatives that Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

#### **HOW CAN STATEMENTS MADE IN ANY APPLICATION FOR INSURANCE BE USED?**

All statements made in any application are considered representations and not warranties. No representation by you in applying for insurance under the Group Policy will be used to reduce or deny a claim unless a copy of your written application for insurance is or has been given to you or to your Beneficiary, if any.

No statement made by you relating to Evidence of Insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during that individual's lifetime. This statement must be contained in a form signed by that individual.

#### **WHAT HAPPENS IF FACTS ARE MISSTATED?**

If relevant facts about you are not accurate:

- an equitable adjustment of premium will be made; and
- the true facts will be used to determine if and in what amount insurance is valid under the Group Policy.

If the amount of benefit depends on your age, the benefit will be the amount you would

have been entitled to if your correct age were known.

**WHAT ARE SUN LIFE'S EXAMINATION RIGHTS?**

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

- examined by a Physician, other health professional or vocational expert of its choice; and/or
- interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

**WHAT ARE THE TIME LIMITS FOR LEGAL PROCEEDINGS?**

No legal action may start:

- until 60 days after Proof of Claim has been given; nor
- more than 3 years after the time Proof of Claim is required.

**DO THESE GROUP BENEFITS AFFECT WORKERS' COMPENSATION?**

The Group Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

**CAN THE POLICYHOLDER ACT AS A SUN LIFE AGENT?**

For all purposes of the Group Policy, the Policyholder acts on its own behalf or as your agent. Under no circumstances will the Policyholder be deemed a Sun Life agent.