

# **LONG TERM DISABILITY INSURANCE CERTIFICATE BOOKLET**

GROUP INSURANCE FOR

OSCODA AREA SCHOOLS  
SCHOOL NUMBER 626

TEACHRES WITH AND WITHOUT HEALTH

The benefits for which you are insured are set forth in the pages of this booklet. Consult these pages for a further description of the terms and conditions of this coverage. Application must be made and signed by the individual before any coverage can become effective. If your plan requires contributions from you, the coverage will not become effective unless you are making the required contributions.

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## ***Important Privacy Notice – Please Read***

As a customer of a CIGNA company<sup>1</sup>, we want to assure you that we recognize our obligation to keep our customers' protected information secure and confidential. This notice explains our privacy practices and it should answer questions about how we protect personal information. We will continue to safeguard the privacy of the information provided to us. Thank you for giving us the opportunity to serve you. (If you are an Employer or Group Sponsor, please make this information available for review by your employees or members as appropriate.)

This notice applies to insurance products underwritten, or administered by, the Life Insurance Company of North America and CIGNA Life Insurance Company of New York, Life and Disability products underwritten by Connecticut General Life Insurance Company, and insurance products underwritten by Insurance Company of North America administered by the CIGNA companies. Information is the key to our ability to provide you with best in class service. Regardless of whether you are a customer, applicant, insured, or former insured, we are committed to protecting and maintaining the privacy of any information in our possession.

### **COLLECTION AND USE OF INFORMATION**

We may collect protected information about our customers for use in the processing and evaluation of applications or eligibility for insurance, investigating a claim for benefits, and in developing financial plans. This information will be used by authorized company personnel solely for these purposes, and it may be integrated into our databases for statistical and audit purposes. Protected information means any non-public, personally identifiable information including financial information, employment related information and medical information. Unless permitted by law, we will only collect information from sources other than our customers with authorization.

### **DISCLOSURE OF INFORMATION**

We do not disclose any protected information about our customers or former customers to anyone except as permitted by law. We do not sell customer lists or other protected information. With some exceptions, we will not disclose protected information without written authorization. There are circumstances when we will disclose protected information related to medical underwriting or a claim investigation or other activities relating to your insurance plan without authorization to third parties or affiliates assisting us with these activities, as permitted by law. We will also disclose protected information to third parties without authorization as required by law, such as in the case of subpoenas and mandated governmental disclosures.

### **PROTECTING YOUR INFORMATION**

We have internal policies to maintain the privacy of our customers' protected information. These include but are not limited to policies related to the transmission, storage and disposal of paper and electronic information; the prevention of unauthorized access and damage to systems, including damage due to environmental hazards; and assigning and terminating user IDs.

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<sup>1</sup> "CIGNA" is a registered trademark licensed for the use of insurance company subsidiaries of CIGNA Corporation. All products and services are provided by insurance company subsidiaries and not the corporation itself. As used

herein, "CIGNA" refers to these subsidiaries, which include the Life Insurance Company of North America, CIGNA Life Insurance Company of New York and Connecticut General Life Insurance Company.

LM-615961d

## **SCHEDULE OF BENEFITS**

To be attached to and made part of your Booklet

For Members of

OSCODA AREA SCHOOLS

PLAN EFFECTIVE DATE: January 1, 2013

MEMBERS INCLUDED: Teachers

DATE OF ELIGIBILITY: You will be eligible on the Plan Effective Date, the date of your employment, or the day following completion of the eligibility waiting period as determined by your Employer, whichever is later.

### **LONG TERM DISABILITY**

**Maximum Monthly Benefit:** 66 2/3% of monthly earnings subject to a maximum benefit of \$5,000.

#### **Qualifying Period - Benefits begin:**

- (a) upon the exhaustion of accumulated sick days, or upon expiration of 90 calendar days of disability accumulated in any twelve (12) consecutive months, whichever is later, or,
- (b) upon expiration of three (3) consecutive days of disability occurring during a school year in which the Qualifying Period was previously satisfied.

NOTE: The last three (3) sick days or days of disability under (a) above must be consecutive and due to the same or related cause.

#### **Regular Occupation Total**

**Disability Period:** 2 years

#### **Maximum Period of Payment:**

- (a) for disability commencing prior to age 60 - up to age 65,
- (b) for disability commencing at or after age 60 and prior to age 66 - up to 5 years,
- (c) for disability commencing at or after age 66 - up to the following periods:

<u>Disabled at Age</u>	<u>Duration of Benefits</u>
66	4 years
67	3 years
68	2 years
69 or later	1 year

**Social Security Benefits Integrated  
with Monthly Benefits:**

Primary and Family Benefits

**Minimum Monthly Benefit:** Five percent (5%) of your Maximum Monthly Benefit before reduction of Income From Other Sources or \$50, whichever is greater (for disabilities commencing on or after July 1, 1986).

**Freeze on Offsets:** Future monthly LTD benefits will not be reduced because of automatic, statutory or general cost of living increases in income amounts used as monthly benefit offsets. If any such income amounts are initially estimated, these amounts will be adjusted to reflect the final determination.

**Limited Benefits for Disability due  
to Mental Disease or Illness:**

Same as any other illness

**Limited Benefits for Disability due  
to Alcoholism or Drug Abuse:**

Same as any other illness

**Benefits for Disabilities due to  
Pregnancy:**

Included

**Rehabilitation Benefits:**

Included

Waiver of MESSA Health Care Plan Contributions During Total Disability: up to 24 months for any one period of disability commencing on or after July 1, 1986.

Monthly earnings shall mean one-twelfth (1/12) of your annual rate of compensation not including bonuses, commissions or any other special compensation.

## WHEN YOUR INSURANCE BEGINS

### BECOMING ELIGIBLE

You will be eligible for insurance as determined in accordance with the paragraph entitled Date of Eligibility in the Schedule of Benefits.

### BECOMING INSURED

If you are not required to contribute toward the cost of your insurance, you will become insured on the day you become eligible.

If you are required to pay any portion of the cost of your insurance, you will become insured on the latest of:

- (a) the day you become eligible, if you enroll for your insurance on or before the day you become eligible,
- (b) the day you enroll for your insurance, if you enroll on or before the thirty-first (31<sup>st</sup>) day following the day you become eligible,
- (c) the day your evidence of insurability (at your expense) is approved by the Insurance Company, if you enroll for your insurance more than thirty-one (31) days following the day you become eligible.

You must be actively at work on the day that your insurance is to become effective. If you are absent from work because of bodily injury or sickness on that day, you will become insured on the day you return to active work. To be considered actively at work for insurance purposes, you must be physically able to perform your normal duties for a regularly scheduled workday at the time you report to work.



## LONG TERM DISABILITY BENEFITS

### LOSS OF TIME BENEFITS

If you become totally disabled by an accidental injury or sickness while insured and remain continuously so disabled beyond the Qualifying Period shown in the Schedule of Benefits, monthly benefits will be paid to you. However, if a total disability commences while you are on an approved leave of absence without pay, the Qualifying Period shall not begin to accumulate until the date you are scheduled to return to active school employment.

### HOW MUCH

The Monthly Benefit while you are totally disabled shall be the Maximum Monthly Benefit shown in the Schedule of Benefits based on your monthly earnings at the time disability commences, less any benefits you are eligible to receive for that month as income from other sources as described below.

### INCOME FROM OTHER SOURCES

Your Maximum Monthly Benefit will be reduced by the amount of the following other income benefits:

- (a) any earnings, including salary, wages, commissions or similar pay, you receive or are entitled to receive from work including earnings from your employer, any other employer or self-employment,
- (b) the amount of any disability or retirement benefits you receive from your employer's retirement or pension plan, including the Michigan Public School Employees' Retirement Fund,
- (c) any amount you receive or are eligible to receive from Social Security or Railroad Retirement (integrated as shown in the Schedule of Benefits) by reason of your disability or retirement,
- (d) any amount you receive or are eligible to receive as a periodic benefit for disability under
  - (i) any employer's, labor-management trustee, or union employee benefit plan, or
  - (ii) any governmental (not military) agency or program or coverage required or provided by law; i.e., Workers' Compensation.

NOTE: Until you submit proof satisfactory to the Insurance Company that you are not entitled to the disability benefits provided above, the Insurance Company will assume that you are entitled to the maximum amount of such periodic benefit, including dependent benefits, applicable to the class of persons of which you are a member.

MINIMUM MONTHLY BENEFIT

Your Monthly Benefit will not, in any case, be less than five percent (5%) of your Maximum Monthly Benefit before reduction of Income From Other Sources or \$50, whichever is greater.

Example:	\$2,000.00	Monthly Earnings
	<u>x 66 2/3</u>	Monthly Benefit Percentage for this example
	1,334.00	Maximum Monthly Benefit
	<u>-1,300.00</u>	Income From Other Sources
	34.00	Monthly Benefit after total offsets
	\$66.70	The amount equal to 5% of your Maximum Monthly Benefit

The Minimum Monthly Benefit Provision will increase the \$34.00 to the greater of \$50.00 or 5% of the Maximum Monthly Benefit, or in this example, \$66.70.

## **SINGLE SUM PAYMENTS UNDER OTHER PLANS**

If a single sum payment is made as a commutation of, or substitute for, any periodic benefits or payments referred to under "Income From Other Sources," such payment shall be deemed to have been made in the amounts and for the period which would have been applicable in the absence of such single sum payment.

## **DEFINITION OF TOTAL DISABILITY**

You will be considered "totally disabled" if you are wholly and continuously unable to perform any and every duty pertaining to your regular occupation during the Qualifying Period and the Regular Occupation Total Disability Period shown in the Schedule of Benefits. After benefits have been paid for the Regular Occupation Total Disability Period of any continuous disability you will be considered "totally disabled" for the balance of the period of disability if you are unable to engage in any occupation or perform work for compensation or profit for which you are, or may become, reasonably fitted by training, education or experience.

You are not totally disabled during any period in which you are not under the regular care and attendance of a physician.

## **DEFINITION OF QUALIFYING PERIOD**

The term "Qualifying Period" means the period of days of total disability, shown in the Schedule of Benefits, for which no Monthly Benefit is payable.

## **WHEN DO BENEFITS BEGIN AND END**

Monthly Benefits will accrue from the first day after the Qualifying Period and will be payable while you continue to be so totally disabled, if due proof of the disability is given to the Insurance Company. However, benefits will not be payable beyond the Maximum Period of Payment shown in the Schedule of Benefits.

## **SUCCESSIVE PERIODS OF DISABILITY**

Successive periods of disability beginning while you are insured will be treated as one period of disability unless they are:

1. due to different and unrelated causes and separated by return to active school employment for at least one day, or
2. due to the same or related causes and separated by more than six (6) months of continuous active school employment.

## WHEN INSURANCE TERMINATES

Your insurance terminates on the earliest of the following dates:

1. the date you leave school employment,
2. the date you are no longer a member of a class eligible for this insurance, or
3. the date the Group Policy terminates.

In addition, your insurance terminates on the date you cease performing all the usual duties of your job, except that your coverage may be extended while:

1. you are unable to work because you are sick or injured,
2. you are on a leave of absence with pay, for a period not to exceed one year, or
3. you are on a leave of absence without pay, for a period not to exceed one year, provided there is a signed contract or other written agreement stating the date you will be returning to active work.

In no event may any insurance provided on a contributory basis be continued beyond the end of the period for which the Member has made the premium contribution required.

Any claim established prior to the date your insurance terminates will not be affected by such termination.

## NOT COVERED

No benefits are payable for disability due to:

1. self-inflicted injuries if intentional or while insane,
2. war,
3. participation in, or in consequence of having participated in, the committing of a felony, or
4. cosmetic surgery unless (a) occasioned by accidental bodily injury sustained while insured or active illness contracted while insured, and (b) you have been continuously insured under this Group Long Term Disability program since such injury was sustained or such illness was contracted.

**WAIVER OF HEALTH PLAN CONTRIBUTIONS  
DURING DISABILITY**

The monthly contributions for your MESSA health plan will be waived during any one period of disability under the following conditions:

1. The Waiver will begin when you become entitled to Monthly Benefits and will continue while you are totally disabled but not to exceed twenty-four (24) months.
2. The Waiver will apply to health plan contributions which become due while you are entitled to Monthly Benefits but not beyond the date that twenty-four (24) monthly contributions have been waived.
3. The Waiver will not apply during any part of this twenty-four (24) month period in which:
  - (a) your Employer, because of your disability, is required by contract or other agreement to make monthly contributions for your MESSA health plan, or
  - (b) you are eligible for benefits under the Michigan Public School Employees' Retirement System.
4. Health plan does not include the Hospital Confinement Indemnity plan.

NOTE: Until you submit proof satisfactory to the Insurance Company that you are not entitled to the disability benefits provided above, the Insurance Company will assume that you are entitled to the maximum amount of such periodic benefit, including dependent benefits, applicable to the class of persons of which you are a member.

**MINIMUM MONTHLY BENEFIT**

Your Monthly Benefit will not, in any case, be less than the Minimum Monthly Benefit as shown in the Schedule of Benefits.

## **REHABILITATION BENEFITS**

### **REHABILITATION SERVICES**

If you become disabled as a result of injury or sickness, the Insurance Company may, at its sole discretion, provide rehabilitation services. The decision to provide these services will be based on an objective review of the medical condition causing your disability, your potential to return to work and the types of services needed to improve your quality of life as a disabled person. The Insurance Company will pay benefits up to the reasonable and customary charges for rehabilitation services furnished under this provision.

### **BENEFIT DURING REHABILITATIVE EMPLOYMENT**

If you have received Long Term Disability Benefits for any one period of disability and you accept Rehabilitative Employment, you will receive a Monthly Benefit for an additional twenty-four (24) months during such Rehabilitative Employment. Your Monthly Benefit will be the Monthly Benefit otherwise payable less fifty percent (50%) of the amount of your earnings from Rehabilitative Employment.

“Rehabilitative Employment” means any occupation or employment for compensation or profit for which you are reasonably fitted by training, education or experience provided such Rehabilitative Employment is performed during a period in which you are unable to perform any and every duty pertaining to your regular occupation.

## LONG TERM DISABILITY INSURANCE

Long Term Disability insurance benefits are payable pursuant to the following provisions:

### TIME LIMIT ON CERTAIN DEFENSES

No statement relating to insurability made by any Member eligible for coverage under the policy shall be used to deny a claim or in contesting the validity of the insurance with respect to which such statement was made after the insurance has been in force prior to the contest for a period of three (3) years during the lifetime of the person with respect to whom any such statement was made.

NOTE: For the purpose of the following provisions, information submitted to MESSA shall be considered to have been furnished to the Insurance Company as herein specified.

### NOTICE OF CLAIM

Written notice of claim must be given to the Insurance Company no later than thirty (30) days prior to the expiration of the Qualifying Period, or as soon thereafter as is reasonably possible. Notice given by or on behalf of you or the beneficiary to the Insurance Company at its Home Office or to any authorized agent of the insurance Company, with information sufficient to identify you, shall be deemed notice to the Insurance Company.

### CLAIM FORMS

The Insurance Company, upon receipt of a written notice of claim, will furnish to the Member such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within fifteen (15) days after the giving of such notice, the Member shall be deemed to have complied with the requirements of the policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

### PROOFS OF LOSS

Written proof of loss must be furnished to the Insurance Company within ninety days after the termination of the first due monthly period of benefits following the expiration of the Qualifying Period. Subsequent written proof of the continuance of such disability must be furnished to The Insurance Company at such intervals as it may reasonably require. The Insurance Company shall require as part of proof of loss satisfactory evidence (1) of the amount of all benefits and payments referred to in the insurance plan, and (2) that you have made application for such benefits and payments and have furnished all required proofs therefore.

### TIME OF PAYMENT OF CLAIMS

Subject to the due written proof of loss, all accrued benefits for loss for which the policy provides periodic payment shall be paid to the Member monthly during the period for which benefits are payable thereunder, and any balance remaining unpaid at the termination of the period of liability will be paid immediately upon receipt of due written proof.

PHYSICAL EXAMINATION

The Insurance Company (at its own expense) shall have the right and opportunity to examine the person of any individual whose injury or sickness is the basis of claim when and as often as it may reasonably require during the pendency of a claim under the policy.

LEGAL ACTIONS

No action at law or in equity shall be brought to recover on the policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of the policy. No such action shall be brought after the expiration of 3 years after the time written proof of loss is required to be furnished.



## GENERAL INFORMATION

### HOW TO FILE A CLAIM

You should notify the MESSA Benefits office 30 days prior to the end of your Qualifying Period that you wish to file a Long Term Disability claim. MESSA will immediately send you the necessary claim form and detailed claim filing instructions.

### HOW TO APPEAL A CLAIM DENIAL

If you do not agree with a claim denial, you may request that a review be made of your claim. You should submit a written request for a review of your claim within 60 days after receiving notice of denial. Your request should be addressed to the attention of the MESSA Benefits office.

You may submit additional information with your request for review. You may request and receive copies of pertinent documents, although in some cases authorization may be needed for the release of confidential information, such as medical records. You should submit the facts and any supporting comments in writing.

A decision will be made by the Insurance Company within 60 days following MESSA's receipt of request for review or the date all information required of you is furnished, whichever date is later. Notification of the decision on review will be written in a manner calculated to be understood by you and will specify the reasons for the decision.

### RIGHT OF RECOVERY

If an overpayment is made due to any reason, including but not limited to a payment under any Worker's Disability or Occupational Disease Act or Law, clerical error or misstatement of age, the Insurance Company shall have the right to recover such overpayment from the insured person, or to deduct such amount of overpayment from future benefits.

If you incur expenses on account of bodily injury or sickness, caused by negligence or wrong of a third party and benefits are payable, under the Group Policy, you will receive the benefits, provided that, if there is recovery by you or a personal representative from the third party, or his or her personal representative whether by judgment settlement or otherwise, on account of such bodily injury or sickness, you shall reimburse the Insurance Company to the extent of the total amount of such benefits paid under the Group Policy, but not to an amount in excess of the proceeds of any such recovery after the deduction of reasonable and necessary expenditures, including attorney's fees, incurred in effecting such recovery.

# LIFE INSURANCE COMPANY OF NORTH AMERICA

1601 CHESTNUT STREET  
PHILADELPHIA, PA 19192-2235

Home Office:

(800) 732-1603 TDD (800) 552-5744

**A STOCK INSURANCE COMPANY**

THIS GROUP INSURANCE POLICY NO. LK-980031

IS ISSUED TO

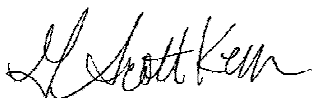
MICHIGAN EDUCATION SPECIAL SERVICES ASSOCIATION  
(THE POLICYHOLDER)

The Company agrees to pay benefits with respect to each person insured for them under this Policy. The benefits for which each person is insured are set forth in the Booklet, as defined herein. These benefits will be paid in accord with the provisions set forth in the pages which follow and the provisions set forth in the Booklet.

This Policy is issued in consideration of the payment of premiums as set forth herein.

This Policy is issued in Michigan and shall be governed by its laws. It will take effect on the first day of July, 2005. The first Policy anniversary will be the first day of July, 2006. After that date, Policy anniversaries will be the first day of July, each year which follows.

The provisions on the pages which follow and the provisions of the Booklet are a part of this Policy. This Policy is issued on the thirtieth day of September, 2005.



Scott Kern, Corporate Secretary



Matthew G. Manders, President

GROUP INSURANCE POLICY

NON-PARTICIPATING

P-1002  
COV

**UNDERWRITTEN BY:**  
**LIFE INSURANCE COMPANY OF NORTH AMERICA**  
a CIGNA company

05/2007



**CIGNA Group Insurance**  
Life • Accident • Disability



**CIGNA Group Insurance**  
Life • Accident • Disability