



American Family Life Assurance Company of New York
22 Corporate Woods Boulevard • Suite 2 • Albany, New York 12211

For assistance or information, call 1.800.206.8826, or write:
Customer Service Center: Post Office Box 84079 • Columbus, Georgia 31993-9101

Group Long Term Disability Income Insurance
Certificate of Coverage

Long Term Disability Income insurance provides financial protection by paying a benefit in the event of a disability.

POLICYHOLDER: The Episcopal Church Clergy & Employees' Benefit Trust
POLICY NUMBER: GLDNY01112
POLICY EFFECTIVE DATE: January 1, 2023

American Family Life Assurance Company of New York (referred to as Aflac New York) welcomes You as a Certificateholder. This is Your Certificate of Coverage as long as You are eligible for coverage, and You become insured. Your benefits and rights under the policy will not be less than those stated in this Certificate of Coverage.

We certify that You are insured for the benefits described in this Certificate of Coverage, subject to the provisions of this Certificate of Coverage.

READ YOUR CERTIFICATE CAREFULLY AND KEEP IT IN A SAFE PLACE. INSURANCE BENEFITS MAY BE SUBJECT TO CERTAIN REQUIREMENTS, REDUCTIONS, LIMITATIONS AND EXCLUSIONS.

THE INSURANCE EVIDENCED BY THIS CERTIFICATE PROVIDES DISABILITY INCOME INSURANCE ONLY. IT DOES NOT PROVIDE BASIC HOSPITAL, BASIC MEDICAL OR MAJOR MEDICAL INSURANCE AS DEFINED BY THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES.

POLICY SITUS: New York

Your coverage may be terminated or changed under the terms and provisions of the policy. Contact the Policyholder if You wish to inspect a copy of the policy.

If the terms and provisions of this Certificate of Coverage (issued to You) are different from the policy (issued to the Policyholder), the policy will govern. Your coverage may be terminated or changed under the terms and provisions of the policy.

For purposes of effective dates and ending dates under this Certificate, all days begin at 12:01 a.m. and end at 12:00 a.m. midnight local time at the Policyholder's place of business.

This certificate does not provide Long Term Care Insurance. Eligibility and benefit amounts provided under this certificate will not be triggered or calculated based upon benefits You receive or are eligible to receive for Long Term Care services.

Virgil R. Miller, President

J. Matthew Loudermilk, Secretary

The policy covers disabilities due to Sickness or Injury.

CERTIFICATE OF COVERAGE

TABLE OF CONTENTS

PAGE NUMBER

COVER PAGE	1
TABLE OF CONTENTS	2
SPECIAL NOTICES	3
SCHEDULE OF BENEFITS	4
DEFINITIONS	7
GENERAL PROVISIONS	12
ELIGIBILITY AND ENROLLMENT	14
CHANGING YOUR COVERAGE	15
CONTINUITY OF COVERAGE	16
CONTINUATION OF COVERAGE BY THE POLICYHOLDER	18
DATE COVERAGE ENDS AND REINSTATEMENT	19
LONG TERM DISABILITY INCOME BENEFIT INFORMATION	22
EXCLUSIONS AND LIMITATIONS	28
OTHER BENEFITS	29
CLAIM INFORMATION	31

SPECIAL NOTICES

AMERICAN FAMILY LIFE ASSURANCE COMPANY OF NEW YORK

Toll Free Number: 800.206.8826 TTY/RTT 711

Claim Information Toll Free Number: 800.206.8826 TTY/RTT 711

PLEASE READ THIS CERTIFICATE CAREFULLY

NOTICE(S)

This page will be used to provide any notices or disclosures that by applicable law or regulation must be included in this certificate.

SCHEDULE OF BENEFITS – LONG TERM DISABILITY INCOME

The Long-Term Disability Income policy provides financial protection for You by paying a portion of Your income while You are disabled. The amount You receive is based on the amount You earned before Your disability began, subject to all policy provisions.

Policyholder: The Episcopal Church Clergy & Employees' Benefit Trust

Address: 19 E. 34th Street
New York, NY 10016

Policy Number: GLDNY01112

Policy Effective Date: January 1, 2023

Policy Anniversary Date: January 1, 2024, and each following January 1st

Eligible Class:

All persons in the following class are eligible for Member coverage:

Option 6 (LTD Coverage – 90 days, 60% Employer Paid):

All Active Members normally scheduled to work 1,000 hours per year. Excludes temporary and seasonal Members.

Minimum Hours Requirement:

1,000 compensated hours per week.

Waiting Period:

None

Who Pays for the Coverage:

This is a Non-Contributory Insurance plan. Your Employer pays the cost of Your coverage.

Waiver of Premium:

We do not require premium payments for Your coverage while You are receiving Long Term Disability Income payments under the policy.

Elimination Period:

90 days

The Elimination Period begins on the first day of Your disability.

Benefits for a Payable Claim begin the day after the Elimination Period is completed.

Interruption of Elimination Period:

30 days

Monthly Benefit:

60% of Monthly Earnings up to a Maximum Monthly Benefit of \$7,500 per month.

Your benefit may be reduced by any Deductible Sources of Income and adjusted by any Disability Earnings. Some disabilities may not be covered or may have limited coverage under the policy.

Maximum Monthly Benefit Amount:

\$7,500

Minimum Monthly Benefit Amount:

Greater of \$100 or 10% of Your Gross Monthly Benefit.

We may apply Your minimum Monthly Benefit toward any outstanding overpayment.

Monthly Earnings:

“Monthly Earnings” means monthly gross Total Assessable Compensation, as defined under The Church Pension Fund Clergy Pension Plan (Clergy Pension Plan) but excluding one-time payments such as overtime and bonuses and income received from sources other than the Employer.

Earnings will be based on the annualized monthly earnings just prior to the date of disability.

Maximum Period of Payment:

The table below shows the maximum duration for which benefits may be paid. All other limitations of the Policy will apply.

Age At Disability	Maximum Benefit Period
Less than age 60	To Social Security Normal Retirement Age or to age 65 but not less than 5 years
Age 60	60 months
Age 61	48 months
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months
Year of Birth	Social Security Normal Retirement Age
1937 or before	65 years
1938	65 years 2 months
1939	65 years 4 months
1940	65 years 6 months
1941	65 years 8 months
1942	65 years 10 months
1943-1954	66 years
1955	66 years 2 months
1956	66 years 4 months
1957	66 years 6 months
1958	66 years 8 months
1959	66 years 10 months
1960 and after	67 years

Other Benefits:

Survivor Benefit: A lump sum benefit equal to 3 months of your gross disability benefit.

Vocational Rehabilitation Services Program: assistance in returning to work to the extent of Your ability.

Vocational Rehabilitation Monthly Benefit: an additional benefit of 10% of Your Gross Monthly Benefit to a maximum of \$500 per month.

In addition, we will provide a monthly benefit to you for 3 months following the date your disability ends if we determine you are longer disabled while:

- You are participating in the rehabilitation program; and
- You are not able to find employment.

Maximum Period of Payment of 24 months.

Workplace Modification Benefit: A one-time benefit, the lesser of:

- \$1,000; or
- the equivalent of two months of your monthly benefit. This benefit is available to you on a one-time only basis.

Total Benefit Cap:

If You are eligible to receive payments under the policy in addition to Your Monthly Benefit, the total benefit payable to You on a monthly basis (including all benefits provided under the policy) will not exceed 100% of Your Monthly Earnings unless an excess amount is payable as a result of a Cost of Living Adjustment.

The above items are only highlights of the policy. For a full description of Your coverage, including any additional benefits, exclusions or limitations that may apply, continue reading Your Certificate of Coverage.

DEFINITIONS

Accident or Accidental means a sudden, unexpected event that was not reasonably foreseeable.

Active Employment means You are working for Your Employer for earnings that are paid regularly and that You are performing the Material and Substantial Duties of Your Regular Occupation. You must be working at least the minimum number of hours as described under the Minimum Hours Requirement in the Schedule of Benefits.

To be in Active Employment, Your work site must be:

- Your Employer's usual place of business;
- an alternative work site at the direction of Your Employer, including Your home; or
- a location to which Your job requires You to travel.

We will consider You to be in Active Employment on weekends, holidays, vacations, and paid time off program that Your Employer has approved and during a temporary business closure not to exceed 14 day(s) if You were in Active Employment on the last scheduled workday immediately prior to such time off. A temporary business closure includes a closure due to inclement weather, power outage or public health agency orders.

If Your employment status is being continued under a severance or termination agreement, You will not be considered in Active Employment.

Temporary Members are excluded from coverage. Seasonal Members are excluded from coverage.

Appropriate Care means that You:

- visit a Physician as frequently as medically required according to standard medical practice to effectively treat and manage Your disabling condition(s); and
- receive care or treatment appropriate for the disabling condition(s), conforming with standard medical practice, by a Physician whose specialty or experience is appropriate for the disabling condition(s) according to standard medical practice; and
- have the obligation to minimize Your disabling condition including having corrective treatment or minor surgery.

Certificateholder means the person who is eligible for benefits provided by the Policyholder's policy, who has received a Certificate of Coverage, and for whom premium has been paid.

Child and Children means:

- Your biological Child;
- Your adopted Child or a Child from the date of placement in Your home pending adoption;
- Your stepchild including a Child of a domestic partnership or civil union;
- a Child living in Your home for whom You are the legal guardian.

If a minor Child is entitled to benefits, We may at Our option make benefit payment to the person caring for and supporting the Child until a legal guardian is appointed.

Cognitive Impairment means You have a deterioration or loss in intellectual capacity, resulting from Injury, Sickness, Alzheimer's disease, or similar forms of irreversible dementia and You need another person's continuous active help or verbal guidance for Your own protection or for the protection of others. The deterioration or loss will be based on clinical evidence and/or clinical tests, according to generally accepted medical standards, that reliably measure Your impairment. A diagnosis of Cognitive Impairment is subject to the Pre-Existing Condition Limitation.

Complication of Pregnancy means a condition requiring hospital stay, when pregnancy is not terminated, whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy. Complication of Pregnancy includes, but is not limited to, non-elective Cesarean section; termination of ectopic pregnancy; spontaneous termination of pregnancy occurring during a period of gestation in which a viable birth is not possible; acute nephritis or nephrosis; cardiac decompensation; missed abortion; and similar medical and surgical conditions of comparable severity. It does not include false labor; occasional spotting; morning sickness; Physician prescribed rest; hyperemesis gravidarum; pre-eclampsia; or any other condition associated with the management of a difficult pregnancy, not consisting of a nosologically distinct Complication of Pregnancy.

Confined or Confinement means a Hospital, Health Facility, or Institution stay of at least 8 hours per day.

Contribution means the amount the Policyholder may require You to pay towards the total premium that We charge for the insurance provided under the policy.

Deductible Sources of Income means income from other sources as listed in the certificate which You receive or are eligible to receive while You are disabled. This income will be subtracted from Your Gross Monthly Benefit.

Disability Earnings are the earnings you receive for work performed while you are disabled and working. Disability earnings include only those earnings from work performed for the Employer or from another Employer for which you become employed after your disability began.

Salary continuation paid to supplement your disability earnings will not be considered payment for work performed.

Eligibility Date means the date You become eligible for insurance.

Eligible Survivor means Your surviving relatives in the following order:

- Your Spouse;
- if no Spouse or if Your Spouse does not survive You, in equal shares to Your Children;
- if no Child survives You, in equal shares to Your surviving parents; or
- Your siblings, in equal shares.

Elimination Period means a period of continuous disability that must be satisfied before You are eligible to receive benefits from this plan Us.

Interruption Period: If, during the Elimination Period, You return to Active Employment for less than 30 days, then the disability will be treated as continuous. Days that You are in Active Employment during this interruption period will not count towards the Elimination Period.

Employer means the organizations associated with the Episcopal Church that the Policyholder has requested in writing to have included under the Policy, and we have approved such request.

Gainful Occupation means any occupation for which you are or become reasonably fitted by training, education, or experience.

Grace Period means the 31-day period following the premium due date during which premium payment for the policy may be made.

Gross Monthly Benefit means Your benefit before any reduction for Deductible Sources of Income and any adjustment for Disability Earnings.

Hospital, Health Facility, or Institution means a short-term, acute, general hospital, that:

- is primarily engaged in providing, by or under the continuous supervision of physicians, to inpatients, diagnostic services and therapeutic services for diagnosis, treatment, and care of injured or sick persons;
- has organized departments of medicine and major surgery;
- has a requirement that every patient must be under the care of a Physician or dentist;
- provides 24-hour nursing service by or under the supervision of a registered professional nurse (R.N.);
- if located in New York State, has in effect a hospitalization review plan applicable to all patients which meets at least the standards set forth in 42 USC § 1395x(k);
- is duly licensed by the agency responsible for licensing such hospitals; and
- is not, other than incidentally, a place of rest, a place primarily for the treatment of tuberculosis, a place for the aged, a place for drug addicts or alcoholics, or a place for convalescent, custodial, educational, or rehabilitative care.

Health Facility may also mean a facility that specializes in treating alcoholism, drug addiction, chemical dependency or Mental Disorder. A facility specializing in treating alcoholism, drug addiction, chemical dependency or Mental Disorder does not include a rest home, convalescent home, and home for the aged or a facility primarily for custodial, educational, or rehabilitative care.

Immediate Family Member means a person who is related to You in any of the following ways: Spouse, domestic partner/civil union partner, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent and adoptive parent), grandparent, brother or sister (includes stepbrother or stepsister), Child (includes

legally adopted, stepchild, foster Child, or domestic partner's /civil union partner's Child, or grandchild.

Indexed Monthly Earnings means Your Monthly Earnings adjusted on each anniversary of benefit payment by the lesser of 1% of the annual percentage change in the Consumer Price Index. Your Indexed Monthly Earnings may increase or remain the same but will never decrease.

The Consumer Price Index CPI-U is published by the U.S. Department of Labor. We may substitute a comparable measurement if the Department of Labor changes or stops publishing the CPI-U. Before a substitute index is used, We shall notify You of the substitution. Indexing is only used as a factor in the determination of the percentage of lost earnings while You are disabled and working and in the determination of Gainful Occupation.

Injury means physical harm or damage to the body.

Inpatient means an individual who is physically Confined for an overnight stay, as a registered bed patient in a Hospital, Health Facility or institution.

Insured Person means a Member who is eligible for coverage and is the subject of insurance under the certificates attached to the policy for which premium is paid.

Leave of Absence means You are absent from Active Employment for a period that has been agreed to by Your Employer.

Your normal vacation time or any period of disability is not considered a Leave of Absence.

Material and Substantial Duties means duties that:

- are normally required for the performance of Your Regular Occupation any Gainful Occupation; and
- cannot be reasonably omitted or modified, except that if You are required to work an average in excess of 40 hours per week, We will consider You able to perform that requirement if You are working or have the capacity to work 40 hours per week.

Maximum Monthly Benefit means the total Monthly Benefit amount for which You are insured under the policy subject to all policy provisions.

Maximum Capacity means based on Your restrictions and limitations:

- during the first 24 months of disability, the greatest extent of work You are able to do in Your Regular Occupation any Gainful Occupation that is reasonably available; and
- beyond 24 months of disability the greatest extent of work You are able to do in any Gainful Occupation, that is reasonably available.

Maximum Period of Payment means the longest period of time We will make payments to You for any one period of disability.

Member means a person defined as such by the Policyholder:

- the Members of one or more subsidiary corporations named in the policy;
- the Members, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the Employer and of the affiliated corporations, proprietorships or partnerships is under common control and named in the policy;
- for a policy issued to insure the Members of a public body, elected or appointed officials.

Member excludes in any case, Part-Time Members, temporary Members and Members who work for the Employer less than the number of hours per week indicated in the Schedule of Benefit.

This term does not include Members who normally work less than 20 hours a week for the Employer.

Mental Disorder means a psychiatric or psychological condition classified in the Diagnostic and Statistical Manual of Mental Health Disorders (DSM), published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance use or dependency. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a disability. If the APA no longer publishes a DSM or the APA ceases to exist, We may substitute a comparable DSM.

Monthly Benefit means Your benefit after any Deductible Sources of Income and any Disability Earnings have been subtracted from Your Gross Monthly Benefit.

Monthly Earnings means Your gross monthly income from Your Employer as stated in the Schedule of Benefits.

Non-Contributory Insurance means insurance for which the Policyholder does not require You to pay any part of the premium. The Certificate of Coverage specifies who pays the cost of the coverage.

Part-Time Basis means the ability to work and earn 20% or more of Your Indexed Monthly Earnings. Ability is based on capacity and not market availability.

Payable Claim means a claim for which We are liable under the terms of the policy.

Physician means a licensed health care professional who diagnoses, treats, operates, or prescribes for any human disease, pain, injury, deformity, or physical condition. A licensed physician has completed a program of medical education and received the doctor of medicine (M.D.), doctor of osteopathic medicine (D.O.), or equivalent degree.

We will not recognize You or Your family members, including but not limited to, Spouse, domestic partner, Child(ren), parents, including in-laws, or siblings, including in-laws, a business or professional partner, or any person who has a financial affiliation or business interest with You as a Physician for a claim that You send to Us.

Policyholder means the Employer entity to whom the policy is issued.

Prior Plan means the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the Policy effective date.

Prior Policy means the Policyholder's group long term disability income insurance plan for which You were insured on the day prior to the effective date of Our policy.

Proof means Written evidence satisfactory to Us that a person has satisfied the conditions and requirements for eligibility for any benefit described in this certificate. When a claim is made for any benefit described in this certificate, Proof must establish:

- the nature and extent of the loss or condition;
- Our obligation to pay the claim; and
- the claimant's right to receive payment.

Reasonable Accommodation means modifications or adjustments to a job, an employment practice or the work environment that makes it possible for a person with a disability to perform the Material and Substantial Duties of their occupation without causing undue hardship to any Employer. It must meet federal standards of Reasonable Accommodation as defined by the Americans with Disabilities Act of 1991 and any later amendments.

Recurrent Disability means a disability which is:

- caused by a worsening in Your condition; and
- due to the same cause(s) as Your prior disability for which We made a Monthly Benefit.

Regular Care means:

- You personally visit in person or by telemedicine a Physician as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat Your disabling condition(s); and
- You are receiving the most appropriate treatment and care, which conform with generally accepted, medical standards, for Your disabling condition(s) by a Physician whose specialty or experience is the most appropriate for Your disabling conditions(s) according to generally accepted medical standards.

Regular Occupation means the occupation You are routinely performing when Your disability begins. We will look at Your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific Employer or at a specific location.

Retirement Plan means a defined contribution plan or defined benefit plan. These are plans which provide retirement benefits to Members and are not funded entirely by Member Contributions. Retirement Plan includes but is not limited to any plan which is part of any federal, state, county, municipal or association retirement system.

Salary Continuation or Accumulated Sick Leave means continued payments to You by Your Employer of all or part of Your Monthly Earnings, after You become disabled as defined by the policy. This continued payment must be part of an established plan maintained by Your Employer for the benefit of all Members covered under the policy. Salary Continuation or Accumulated Sick Leave does not include compensation paid to You by Your Employer for work You actually perform after Your disability begins. Such compensation is considered Disability Earnings and would be taken into account in calculating Your Monthly Benefit.

Sickness means illness, disease or Complications of Pregnancy.

Signed means any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper, electronic media, or other durable media and which is consistent with applicable law.

Spouse means Your lawful Spouse and any other person required to be covered as Your Spouse including same sex partners under the civil union, domestic partnership, marriage or other family or domestic relations laws, legally performed in New York and other jurisdictions.

If the policy and certificate are delivered or issued for delivery in different states, the certificate, if required, will comply with the applicable marriage laws, including marriage case law, of the state where the certificate is delivered or issued for delivery and, if required, with the applicable domestic partnership and civil union laws of such state, with respect to coverage available for marital relationships, domestic partnerships, or civil unions.

Substantial Assistance means the:

- physical assistance of another person without which You would not be able to perform an Activity of Daily Living; or
- constant presence of another person within arm's reach which is necessary to prevent, by physical intervention, Injury to You while You are performing an Activity of Daily Living.

Temporary Layoff means You are absent from Active Employment for a period of time where the Member and the Employer maintain an intent that the Member will return to work that has been agreed to In Writing by Your Employer and premium has been paid. This includes absences that may be referred to as furloughs.

Your normal vacation time or any period of disability is not considered a Temporary Layoff.

Third Party means any person or entity whose act or omission, in full or in part, caused You to suffer a disability for which benefits are paid or payable under this plan. Third Party also includes Your homeowner's, automobile or other insurance company if they make payments to You because of the acts or omissions of another person or entity.

Vocational Rehabilitation Program means a Written plan that a vocational rehabilitation professional, designated by Us, prepares in accordance with the Vocational Rehabilitation Services Program provision of the policy.

We, Us, and Our (with or without initial capital letters) means American Family Life Assurance Company of New York.

Written or In Writing means a record which is on or transmitted by paper, electronic media, or other durable media and which is consistent with applicable law.

You, Your (with or without initial capital letters) means the Certificateholder:

- who is a member of an Eligible Class;
- who is eligible for benefits;
- for whom premium has been paid while covered under the policy; and
- who has received a certificate.

GENERAL PROVISIONS

Entire Contract

This insurance is provided under a contract of group disability income insurance with the Policyholder. The entire contract with the Policyholder consists of:

- all policy provisions and any amendments and endorsements to the policy;
- this Certificate of Coverage and any amendments and endorsements to this Certificate of Coverage;
- the Policyholder's Signed application.

Fraud Notice

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

Certificate of Coverage

This Certificate of Coverage is a Written statement prepared by Us and may include attachments. It tells You:

- the coverage to which You may be entitled;
- to whom We will make a payment; and
- the limitations, exclusions and requirements that apply within the policy.

No benefits are payable under this certificate in the absence of payment of current premiums subject to the Grace Period and the Premium Section of the policy. Unless specifically provided for in any applicable termination or continuation of coverage provision described in this certificate or under the terms of the policy, this plan does not pay benefits for a disability incurred before coverage starts under this plan. This plan will not pay any benefits for any losses, claims or expenses that start after coverage ends.

Benefits may be modified during the term of this plan as specifically provided under the terms of the policy or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to any losses incurred that start on or after the effective date of the plan modification. There are no vested rights to receive any benefits described in the policy or in this certificate beyond the date of termination or renewal including if the loss, accident or disability starts on or after the effective date of the plan modification, but prior to Your receipt of amended plan documents.

Incontestability

We consider any statements made by You a representation and not a warranty. No statement made by You will be used to reduce or deny any claim or to terminate Your coverage unless:

- the statement is In Writing that is Signed by You; and
- a copy of that statement is given to You, Your Eligible Survivor or legally authorized representative.

No statement made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the coverage has been in force for two years. For any applied for increases in coverage or reinstatement of coverage, a new two-year contestability period is applicable to the amount of the applied for increase or reinstated coverage. Fraudulent statements will be used to contest the insurance for which the fraudulent statement was made when permitted by applicable law in the state where this certificate is delivered or issued for delivery.

No statement made by You will be used to contest the insurance under the policy unless the statement is material to the risk accepted by Us.

Clerical Error

Clerical error or omission by Us or the Policyholder will not:

- prevent You from receiving coverage, if You are entitled to coverage under the terms of the policy; or
- cause coverage to begin or continue for You when the coverage would not otherwise be effective; or
- continue benefit payments under the policy that otherwise should validly terminate.

If We or the Policyholder make a clerical error in keeping data that is required to compute premiums and administer the terms of the policy, We will:

- use the facts to decide whether You have coverage under the policy and in what amounts; and
- make a fair adjustment of the premium.

Misstatement of Age

If premiums applicable to You are based on age and You have misstated Your age, there will be a fair adjustment of premiums based on Your true age. If the benefits applicable to You are based on age and You have misstated Your age, there will be an adjustment of said benefits based on Your true age. We may require satisfactory Proof of Your age before paying any claim. Any fair adjustments of premium will be made with at least 30 days' prior written notice to the Policyholder.

Workers' Compensation or State Disability Income Insurance

The policy does not replace or affect the requirements for coverage by any workers' compensation or state disability income insurance.

Agency

For purposes of the policy, the Policyholder acts on its their own behalf or as Your agent. Under no circumstances will the Policyholder be deemed Our agent.

Non- Participation Policy

The policy is not entitled to share in surplus distribution.

Termination or Amendment of the Policy

If a disability for which Monthly Benefits are payable begins while Your coverage under the policy is in force, benefits will be payable after termination of Your coverage to the same extent as if the coverage had not terminated.

Conformity with State Statutes

This plan was issued on its effective date in the state noted on the Master Application. Any plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.

ELIGIBILITY AND ENROLLMENT

Eligible Class:

You may only become eligible for the insurance available if You are a member of an Eligible Class shown in the Schedule of Benefit. **Refer to the *Schedule of Benefit* or contact Your Employer to determine if You are in an Eligible Class.**

When are You Eligible for Coverage?

If You are in Active Employment, the date You are eligible for coverage is the later of:

- the Policy Effective Date;
- Your date of hire;
- the date You enter an Eligible Class.

If You enter an Eligible Class after Your date of hire, and there is no Waiting Period, Your Eligibility Date is the date You enter the Eligible Class.

Enrollment

If You are not required to contribute towards the cost of coverage, Your enrollment will be handled by Your Employer.

Eligible persons may enroll as follows:

Non-Contributory Insurance

For Non-Contributory insurance You do not contribute toward the cost. The Policyholder will automatically enroll You for the amount of Basic insurance shown on the Schedule of Benefits.

Effective Date of Your Insurance

Subject to the requirements of the section below entitled Deferred Effective Date, Your insurance will become effective as determined in this section if You are in Active Employment on the date coverage would take effect. If You are not in Active Employment on the date coverage is to take effect, Your effective date of coverage will be determined in the section below entitled "Deferred Effective Date"

Coverage for eligible persons insured under the Prior Plan will be effective on the Policy's Effective Date.

For persons, who were not insured under the Prior Plan, and all new or newly eligible persons, coverage under the policy will become effective on the latest of the following dates:

Rules for Non-Contributory Insurance

Non-Contributory Insurance will take effect in accordance with the rules stated below. You must be in Active Employment on the date such insurance is to take effect.

Non-Contributory Insurance will become effective the later of:

- the Policy Effective Date;
- the date You become eligible for insurance.

Deferred Effective Date

Unless otherwise stated in the section entitled Continuity of Coverage, If You are not in Active Employment on the day before:

- the Policy Effective Date;
- the scheduled effective date of Your insurance; or
- an increase in Your insurance.

Your insurance, or an increase, will not become effective until the day after You complete 1 full day(s) of Active Employment as a member of an Eligible Class.

CHANGING YOUR COVERAGE

When Will Changes to Your Coverage Take Effect?

Effective Date for Benefit Changes Due to a Change in Monthly Earnings

A change in your Monthly Benefit due to a change in your Monthly Earnings will be effective on the date of the change if you are in Active Employment. If you are not in Active Employment due to an Injury or Sickness, any increased or additional coverage will begin on the date you return to Active Employment.

Effective Date For Benefit Changes Due To A Change In Your Eligible Class

A change in Your Monthly Benefit due to a change in Your Eligible Class will be effective the date of the change if You are in Active Employment or if You are on a covered Layoff or Leave of Absence. If You are not in Active Employment dueto Injury or Sickness, any increased or additional coverage will begin on the date You return to Active Employment.

Effective Date For Benefit Changes By Policy Amendment

A change in Your covered Monthly Benefit due to a change in the Policy by an amendment elected by the Policyholder, will be effective on the effective date of the change, if you are in active employment. If you are not in active employment on the date a change would otherwise be effective, any increased or additional coverage will begin on the date you return to active employment.

A change in your benefit payable because of a change made by the Company will normally be effective on the Policy anniversary date, or as otherwise determined by state or federal law, or by Us. However, if you are not in active employment on the date a benefit payable change would otherwise be effective, the benefit payable change will not be in force until you return to active employment.

Effective Date of a Benefit Decrease

Any decrease in coverage will take effect upon the effective date of the change You provide notification to Your Employer.

Effect of a Change in Coverage on a Payable Claim

Neither an increase nor a decrease in coverage will affect a Payable Claim that occurs prior to the increase or decrease.

CONTINUITY OF COVERAGE

(Transferred Coverage from a Prior Plan to this Plan)

This provision provides continuity of coverage when You are in Active Employment when the Policyholder transfers prior group insurance to this plan, or by an Employer which has merged with or otherwise combined with the Policyholder. If Your coverage under the policy replaces any prior coverage that You had, the following rules apply:

What if You are not in Active Employment when Your Employer Replaces Insurance Coverage with Our Policy? (Continuity of Coverage)

If You are not in Active Employment due to Injury, or Sickness on the date Your Employer changes insurance carriers to Our policy, and You were covered under the Prior Policy at the time Your Employer's coverage under Our policy became effective, We will provide continuity of coverage under Our policy. In order for this provision to apply, the Prior Policy's coverage must be similar to Our policy.

If You are not in Active Employment due to Injury, or Sickness on the effective date of Our policy, and You would otherwise be eligible to become insured under Our policy, We will provide Limited Coverage under Our policy. Coverage under this provision will begin on Our Policy Effective Date and will continue until the earliest of:

- the date You return to Active Employment; or
- the end of any period of continuance or extension provided under the Prior Policy.

If You are not in Active Employment due to Leave of Absence or Temporary Layoff on the date Your Employer changes insurance carriers to Our policy, and You were covered under the Prior Policy at the time Your Employer's coverage under Our policy became effective, We will provide continuity of coverage under Our policy. In order for this provision to apply, the Prior Policy's coverage must be similar to Our policy.

If You are not in Active Employment due to Leave of Absence or Temporary Layoff on the effective date of Our policy, and You would otherwise be eligible to become insured under Our policy, We will provide Limited Coverage under Our policy. Coverage under this provision will begin on Our Policy Effective Date and will continue until the earliest of:

- the date You return to Active Employment; or
- the end of any period of continuance or extension provided under the Prior Policy; or
- the date coverage would otherwise end, according to the provisions of Our policy.

Your coverage under this provision is subject to payment of premium.

For the purposes of this provision the following definition applies:

Limited Coverage means benefits payable will be paid as if the Prior Policy had remained in effect and You continued to be insured under that policy. We will reduce Your payment by any amount for which the prior carrier is liable.

If coverage ends under this provision, or if You were not covered under Your Employer's Prior Policy on the date that policy terminated, the Effective Date of Your Insurance provision will apply.

How Does the Pre-Existing Condition Limitation Work If You were Covered Under Your Employer's Prior Plan? (Continuity of Coverage)

You may be eligible for a Monthly Benefit if Your disability results from a Pre-Existing Condition if, You were:

- in Active Employment and insured under the plan on its effective date; and
- insured by the Prior Policy at the time of change.

In order to receive a Monthly Benefit You must satisfy the Pre-Existing Condition provision under:

1. Our plan; or
2. the prior carrier's plan, if benefits would have been paid had that policy remained in force.

If You do not satisfy item one or two above, We will not pay benefits under Our plan.

If You satisfy item one, We will determine Your benefits according to Our plan provisions.

If You only satisfy item 2, We will administer Your claim according to Our plan provisions. However, Your Monthly Benefit will be the lesser of:

- the Monthly Benefit that would have been payable under the terms of the Prior Policy if it had remained in force; or
- the Monthly Benefit under Our plan.

Your benefits will end on the earlier of the following dates:

- the end of the Maximum Monthly Benefit under this plan; or
- the date benefits would have ended under the Prior Policy if it had remained in force.

How Does the Pre-Existing Condition Limitation Work If You were Covered Under Your Employer's Prior Plan?

Special rules apply to Pre-Existing Conditions, if this Long-Term Disability Income plan replaces Your Employer's Prior Policy and

- You were covered by that plan on the day before this plan became effective; and
- You became covered under this plan within 31 days of its effective date.

The special rules are:

1. If the Employer's did not have a Pre-Existing Condition exclusion or limitation, then a Pre-Existing Condition will not be excluded or limited under this plan.
2. If the Employer's did have a Pre-Existing Condition exclusion or limitation, then the limited time does not end after the first 5 days – 12 months of coverage. Instead, it will end on the date any equivalent limit would have ended under the Employer's.
3. If the change from Your Employer's to this plan of coverage would result in an increase in Your amount of benefits, the benefits for Your disability that is due to a Pre-Existing Condition will not increase. Instead, the benefits are limited to the amount You had on the day before the plan change.

If You Have a Disability Due to a Prior Disability After Your Employer Replaces Insurance Coverage with Our Policy (Credit for a Prior Disability)

You do not have to complete the Elimination Period under this plan if, after Your disability ended under the Prior Policy for which You received a disability benefit, You:

- are not eligible for successive benefits under Your prior carrier's policy; and
- returned to work for Your Employer for 14 consecutive days or less; and
- become disabled under the terms of this plan due to the same cause(s) as Your prior disability.

We will require proof that You received disability income benefits for the prior disability under the Prior Policy.

All other provisions of Our policy will apply.

When Continuity of Coverage Ends

You will remain covered under this Continuity of Coverage provision until the first to occur:

- the date You return to Active Employment at which time insurance in effect under the policy will not be subject to Prior Plan provisions or benefit limitations;
- the last day of a period of 12 consecutive months which begins on the Policy Effective Date, at which time coverage under the policy will also end;
- the date insurance would otherwise end for You in accordance with the terms and conditions of this certificate, at which time coverage under the policy will also end;
- the date on which insurance would have ended under the Prior Plan, had the Prior Plan not terminated at which time coverage under the policy will also end; or
- if the Prior Plan provided for extension of insurance without premium payment during a period of disability, on the earliest of:
 - (a) the date You are approved for such benefit under the terms of the Prior Plan; and
 - (b) the last day of the 12-month period following the Policy's Effective Date, and coverage under the policy will also end.

Duplication of Coverage

If You qualify for benefits under the Prior Plan such that a duplication of coverage situation exists after coverage begins under the policy, You must exercise Your rights under the Prior Plan and duplicate benefits will not be payable under the policy.

Coverage under the policy will not take effect if Your coverage under the Prior Plan is continued under any disability income provision or You have enrolled in a conversion plan option with the Prior Plan.

Premium Payments

Premium payments are required for all Insured Persons during the period Continuity of Coverage under this provision is in effect. We will not waive premium during the period coverage is continued.

CONTINUATION OF COVERAGE BY THE POLICYHOLDER

The Policyholder has elected to continue Your insurance for any of the reasons specified below.

Premium will continue to be paid to Us by the Policyholder on Your behalf.

When Will Your Coverage Continue If You Are Temporarily Not Working?

If premium payments continue to be made on Your behalf, We may deem Your employment to continue for purposes of remaining eligible for coverage under this plan as described below.

If You Are Not in Active Employment Due to a Sickness or Injury or Other Authorized Leave

If You are not in Active Employment due to Sickness or Injury or other authorized leave as agreed to by Your Employer, Your coverage may continue up to a maximum of 12 weeks from the start of Your absence.

Continuation of Coverage While on a Family and Medical Leave of Absence

We will continue Your coverage in accordance with the Policyholder's policy on family medical and military leaves of absence if premium payments continue and the Policyholder approved Your leave In Writing.

If You were granted a Leave of Absence according to the "Family and Medical Leave Act of 1993", Your coverage will continue under this provision for the balance of Your leave.

Coverage will be continued until the end of the later of:

- the leave period required by the federal Family and Medical Leave Act of 1993 and any amendments; or
- the leave period required by applicable national, state or local law, or any similar law, plan or act.

If the Policyholder's policy does not provide for continuation of Your coverage during a family and medical Leave of Absence, Your coverage will be reinstated when You return to Active Employment.

For the above exceptions to apply, You must request to reinstate Contributory coverage within 31 days of Your return to active work.

Continuation of Coverage While On Leave During Military Service

We may continue Your insurance, if applicable, in accordance with the Policyholder's policies regarding leave of absence for Military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable state law. Premiums must be paid for continued coverage for You. Coverage may be continued until the end of the period required by USERRA. If Your coverage is not continued during a Leave of Absence for active military service, and You return to Active Employment, Your coverage shall be reinstated in accordance with USERRA and applicable state law.

If Your Employer has approved more than one type of Leave of Absence for You during any one period that You are not in Active Employment, We will consider such leaves to be concurrent for the purpose of determining how long Your coverage may continue under the policy.

Concurrent Leaves

If Your Employer has approved more than one type of Leave of Absence for You during any one period that You are not in Active Employment, We will consider such leaves to be concurrent for the purpose of determining how long Your coverage may continue under the policy.

End of a Continuation Period

Continuation Insurance will end on the earliest of the following:

- the date Your continuation leave ends;
- the date the Policyholder ceases to pay Your premiums, or otherwise terminates Your insurance;
- the date You cease to pay Your premiums, or You terminate Your insurance;
- the maximum continuation period has been reached;

- the date the Employer ceases to be an Affiliated Employer under the policy; or
- the date the policy or this plan terminates.

At the end of any of a continuation period if You resume Active Employment in an Eligible Class You will continue to be covered under the policy.

If You do not resume Active Employment in an Eligible Class at this time, Your employment will be considered to end, and all insurance will end in accordance with the provision Date Insurance Ends.

In no event will Your coverage under the policy be continued beyond the date Your coverage would otherwise end according to the terms of the When Does Your Coverage End provision.

Waiver of Premium

If We approve Your claim, We will not require further premium payments for You while You remain disabled according to the terms and provisions of the policy. Your disability income insurance amount will not increase while Your disability income insurance premiums are being waived. Your disability income insurance amount will reduce or cease at any time it would reduce or cease if You had not been disabled. Premiums waived under this provision will not be deducted from any benefits paid under the policy.

When Does Your Waiver of Premium End?

Your Waiver of Premium will automatically end on the earliest of the following:

- the date You are no longer disabled;
- the date You fail to submit Proof of continuing disability;
- The end of the Maximum Period of Payment shown in the Schedule of Benefits; or
- Your date of death.

DATE COVERAGE ENDS AND REINSTATEMENT AND CONVERSION OPTION

When Does Your Coverage End?

Your coverage under this plan ends on the earliest of:

- the date the policy or the plan is terminated;
- the date you are no longer in an Eligible Class;
- the date you are no longer eligible for coverage;
- the date your Eligible Class is no longer covered;
- the last day You are in Active Employment except as provided under the section Continuation of Coverage by the Policyholder provision;
- the date on which you retire;
- the date on which you begin active duty in the armed forces of any country.

Reinstatement of Coverage

If Your long term Disability Income coverage ends, You may apply to reinstate the coverage You previously had in effect subject to the rules described below.

To apply for reinstatement of Your coverage You must submit:

- Written application to Us on a form provided by Us; and
- payment of all overdue premiums.

You must be in an Eligible Class and in Active Employment. The Policyholder must provide a Written request for reinstatement within 31 days from the date You return to Active Employment.

If We approve Your request, You will be notified of Your reinstatement date.

The amount of insurance reinstated will be the lesser of the amount of insurance You previously had upon termination of Your coverage, or the maximum amount available for Your Eligible Class on the date of reinstatement, unless:

- You have not paid all overdue premiums;
- You are not in an Eligible Class; or
- the policy or this plan has been terminated.

If You return to Active Employment within 12 months of the date Your coverage terminated and You request coverage from Your Employer within 31 days of Your return, the Pre-Existing Condition limitation will apply only to the extent they would have applied if Your coverage had not ended.

LONG TERM DISABILITY INCOME (LTD) CONVERSION PLAN OPTION

If Your insurance in This Plan ends, for any of the reasons stated in the *Eligible To Convert* provision, and it is not replaced with new group LTD insurance, You may have the option to continue group LTD insurance with Aflac New York by enrolling in a new group policy ("Portability Policy") during the Election Period. We will issue You a new certificate which is evidence of your coverage under the Portability Policy. The new certificate will describe the benefits provided.

This LTD Conversion Plan Option is subject to all other provisions of the policy other than as stated in this section.

BENEFITS AVAILABLE TO CONVERT

For purposes of this section the "LTD Conversion Insurance" means Your LTD Monthly Benefit. No other benefits provided in This Plan are eligible for continuation in the Portability Policy.

Maximum Monthly Benefit Eligible to Convert

The Monthly Benefit payable under the Portability Policy will never exceed the benefits for which You would have been eligible under This Plan on the date Your coverage ends under This Plan.

The maximum Monthly Benefit You can Port is equal to the lesser of:

1. The Monthly Benefit under This Plan on the date Your long term disability income coverage ended; or
2. 60% of Your Monthly Earnings as of the date Your coverage under the This Plan ended, but not more than the Monthly Maximum Benefit.

ELIGIBLE TO CONVERT

You will have the option to elect LTD Conversion Insurance if Your insurance under This Plan ends because:

- Your employment ends for any reason other than a disability or retirement; and
- You meet the *Eligibility Criteria*.

Eligibility Criteria

You may be eligible to continue Your group LTD insurance if This Plan is in effect on the date You qualify to convert Your coverage and You meet all the following conditions:

- be less than age 65;
- be in Active Employment in an Eligible Class on the day Your coverage under This Plan ended;
- reside in the United States in a state or a jurisdiction that permits this conversion option; and
- be covered under This Plan months on the date employment ended.

You may **NOT** elect to continue any insurance under this provision if on the date You would qualify to convert insurance under This Plan ended because:

- You are not eligible due to your age;
- You retired;
- You recovered from a Disability and did not return to work with Your Employer;
- the Policyholder has gone out of business;
- the Policy for This Plan is terminated;
- You are in active military service or entering active military service;
- Your coverage is being continued in This Plan, or You have applied to have Your coverage to be continued under This Plan for any reason;
- You are not a resident in the United States;
- This Plan is amended to exclude Your Eligible Class;
- You cease to be a member of an Eligible Class under the This Plan;
- You are on a Leave of Absence;
- You are disabled;
- You failed to pay any premium contribution due under This Plan; or
- You are sick or injured and away from work on the date Your coverage ends under This Plan.

ELECTING THE LTD CONVERSION PLAN

An eligible person may elect coverage within **31** days after LTD insurance under This Plan ends. This timeframe is the Election Period. Upon termination of Your employment, we will send You information about the plan, an election form and the plan options available. Evidence of Insurability is not required to enroll in the Basic Plan Option. Evidence of Insurability is required to enroll in other plan options.

To elect coverage, You must submit to Us:

- a completed election form; and
- pay the first premium due as shown in the election form.

The Premiums for the new certificate will be based on Aflac New York's rates then in use for the group conversion policy, the amount of insurance to which You become eligible to convert, and the amount of insurance and Your attained age when Your insurance under This Plan ended.

You are responsible for the cost of Your conversion insurance. When we issue the new certificate, we will also provide a schedule of premiums and payment instructions.

The first Premium must be paid in accordance with the instructions on the enrollment form. Coverage will not become effective until the first full premium due is received by us.

Effective Date of Coverage:

For converted amounts of insurance that were not subject to evidence of insurability satisfactory Aflac New York, the new certificate shall take effect on first day after the day that coverage ended under This Plan.

For converted amounts of insurance that were subject to evidence of insurability satisfactory to the insurance company, the new certificate shall take effect on the later of:

- the date the insurance company approved the evidence of insurability, or
- the first day after the day that coverage ended under This Plan.

DEFINED TERMS

Terms used throughout this section have the following meanings:

Election Period: Is the timeframe permitted for an eligible person to enroll in the Portability Policy.

Conversion Plan means the group long term disability income coverage that You may be eligible to elect when coverage ends under This Plan.

Portability Policy means the group insurance policy under which You may elect to continue This Plan's group long term disability income insurance.

This Plan means the insurance provided under this certificate by the Policyholder.

LONG TERM DISABILITY INCOME BENEFIT INFORMATION

How Do We Define a Long Term Disability?

You are considered to be disabled if, solely and directly because of a Sickness or Injury, all of the following applies:

- You must be covered by this plan at the time You become disabled;
- You must be under the Appropriate Care of a Physician for Your Sickness or Injury; and
- You must meet the definition of disability below.

You are disabled when it is determined that due to Your Sickness or Injury:

- You are unable to perform one or more of the Material and Substantial Duties of Your Regular Occupation;
- You are under the regular care of a physician; and
- You have a 20% or more loss in Your Indexed Monthly Earnings.

After benefits have been payable for 24 months, You are disabled when it is determined that due to Your Sickness or Injury:

- You are unable to perform one or more of the material and substantial duties of an any Gainful Occupation for which You are reasonably fitted by education training or experience;
- You are under the regular care of a physician; and
- You have a 20% or more loss in Your Indexed Monthly Earnings.

We will assess Your ability to work and the extent to which You are able to work by considering the facts and opinions from Your Physicians and Physicians and medical practitioners or vocational experts of Our choice.

We may require You to be examined by a Physician, other medical practitioner and/or vocational expert of Our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require You to be interviewed by Our authorized representative. Refusal to be examined or interviewed may result in denial or termination of Your claim.

ELIMINATION PERIOD

How Long Must You Be Disabled Before You Are Eligible to Receive Benefits?

You must be continuously disabled through Your Elimination Period. The days that You are not disabled will not count toward Your Elimination Period. We will treat Your disability as continuous if Your disability stops 30 days or less during the Elimination Period. No benefit is payable for or during the Elimination Period.

Your Elimination Period is described in the Schedule of Benefits.

Interruption of Elimination Period

Interruption Period: If, during the Elimination Period, You return to Active Employment for less than 30 days, then the disability will be treated as continuous. Days that You are in Active Employment during this interruption period will not count towards the Elimination Period.

Can You Satisfy Your Elimination Period If You Are Working?

Yes. If You are working while You are disabled, as defined under this plan, the days You are disabled will count toward Your Elimination Period.

When Will You Begin To Receive Benefits?

The benefit payable is the Monthly Benefit shown in the Schedule of Benefits The Monthly Benefit is based on Your Monthly Earnings.

You will begin to receive benefits when Your claim is approved, providing the Elimination Period has been satisfied, You are under the Regular Care of a Physician, and You are disabled as defined in this certificate. We will send You a Monthly Benefit for any period for which We are liable, but not beyond the Maximum Period of Payment shown in the Schedule of Benefits. No benefit is payable during the Elimination Period.

After the Elimination Period, If You are disabled for less than 1 month, We will send You 1/30th of Your Monthly Payment for each day of Your disability.

If You are receiving, or are eligible to receive, benefits for a disability under a prior disability income plan that was sponsored by Your Employer, or You were terminated before the Effective Date of this plan, then no benefits will be payable for the

disability under the policy.

What Is the Maximum Period of Payment?

You will receive a benefit for each month You remain disabled up to the Maximum Period of Payment.

Your Maximum Period of Payment is described in the Schedule of Benefits.

Recurrent Disability

If You have a Recurrent disability, We will treat Your disability as part of Your prior claim and You will not have to complete another benefit Elimination Period if:

- You were continuously insured under the plan for the period between the end of Your prior claim and Your Recurrent Disability; and
- Your Recurrent Disability occurs within 6 months from the end of Your prior claim; and
- the policy remains in force.

Your Recurrent Disability will be subject to the same terms of the plan as Your prior claim and will be treated as a continuation of that disability.

Any disability, which occurs after 6 months from the date Your prior claim ended, will be treated as a new claim. The new claim will be subject to all the policy provisions, including the Elimination Period.

If You become covered under any other group long term disability income plan, You will not be eligible for benefits under this disability income plan.

How is Your Benefit Determined?

We will follow this process to calculate Your benefit amount:

1. Multiply your Covered Monthly Earnings by the Monthly Benefit percentage shown in the Schedule of Benefits. The maximum Monthly Benefit is listed in Your Schedule of Benefits.
2. Compare the answer from Item 1 with the maximum Monthly Benefit. The lesser of these two amounts is Your Gross Monthly Benefit.
3. Subtract any Deductible Sources of Income from Your Gross Monthly Benefit.

The amount figured in Item 4 is Your Monthly Benefit. The Monthly Benefit will be recalculated when Your income changes or You receive any new Deductible Sources of Income.

How is Your Benefit Determined if You Are Disabled and Working?

If you have a partial or residual disability, you may continue to work or return to work and still be eligible collect your monthly benefit. Your monthly benefit may be reduced if while benefits are payable, if you earn income from the employer, or another employer for which you become employed after your disability began.

For the first 12 months of payable benefits:

1. If you are disabled and return to work, we will not reduce your monthly benefit for Disability Earnings if:
 - your monthly Disability Earnings, if any, are less than 20% of your indexed monthly earnings due to the same Sickness or Injury; and
 - you have satisfied the Elimination Period.
2. If you are disabled and your monthly Disability Earnings are 20% or more of your indexed monthly earnings, due to the same sickness or injury, we will calculate your monthly benefit as follows:
 - During the first 12 months of payable benefits, while working, your Monthly Benefit will not be reduced by your Disability Earnings as long as Disability Earnings plus the Gross Disability Benefit does not exceed 100% of Indexed Monthly Earnings.
 - 1) Add your monthly Disability Earnings to your Gross Disability Benefit.
 - 2) Compare the answer in item 1) to your Indexed Monthly Earnings.

If the answer from item 1) is less than or equal to 100% of your Indexed Monthly Earnings, we will not further reduce your Monthly Benefit.

If the answer from item 1) is more than 100% of your Indexed Monthly Earnings, we will subtract the amount over 100% from your Monthly Benefit.

After benefits have been payable for 12 months, while working, the amount of your Monthly Benefit will change, and we will consider a portion of your Disability Earnings to be a Deductible Source of Income.

Fifty percent of your Disability Earnings will be added to your other Deductible Sources of Income, if any. The sum will be deducted from your Gross Disability Benefit. This amount will be your Monthly Benefit.

We may require you to send proof of your Disability Earnings on a monthly basis. We will re-calculate your benefit each month and adjust your Monthly Benefit based on your monthly Disability Earnings.

As part of your proof of Disability Earnings, we can require that you send us appropriate financial records, including copies of your IRS federal income tax return, W-2's and 1099's, which we believe are necessary to substantiate your income.

After the Elimination Period, if you are disabled for less than one month, we will send you 1/30th of your monthly benefit for each day of disability.

When Will Your Monthly Benefits End If Working While Disabled?

During the Regular Occupation Period, if Your monthly Disability Earnings exceed 80% of Your Indexed Monthly Earnings, We will stop Your benefits and Your claim will end.

How Can We Protect You If Your Disability Earnings Fluctuate?

If Your Disability Earnings routinely fluctuate widely from month to month, We may average Your Disability Earnings over the most recent 3 months to determine if Your claim should continue.

If We average Your Disability Earnings, We will not terminate Your claim unless the average of Your Disability Earnings from the last 3 months exceeds 80% of Indexed Monthly Earnings. We will not pay You a benefit for any month during which Disability Earnings exceed 80% of Indexed Monthly Earnings.

We will not pay You for any month during which Disability Earnings exceed the above amounts. The Minimum Monthly Benefit will not be paid when Disability Earnings exceed the above amounts.

Total Monthly Benefit

If You are eligible to receive benefits under the policy in addition to the Monthly Benefit, the total benefit payable to You on a monthly basis (including all benefits provided under the policy) will not exceed 100% of Your Monthly Earnings unless otherwise stated in this certificate.

What Are Deductible Sources of Income And How Do They Affect My Benefits?

Deductible Sources of Income are other income benefits You are eligible to receive because of Your disability or retirement. These benefits are taken into consideration when Your Monthly Benefit is calculated and may reduce Your Monthly Benefit.

We will only subtract Deductible Sources of Income which are payable as a result of Your disability, with the exception of retirement payments, amounts earned or received from any form of employment and amounts received from any unemployment compensation law.

We will subtract from Your Gross Monthly Benefit the following Deductible Sources of Income:

1. The amount that You receive under:
 - a workers' compensation law;
 - any state or federal occupational disease or injury law.
2. The amount that You receive as disability income benefits under any:
 - state compulsory benefit act or law;

- other group insurance plan;
 - governmental retirement system as a result of Your job with Your Employer.
3. The gross amount that You, receive as disability income benefits because of Your disability under:
 - the United States Social Security Act;
 - the Canada Pension Plan;
 - the Quebec Pension Plan;
 - the Railroad Retirement Act.
 4. The gross amount that You receive as retirement payments, or the amount receive as retirement payments, because You are receiving retirement payments under:
 - the United States Social Security Act;
 - the Canada Pension Plan;
 - the Quebec Pension Plan;
 - the Railroad Retirement Act.

This does not include benefits for any month before You reach normal retirement age, as defined under the Social Security Act, unless You choose to receive these benefits.

5. The amount that You:
 - receive as disability income benefits under Your Employer's Retirement Plan;
 - voluntarily elect to receive as retirement benefits under Your Employer's Retirement Plan;
 - receive as retirement benefits when You reach the later of age 62 or normal retirement age, as defined in Your Employer's Retirement Plan.

Disability income payments under a Retirement Plan will be those benefits which are paid due to disability and do not reduce the retirement benefit which would have been paid if the disability had not occurred.

Retirement benefits will be those benefits that are paid based on Your Employer's contribution to the Retirement Plan. Disability income benefits which reduce the retirement benefit under the plan will also be considered as a retirement benefit.

Regardless of how the retirement funds from the Retirement Plan are distributed, We will consider Your and Your Employer's contributions to be distributed simultaneously throughout Your lifetime.

Amounts received do not include amounts rolled over or transferred to any eligible Retirement Plan. We will use the definition of eligible Retirement Plan as defined in Section 402 of the Internal Revenue code including any future amendments that affect the definition.

6. 100% of the amount You receive under the Admiralty and Maritime Law, maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits. The amount You receive under Title 46, United States Code Section 688 (The Jones Act) and the Doctrine of Unseaworthiness.
7. Disability income benefits received under state disability income benefit plans and state family leave benefits, or any other compulsory benefit act or law, where permitted by state law.
8. The amount You receive or are eligible to receive under any unemployment income act or law due to the end of employment with Your Employer or payable by insured and uninsured plans or as a result of Your membership or association in any group, union or other organization.
9. The amount of loss of time benefits that You receive or are eligible to receive under any Salary Continuation, Accumulated Sick Leave, sick pay, vacation pay, severance or other similar paid time off plans.
10. 50% of Your Disability Earnings.

With the exception of retirement payments, We will only subtract deductible sources of income which are payable as a result of Your disability.

We will not reduce Your payment by Your Social Security retirement income if Your disability begins after age 65 and You were already receiving Social Security retirement payments.

What Are Not Deductible Sources of Income?

We will not subtract from Your Gross Monthly Benefit Income You receive from, but not limited to, the following:

- 401(k) plans;
- profit sharing plans;
- thrift plans;
- tax sheltered annuities;
- stock ownership plans;
- non-qualified plans of deferred compensation;
- military pension and disability income plans;
- individual retirement accounts (IRA);
- individual disability income plans;
- 457 deferred compensation plans;
- 403(b) Tax sheltered annuity plans;
- The Church Pension Fund Clergy Pension Plan;
- The Episcopal Church Lay Employees' Retirement Plan (Lay DB);
- The Church Pension Fund Clergy Long-Term Disability Plan;
- retirement benefits from a former employer; or
- auto liability insurance policies.

What Happens When You Receive A Cost Of Living Increase From Deductible Sources of Income?

Once We have subtracted any deductible source of income from Your Gross Monthly Benefit, We will not further reduce Your Monthly Benefit due to a cost of living increase from that source.

What If We Determine You May Qualify For Deductible Income Benefits?

As used in this section, "Government Retirement Plans" include disability and retirement benefits under:

- the federal Social Security Act, Jones Act or Railroad Retirement Act;
- the Canada Pension Plan or Quebec Pension Plan;
- any similar plan or act of any country, state, province or other political unit; or
- any plan provided in place of one of the above plans; except for the State Teachers Retirement Fund, or the State Public Members Retirement Fund.

Estimating Offsets

When We have a reasonable basis upon which to believe that You will qualify for Social Security or other Government Retirement Plan benefits under standards set forth by the Social Security Administration, We will provide You the following options to offset an overpayment of benefits:

1. Reduced Monthly Benefits

You may receive Monthly Benefits reduced by estimated Social Security or other Government Retirement Plan benefits while a claim for benefits is pending. Aflac NY will adjust Our benefits and will refund any underpayment, in a lump sum, upon receiving Proof of:

- the amount actually awarded; or
- the claim denial and completion of any appeal the Company requires.

2. Unreduced Monthly Benefits

You may receive unreduced Monthly Benefits while the claim is pending. You must agree to promptly refund any overpayment that results, in a lump sum, upon receiving Social Security or other Government Retirement Plan benefits. You must sign Our reimbursement agreement form. This form states that You promise to pay Us any overpayment caused by an award.

If You do not promptly refund an overpayment:

- We will reduce or eliminate future payments; and
- the Minimum Monthly Benefit will not apply, until the amount is repaid.

We will only offset policy benefits at Your request. You may opt out of Your request to allow Us to estimate these amounts at any time. If You choose to opt out, then We will repay any monies withheld to which You are entitled.

What Happens If You Receive A Lump Sum Payment?

If You receive a lump sum payment from any deductible source of income, the lump sum will be pro-rated on a monthly basis over the time period for which the sum was given. If no time period is stated, We will use a reasonable one.

What is the Minimum Monthly Benefit?

If Your Monthly Benefit is reduced to zero due to subtracting Deductible Sources of Income, You will receive a minimum Monthly Benefit. Your minimum Monthly Benefit is listed on the Schedule of Benefit.

We may apply Your minimum Monthly Benefit toward any outstanding overpayment.

The minimum Monthly Benefit will not be paid in any month when Disability Earnings exceed 80% of Your Indexed Monthly Earnings. This includes when We average Your Disability Earnings as described above.

WHEN WILL DISABILITY INCOME BENEFITS STOP OR NOT BE PAID?

When Will Disability Income Benefits Stop?

Your claim will end and benefits will stop on the earliest of the following:

- the end of the Maximum Period of Payment;
- the date You are no longer disabled under the terms of the plan;
- during the first 24 months of benefits, when You are functionally able to work in Your Regular Occupation on a Part-Time Basis, increase Your hours, or increase the number or type of duties You perform in Your Regular Occupation, but You choose not to;
- after 24 months of benefits, when You are able to work in any Gainful Occupation on a full-time or Part-Time Basis, but You choose not to;
- the date You fail to submit Proof of continuing disability;
- the date You are incarcerated;
- Your date of death;
- the date Your any Employer the Policyholder offers You another or modified job position, which Physicians agree You are functionally able to perform, at a pay rate that exceeds 80% of Your Indexed Monthly Earnings.

When Will Disability Income Benefits Not Be Paid?

Disability Income Benefits will not be paid for any period of disability during which You:

- are not following a plan of Appropriate Care for Your disability, or complications of Your disability. This includes effective treatment for alcoholism or drug abuse, if alcoholism or drug abuse is the cause or part of the cause of Your disability;
- are not receiving Appropriate Care;
- refuse to be examined by an independent Physician or a licensed certified health care practitioner and/or vocational expert as requested by Us when provided at Our expense;
- refuse a Reasonable Accommodation or modification to Your worksite or a job process designed to suit identified medical limitations;
- refuse adaptive equipment or devices that would allow You to perform Your Regular Occupation;
- refuse a transitional work arrangement or other modified work arrangement without Good Cause;
- fail to cooperate with Us in the administration of the claim. Such cooperation includes, but is not limited to providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due;
- refuse to interview with Our representative about Your disability.

EXCLUSIONS AND LIMITATIONS

Disabilities Not Covered Under The Policy

Benefits are not payable under the Policy for any disability:

- war, declared or undeclared, or any act of war;
- commission of or attempt to commit a felony;
- active participation in a riot or act of insurrection;
- intentionally self-inflicted harm;
- suicide, or attempted suicide;
- being under the influence of alcohol or legal intoxication defined by the state law where the disability occurs;
- being under the influence of any narcotic (including overdose) unless administered on, and taken in accordance with, instructions of a Physician;
- Aviation, other than as a fare-paying passenger on a scheduled or charter flight operated by a scheduled airline.

How Does A Pre-Existing Condition Limitation Period Effect My Monthly Benefits?

What Is A Pre-Existing Condition?

You have a Pre-Existing Condition if both 1 and 2 are true:

1. (a) You received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines, except for maintenance drugs prescribed for a previous condition and for which You are asymptomatic, within 90 days just prior to Your effective date of coverage or the date an increase in benefits through amendment or Your enrollment in another plan option, would otherwise be available; and

[(b) or You had symptoms for which an ordinarily prudent person would have consulted a health care provider in the 24 months just prior to Your effective date of coverage or the date an increase in benefits would otherwise be available; and
2. the disability begins in the first 365 days after Your effective date of coverage.

How Does A Pre-Existing Condition Affect An Increase In Your Benefits?

If there is an increase in Your benefits due to an amendment of the plan; or Your enrollment in another plan option, the increase or new plan option will not take effect until Your disability ends.

Payable Benefits After The Pre-Existing Condition Limitation Period Ends

If You continue to be disabled due to a Pre-existing Condition on the date You have satisfied the Pre-Existing Condition Limitation Period, your Monthly Benefit will be payable for the full amount for that disability provided that You have satisfied the Elimination Period and all other provisions that affect Your eligibility for coverage and benefits.

Credit For Pre-Existing Conditions

If this Certificate replaces another disability income certificate or individual policy, Your coverage under this Certificate shall not limit or exclude coverage for a Pre-existing Condition that would have been covered under Your Prior Plan. Time periods applicable to Pre-existing Conditions will be waived to the extent that similar limitations or exclusions were satisfied under the coverage being replaced.

Elimination Period

The Elimination Period will run concurrently with this Pre-Existing Condition waiting period.

What Disabilities Have A Limited Pay Period Under Your Plan?

We will pay disability income benefits on a limited basis for a disability caused by, or contributed to by, any one or more of the following conditions:

- Disabilities, which as determined by Us, due in whole or in part to Mental Disorder have a maximum pay period of 24 months during Your lifetime.
- Disabilities which as determined by Us, due in whole or in part to Substance Abuse (alcohol abuse, drug abuse or dependency) have a limited pay period of 24 months during Your lifetime.

The lifetime cumulative *maximum benefit period* for all disabilities caused by or contributed to by mental disorders; alcohol abuse and drug abuse or dependency; is 24 months during *your* lifetime.

Benefit Extension for Mental Disorders

We will continue Your benefits beyond the maximum benefit period if You meet one or both of these conditions:

1. If You are Confined to a Hospital, Health Facility, or Institution at the end of the 24 month period, We will continue Your benefits during Your Confinement.

If You are still disabled when You are discharged, We will continue Your benefits for a recovery period of up to 180 days.

If You become re-Confined at any time during the recovery period and remain Confined for at least 14 days in a row, We will continue Your benefits during that additional Confinement and for one additional recovery period up to 180 more days.

2. In addition to item 1, if, after the 24-month period for which You have received benefits, You continue to be disabled and subsequently become Confined to a hospital or institution for at least 14 days in a row, We will continue benefits during the length of the re-Confinement.

We will not pay Monthly Benefits beyond the Maximum Period of Payment. We will not apply any period of Confinement to Your lifetime cumulative maximum.

Exceptions

We will not apply the Mental Disorder limitation to dementia if it is a result of:

- stroke;
- trauma;
- viral infection;
- Alzheimer's disease; or
- other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.

OTHER BENEFITS

Survivor Benefit (Benefits If You Die)

When We receive Proof that You have died, We will pay Your Eligible Survivor a lump sum benefit equal to the amount shown in the Schedule of Benefits 3 times Your Gross Monthly Benefit if, on the date of Your death:

- Your disability had continued for 180 days; and
- You were receiving or were eligible to receive payments under the policy.

If You have no Eligible Survivors, payment will be made to Your estate.

However, We will first apply the Survivor Benefit to recover any overpayment that may exist on Your claim.

The Survivor Benefit will not be continued as part of the Conversion coverage.

Vocational Rehabilitation Program

We have vocational rehabilitation services available to assist You in returning to work to the extent of Your ability. We will review Your disability income claim to determine whether You are eligible for these services. In order to be eligible for vocational rehabilitation services and a Vocational Rehabilitation Monthly Benefit, You must be medically able to participate in a return to work plan.

Your claim file will be reviewed by a vocational rehabilitation professional to determine if rehabilitation services might help You return to gainful employment. As Your file is reviewed, medical and vocational information will be analyzed to determine an appropriate return to work plan.

We will make the final determination of Your eligibility for these services. Nonparticipation in a Rehabilitation plan shall not affect Our determination of whether You are disabled.

If We determine that vocational rehabilitation services are appropriate, We will provide You with a Written Vocational Rehabilitation Program developed specifically for You.

The Vocational Rehabilitation Program may include at Our sole discretion, but is not limited to, the following services:

- coordination with Your Employer to assist You to return to work;
- evaluation of adaptive equipment or Reasonable Accommodations to allow You to work;
- evaluation of possible workplace modifications which might allow You to return to work in Your Regular Occupation or another job or occupation;
- vocational evaluation to determine how Your disability may impact Your employment options;
- job placement services, including resume preparation services and training in job-seeking skills;
- alternative treatment plans such as recommendations for support groups, physical therapy, occupational therapy, or other treatment designed to enhance Your ability to work.

When The Vocational Rehabilitation Program Ends

Vocational Rehabilitation Benefits will end on the earliest of the following dates:

- the date We determine that You are no longer eligible to participate in a Vocational Rehabilitation Program;
- the date You are no longer participating in a Vocational Rehabilitation Program; or
- any other date on which Monthly Benefits would stop in accordance with the policy.

If You are participating in a Vocational Rehabilitation Services Program and fail to complete Your responsibilities under the Vocational Rehabilitation Program without Good Cause, then We may discontinue Our payments to You under the policy.

Vocational Rehabilitation Monthly Benefit

If You are receiving Monthly Benefits under the policy, and You are participating in a Vocational Rehabilitation Program, You may be eligible for an additional Vocational Rehabilitation Benefit. We will pay an additional benefit as shown in Schedule of Benefits of 10% of Your Gross Monthly Benefit to a maximum of \$500 per month not to exceed 24 months.

This benefit is not subject to policy provisions which would otherwise increase or reduce the benefit amount such as Deductible Sources of Income. However, the Total Benefit Cap will apply.

When Vocational Rehabilitation Benefits End

Vocational Rehabilitation Benefits will end on the earliest of the following dates:

- the date We determine that You are no longer eligible to participate in a Vocational Rehabilitation Program;
- the date You are no longer participating in a Vocational Rehabilitation Program;
- the date the maximum benefit is paid; or
- any other date on which Monthly Benefits would stop in accordance with the policy.

The Vocational Rehabilitation Benefit will not be continued as part of the Conversion coverage.

Workplace Modification Benefit

If you are disabled and are receiving a payment from us, an additional Workplace Modification Benefit may be payable to your Employer for your benefit. We will assist the Employer, you and your Physician in identifying an appropriate workplace modification. We may reimburse your Employer for up to 100% of the reasonable cost your Employer incurs through modifications to the workplace to accommodate your return to work, and to assist you in remaining at work.

The amount We may pay will not exceed the lesser of:

- \$1,000; or
- the equivalent of two months of your Monthly Benefit. This benefit is available to you on a one-time only basis.

To qualify for this reimbursement, you must:

- be disabled according to the terms of the policy; and
- have the reasonable expectation of returning to Active Employment and remaining an Active Employment with the assistance of the proposed workplace modification.

Your Employer must give us a Written proposal of the proposed workplace modification. This proposal must include:

- input and approval from the Employer, you and your Physician;
- the purpose of the proposed workplace modification;
- the expected completion date of the workplace modification; and
- the cost of the workplace stop modification.

The Written proposal must be Signed by us, the Employer and you. We will reimburse the cost of the workplace modification

when we:

- approved the proposal In Writing;
- receive Proof from your Employer that the workplace modification is complete; and
- received Proof of the cost incurred by your Employer for the workplace modification.

This benefit is available on a one time basis.

CLAIM INFORMATION

Notice of Claim

We encourage You to notify Us of Your claim as soon as possible. This will help Us make a claim decision in a timely manner. Written notice of a claim should be given to Us within 90 days after the date Your disability begins. Failure to give notice within this timeframe shall not invalidate or reduce any Payable Claim if it can be shown that it was not reasonably possible to give such notice within that time and the notice was given as soon as reasonably possible.

Claim Forms

The claim form is available from the Policyholder Your Employer, or You can request a claim form from Us.

Within 15 days after We receive Your notice of a claim, We will send claim forms. The claim form is also available from the Policyholder Your Employer. If We do not send You the claim forms within 90 days after receiving notice of Your claim, You shall be deemed to have complied with the requirements of Proof of claim when You submit Written Proof that covers the occurrence, character and extent of the loss for which a claim is made.

Filing A Claim

You and Your Employer must fill out Your own sections of the claim form and then give it to Your attending Physician. Your Physician should fill out his or her section of the form and send it directly to Us.

If You submit a claim before You have been notified of Our decision on any coverage amount requiring Evidence of Insurability, Your amount of coverage will be determined as if Our final underwriting decision had been made prior to the date of claim.

Our customer service department will assist You to file Your claim. Call the number in this certificate.

Proof of Your Claim

You must send Us Written Proof of Your disability claim no later than 90 days after Your Elimination Period ends. Your Proof of claim, provided at Your expense, must show:

- that You are under the Appropriate Care of a Physician;
- the date Your disability began as determined by Your Physician;
- the cause of Your disability;
- the appropriate documentation of Your Monthly Earnings and Disability Earnings;
- the extent of Your disability, including restrictions and limitations preventing You from performing Your Regular Occupation;
- the name and address of any Hospital, Health Facility or Institution where You received treatment, including all attending Physicians; and
- documentation of prior disability income coverage, if applicable.

For all other claims You must send Us Written Proof no later than 90 days after the date of the loss.

Failure to give such Proof within this timeframe shall not invalidate or reduce any Payable Claim if it can be shown that it was not reasonably possible to give such Proof within that time, and the Proof was given as soon as reasonably possible.

You will be required to give Us Written authorization to obtain additional medical information and to provide non-medical information such as vocational, occupational, financial and governmental as part of Your Proof of claim. We will deny Your claim, if the appropriate information is not submitted within 45 days of the request.

Continuing Proof of Claim

We may require You to provide continuing Proof of Your claim as often as it is reasonable to do so during the pendency of

Your claim. You will have 60 days from the date of Our request to provide Us with continuing Proof of Your claim. Failure to provide continuing Proof of Your claim shall not result in a reduction of Your benefits, however Your benefit payments may be delayed until the requested continuing Proof is provided. This Proof shall be In Writing and satisfactory to Us.

You or Your Employer must notify Us immediately when You return to work in any capacity.

To Whom Payments are Made

We will pay Your benefits to You or to some beneficiary or beneficiaries designated by You, other than the Policyholder. If any amount for which We are liable remains unpaid when You die, We will pay that amount, in accordance with New York Insurance Law § 4235(e), to Your Eligible Survivor or, if none, to Your estate. If, however, it is necessary for the establishment of a guardianship or conservatorship, or appointment of a trustee, executor or administrator, We may withhold further benefits until sufficient evidence is provided to Us that any such establishment or appointment has been finalized. We will pay benefits within 30 days of receiving sufficient evidence of the establishment or appointment.

Time Payment of Claims

Indemnities payable under the Policy for any loss other than loss for which the Policy provides periodic payments will be paid as they accrue within 60 days of receipt of due written Proof of such loss. Subject to due written Proof of Loss, all accrued indemnity for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due Written Proof.

Authority

The Policyholder has delegated to the insurance company or its designee certain rights. These include the right to make determinations regarding the eligibility for participation or benefits and to interpret the terms of the policy and certificate. This delegation is made for the purpose of claims and enrollment administration only. The insurance company is not the Plan Administrator, as defined by ERISA.

Physical Examination

We may require You to be examined by one or more Physicians, other medical practitioners, or vocational experts of Our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so during the pendency of a claim. We may also require You to be interviewed by Our authorized representative. Your failure to comply with this request may result in denial or termination of benefits.

Unpaid Premium Due

Proceeds payable for a claim will be reduced by the amount of any unpaid premium due and outstanding at the time We make payment.

Refund of Unearned Premium

Any unearned premium will be refunded to the Policyholder or the Insured Person as applicable.

Claims of Creditors

Disability income benefit payments are exempt from legal or equitable process for Your debts, where permitted.

Right to Reimbursement

We have the right to recover any overpayments due to:

- fraud;
- any administrative error We make in processing a claim; or
- Your receipt of Deductible Sources of Income.

You must reimburse Us in full. We will work with You to determine an appropriate method by which the repayment is to be made. We will not recover more money than the amount we paid you.

How Will We Handle Insurance Fraud?

We have the right and promise to use all means available to Us to detect, investigate, deter and prosecute those who commit insurance fraud. We shall have the right to pursue all legal remedies if You and/or Your Employer perpetrate insurance fraud.

Insurance fraud occurs when You or Your Policyholder knowingly and with intent to defraud or deceive Us, provide Us with false information or file a claim for benefits that contains any false, incomplete, or misleading information, or conceals for the purpose of misleading, information concerning any material fact.

It is a crime if You or the Policyholder to commit insurance fraud and may subject such person to criminal and civil penalties.

Such penalties include, but are not limited to fines, denial or termination of insurance benefits, recovery of any amounts paid, civil damages, criminal prosecution, and penalties.

What Are the Time Limits for Legal Proceedings?

You can start legal action regarding Your claim 60 days after Proof of claim has been given to Us, and before the applicable statute of limitations has expired but not after 3 years from the date of Proof of claim is required unless otherwise provided under federal law.

Procedures For Claim Review For Non-ERISA Plans

If the policy provides benefits under a plan which is not subject to the Member Retirement Income Security Act of 1974 (ERISA), the following provisions apply.

Claims Procedures

We will give You notice of the decision no later than 45 days after the claim is filed. This time period may be extended twice by 30 days if We determine that such an extension is necessary due to matters beyond the control of the Plan and We notify You of the circumstances requiring the extension of time and the date by which We expect to render a decision. If such an extension is necessary due to Your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and You will be afforded at least 45 days within which to provide the specified information. If You deliver the requested information within the time specified, any 30-day extension period will begin after You have provided that information. If You fail to deliver the requested information within the time specified, the decision will be made with the information we have in the file.

Adverse Benefit Determination

An adverse benefit determination means a denial, a reduction, a termination or rescission of coverage, or a failure to provide or make payment for a benefit. If Your claim is denied, this is considered an adverse benefit determination. If there is an adverse benefit determination, We will send a notice. Notice may be provided in Written or electronic form. Electronic notices will be provided only when You give Your consent to receive the notice.

Right to appeal if there is an Adverse Benefit Determination

You or someone You name to act for You (authorized representative) may file an appeal. If someone files an appeal on Your behalf, You must let Us know that You have appointed this person as Your authorized representative. Your appeal must be In Writing and sent to Us. When You send Your appeal, You may include written comments, documents, records or other information related to Your claim. You may appeal the entire decision or part of the decision. Your appeal must be sent within 180 days of receiving the notice of the denial.

You are entitled to receive, upon request, free of charge any copies of documents, records, or other information relevant to the claim determination.

The appeal will be reviewed, and a determination notice will be sent within 45 days of receiving the appeal. Sometimes, it will take longer to review the appeal because additional information is needed to make a decision. If this happens, within 45-days, We will let You know that an extension is necessary and the reason for the extension.

The appeal will be reviewed by someone who did not make the initial decision. This reviewer will look at all the information submitted and may consult with a qualified medical professional. The appeal reviewer will not give consideration to the initial decision. The appeal reviewer will review the evidence and the rationale that was included when the benefit was first denied.