Long-term disability insurance

Product conditions

- All employees to be covered are Actively at Work on the policy's effective date. If any individual does not meet the Actively at Work requirement, we will require full disclosure of all necessary information to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw this proposal. Unless disabled on the prior workday or on the day of absence, an employee will be considered Actively at Work on the following days;
  - a Saturday, Sunday or holiday which is not a scheduled workday;
  - a paid vacation day, or other scheduled or unscheduled non-workday; or
  - an excused or emergency leave of absence (except a medical leave).
- This plan does not replace any state mandated disability program.

Class and eligibility descriptions

Long-Term Disability Insurance	
Option	1
Class	1
Class Description	All Full-Time Employees
Employer Contribution	100%
Required Employee Participation	100%
Contribution Basis	Pre-Tax
Minimum Hours	30 unless otherwise agreed upon

Long-Term Disability Benefit Overview

Long-Term Disability Benefits	
Option	1
Class	1
Class Description	All Full-Time Employees
Benefit Percent	60%
Maximum Monthly Benefit Amount	$10000
Minimum Monthly Benefit Amount	$100
Elimination Period	180 Days
Maximum Benefit Period	To 65 / Reducing Benefit Duration
Pre-Existing Conditions*	Subject to a 3/12 pre-existing limitation
Definition of Earnings	Basic Annual Earnings Excluding Overtime, Bonuses, & Commission
Integration	Social Security
Own Occupation Period	24 Months
Specialty Own Occupation	Not Applicable
Return to Work Incentive	To 65 / Reducing Benefit Duration
Partial Disability	Residual with Progressive
Mental and Nervous Limitation	24 Months
Substance Abuse Limitation	24 Months
Specified Illness Limitation	No Limitation
Vocational Rehabilitation Benefit	Voluntary
Reasonable Accommodation Benefit	Included
Conversion	Not Included
Portability	Not Included
Family Income Benefit	3 Months
Employee Assistance Program (EmployeeConnect)	Included

* Pre-existing condition limitation applies to **all** insurance amounts, including those offered on a Guarantee Basis.

A FICA MATCH SERVICE is included on all new and existing LTD business at no additional charge. With this service, Lincoln Financial Group matches the policyholder's share of FICA taxes on payments made to disabled employees; generates monthly reports summarizing what has been paid and withheld; and prepares W-2 forms at year-end for LTD benefits paid to each disabled employee.

Long-Term Disability Product Standard Features

Monthly Total Disability Benefit: After the Elimination Period is satisfied, the LTD policy provides a monthly benefit for an employee who is totally disabled and under a physician's regular care. This monthly total disabilitybenefit equals:

- the benefit percentage times the insured's predisability income, up to the maximum monthly benefit;
- minus other income benefits.

This benefit amount will not be less than the minimum monthly benefit; unless the Minimum Monthly Benefit plusOther Income Benefits would exceed 100% of the Insured Employee's predisability income.

The policy also provides a monthly benefit for an employee who is partially disabled, under a physician's regular care, and sustaining a specified percentage of lost earnings. See the Partial Disability Benefit section of this proposal.

Disability Due to A Pre-Existing Condition:
Benefits may be payable for a disability due to a pre-existing condition for an employee who:

1. was insured by the prior carrier at the time of transfer; and
2. was actively-at-work and insured under this policy on its effective date.

The benefits will be determined as follows:

1. Lincoln Financial Group will apply the policy's pre-existing condition exclusion. If the employee qualifies for benefits, he or she will be paid according to the policy's schedule.
2. If the employee cannot satisfy the policy's pre-existing condition exclusion, the prior carrier's pre-existing condition exclusion will be applied as follows:
    a. If the employee satisfies the prior carrier's pre-existing condition exclusion, giving consideration for continuous time insured under both policies, the employee will be paid according to the prior carrier'sbenefit schedule.
    b. If the employee cannot satisfy the pre-existing condition exclusion of this policy or that of the prior carrier, no benefit will be paid.

Failure to Be Active-At-Work Due to Injury or Sickness:
Subject to premium payments, the policy will provide coverage to any employee:

1. who was insured by the carrier's policy at the time of transfer; and
2. who was not actively-at-work due to injury or sickness on the policy's effective date.

The coverage will be that provided by the prior carrier's policy, had it remained inforce. The Company will pay:

1. the benefit that the prior carrier would have paid; minus
2. any amount for which the prior carrier is liable.

Zero Day Residual: The elimination period can be satisfied by either days of total and/or partial disability and requires no loss of earnings.

Vocational Rehabilitation Benefit: (Refer to the Employee Benefit Grid)
With the assistance of vocational rehabilitation programs that focus on job modifications, job placement and retraining, many disabled employees can return to productive employment. Services such as these

are available to employees unable to perform their regular occupation, and who do not currently have the skills to return to work at another occupation. These employees must have the physical and mental capability for the successful completion of a rehabilitation program. In addition, there must be reasonable expectation that these services will assist the employee in returning to work.

If the employee is eligible for rehabilitation services, a written program will be developed with input from the employee, physician and employer outlining the goals, responsibilities, services, and all applicable costs of the program. Rehabilitation efforts only take place if the patient's physician endorses the program.

Consideration for participation in such a program can be proposed by the employee, attending physician or Lincoln Financial Group.

Substance Abuse Limitation: (Refer to the Employee Benefit Grid)
Benefits for disability due to substance abuse will be payable for up to the number of months shown in the Schedule of Benefits. If the claimant is confined to a hospital or other appropriate treatment facility at the end of the number of months shown in the Schedule of Benefits, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's maximum benefit period.

If the claimant is confined to a hospital or other appropriate treatment facility at the end of the first designated timeframe of receiving total and/or partial disability benefits for one of these conditions, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's Maximum Benefit Period

Mental & Nervous Disorders Limitation: (Refer to the Employee Benefit Grid)
Benefits for disability due to mental illness will be payable for up to the number of months shown in the Schedule of Benefits. If the claimant is confined to a hospital or other appropriate treatment facility at the end of the number of months shown in the Schedule of Benefits, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's maximum benefit period.

Minimum Monthly Benefit: A disabled employee will not receive less than the minimum monthly benefit shown in the Benefits page, unless the Minimum Monthly Benefit plus Other Income Benefits would exceed 100% of the Insured Employee's predisability income.

Accumulation of Elimination Period: With this feature, the elimination period is satisfied when the required number of days is accumulated within a period up to two times the length of the elimination period. For example, a 90-day elimination period must be satisfied within 180 consecutive days.

Recurrent Disability:

- will be treated as part of the prior disability if, after receiving policy benefits, the employee returns to his or her regular occupation full-time for less than 6 months.
- will be treated as a new period of disability if, after receiving policy benefits, an employee returns to his or her regular occupation full-time for 6 months or more. A new elimination period must be completed before benefits become payable.

Cost-Of-Living Freeze: After the initial reduction for other income benefits, the monthly LTD benefit will not be further reduced due to any cost-of-living increases payable under any of these other income benefits.

Waiver of Premium: Premium payments for a disabled employee are waived during any period for which total or partial disability benefits are payable.

Prior Insurance Credit Upon Transfer of Insurance Carriers: To prevent loss of coverage for an employee because of a transfer of insurance carriers, this policy will provide prior insurance credit for employees insured under the prior carriers' policy on its termination date.

Long-Term Disability Product Overview (expanded benefits for Option 1 , Class 1)

Partial Disability Benefit with Return to Work Incentive: The plan encourages employees to try to return to work by allowing them to receive an overall higher level of income than they would receive from their total disability benefit.

An employee may qualify for a partial disability benefit if he or she is Partially Disabled, and is under the regular care of a physician.

The partial disability formula remains consistent during the first 12 months of Partial Disability. The benefit is reduced by the amount of earnings above 100% of the predisability income, the reduction amount is determined by adding the partial earnings to the benefit amount. The calculation is as follows:

A. The Insured Employee's Predisability Income multiplied by the Benefit Percentage (limited to the Maximum Monthly Benefit); minus
B. Other Income Benefits (including Partial Disability Employment Earnings that, when added to the amount calculated above in (A), exceeds 100% of the Insured Employee's Predisability Income).

After the first 12 months of partial benefits have been paid the calculation is as follows:

The amount of the Partial Disability Monthly Benefit will equal the lesser of A or B below.

A. Lost Income: The Insured Employee's Predisability Income, minus all Other Income Benefits (including Partial Disability Employment Earnings).

B. Total Disability Monthly Benefit otherwise payable:
    1. The Insured Employee's Predisability Income multiplied by the Benefit Percentage (limited to the Maximum Monthly Benefit); minus
    2. Other Income Benefits, except for Partial Disability Employment Earnings.

The Partial Disability Monthly Benefit will never be less than the Minimum Monthly Benefit, unless the Minimum Monthly Benefit plus Other Income Benefits would exceed 100% of the Insured Employee's Predisability Income.

During the first 24 months of partial disability benefits -- even if the claimant has received total disability benefits for several years - a partially disabled employee can receive up to 99% of indexed pre-disability earnings from partial disability employment.

After 24 months of partial disability benefits, the provision will continue to pay partial disability benefits until the employee's earnings from partial disability employment exceed 85% of indexed predisability earnings, or until no longer disabled, if sooner.

Indexed predisability earnings are adjusted on an annual basis from the date of Disability using CPI-W or other comparable measurement.

Partial Disability Benefits: Residual with Progressive

Partially Disabled for the Plan will be defined as follows:

1. During the Elimination Period and Own Occupation Period, it means that due to an Injury or Sickness the Insured Employee:
    a. is unable to perform one or more of the main duties of his or her occupation, or is unable to perform such duties full-time; and
    b. is engaged in Partial Disability Employment.

2. After the Own Occupation Period, it means that due to an Injury or Sickness the Insured Employee:
    a. is unable to perform one or more of the main duties of any Occupation which his or her training, education or experience will reasonably allow, or is unable to perform such duties full-time; and
    b. is engaged in Partial Disability Employment.

For purposes of this definition, Predisability Income will be adjusted for inflation on an annual basis from the date of Disability using the CPI-W or other comparable measurement.

The Partial Disability Monthly Benefit will cease on the earliest of:

1. the date Total Disability becomes payable;
2. the date the Insured Employee dies;
3. the date the Maximum Benefit Period ends;
4. the date the Insured Employee earns more than:
    a. 99% of Predisability Income, until Partial Disability Monthly Benefits have been paid for 24 months for the same period of Disability; or
    b. 85% of Predisability Income, after Partial Disability Monthly Benefits have been paid for 24 months for the same period of Disability

The Partial Disability Monthly Benefit is calculated as follows below:

BENEFIT AMOUNT. During the first 12 months in which Partial Disability Monthly Benefits are payable, the amount of the Partial Disability Monthly Benefit will equal:

A. The Insured Employee's Predisability Income multiplied by the Benefit Percentage (limited to the Maximum Monthly Benefit); minus

B. Other Income Benefits (including Partial Disability Employment Earnings that, when added to amount calculated above in (A), exceeds 100% of the Insured Employee's Predisability Income).

Example:
Benefit Percentage: 60%
Maximum Monthly Benefit: $10,000
Predisability Income: $8,796.67
Partial Disability Employment Earnings: $2,000
Other Income Benefits (State Disability) $3,500
Excess Partial Disability Employment Earnings: ($5,500 + $5,278 = $10,778) - $8,796.67 = $1,981.33

A. $8,796.67 x 60% = $5,278
B. $3,500 + $1,981.33 = $5,481.33

Disability Benefit $5,278.00
- $1,981.33
$3,296.67

Partial Benefit Due $3,296.67

Total Disability:

Total Disability means that, due to an injury or sickness, an employee is unable:

1. During the ELIMINATION PERIOD and the "OWN OCCUPATION" Period, to perform each of the main duties of his or her regular occupation; and
2. After the "OWN OCCUPATION" Period, to perform each of the main duties of any occupation which his or her training, education or experience will reasonably allow.

The loss of a professional license, an occupational license or certification, or a driver's license for any reason does not, by itself, constitute Total Disability.

Maximum Benefit Period: Reducing Benefit Duration (RBD)

Age at Disability	Maximum Benefit Period
Less than age 60	To age 65
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and Over	12 Months

Own Occupation Period: 24 Months

Under the proposed policy, the "own occupation" period is the period beginning at the end of the elimination period and ending 24 Months later.

Social Security Integration: Primary and Family Social Security Integration

The Group Long Term Disability Benefit will be reduced by:

- Social Security disability and unreduced retirement benefits which the employee and spouse receives; and
- reduced Social Security benefits which the employee and spouse receive.

Benefit Reductions from Other Income:

LTD benefits will be reduced by disability or retirement benefits from the following sources.

- Social Security benefits, described above
- Disability benefits for which the employee receives under:
  - Temporary Workers' Compensation, occupational disease or similar law
  - State-mandated temporary income plans
  - Any compulsory benefit, act or law
  - Any employer-sponsored group disability, sick leave or formal salary continuance plans
  - Any public retirement system due to employment with policyholder
- Disability or retirement benefits received under a retirement plan

LTD Benefits are not reduced by:

- Distributions from profit sharing, 401(k), IRA, TSA or stock ownership plans
- Non-qualified deferred compensation plans

Family Income Benefit: 3 Months

If an employee dies after having been disabled for a minimum of 180 consecutive days and the employee was receiving a monthly benefit under the policy, Lincoln Financial Group will pay the eligible survivor a lump sum benefit equal to three times the employee's last gross monthly LTD Benefit.

Reasonable Accommodation Benefit: enhances the return to work possibilities for an employee by assisting the employer in complying with the reasonable accommodation section of the Americans with Disabilities Act (ADA).

The benefit is designed to reimburse the policyholder for any "reasonable accommodations" made to the workplace to allow an employee currently receiving disability benefits to return to work. Examples of such accommodations could be more accessible parking spaces or entrances, removal of barriers or hazards from the worksite, installation of special seating, furniture or equipment for the employee's workstation, or the provision of special training materials or other services necessary to help the employee return to work.

The benefit reimburses the employer for 50% of the expense incurred for reasonable accommodation services (as described above) up to a maximum of $5000 on any one employee. In order for a policyholder/employer to be eligible for this benefit, the employer must have an employee:

1. whose disability prevents the performance of his or her regular occupation at the employer's worksite;
2. who has the physical and mental abilities needed to perform his or her own or another occupation at the employer's worksite; but only with the help of the proposed accommodation; and
3. who is reasonably expected to return to work with the help of the proposed accommodation.

Once an employer is considered eligible, a written proposal is developed with input from the employer, employee and attending physician, which states the purpose of the proposed accommodation. Upon receipt of proof that the employer has provided the services for the employee and paid the provider for the services, the employer will be reimbursed.

Initial Enrollment Period: On the effective date, the Company will takeover existing participants at their current inforce amounts of insurance.