

PARTNERING FOR SUCCESS

**Voluntary Supplemental Group
Disability Insurance Plan**

University of North Carolina



Liberty Mutual

Designed for employees of:

**East Carolina University
Fayetteville State University
North Carolina Central University
University of North Carolina at Charlotte
University of North Carolina at Pembroke
UNC Hospitals**

Disability benefits are provided under a group insurance policy issued by Liberty Life Assurance Company of Boston, a member of the *Liberty Mutual Group*

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1 Partnering for Success

If you become disabled, are the benefits you receive from the State of North Carolina Disability Income Plan enough to support you and your family? With the additional medical bills and loss of time from work, you could be in a real quandary!

- **Did you know** that if you become disabled before one year of membership in the North Carolina Teachers' and State Employees' Retirement System (TSERS), there is no disability benefit provided to you by the State?
- **Did you know** that if you become permanently disabled and have less than five years of TSERS membership, your only benefit from the State's disability plan is limited to one year?
- **Did you know** that after five years of membership in TSERS, the amount the State will provide for the first year of disability is at most up to half of your salary?
- **Did you know** that if you are on an approved leave of absence without pay and become disabled, there is no disability benefit provided to you by the State?

If you become ill or injured under one of these circumstances, what will you do?

The University of North Carolina has partnered with **Liberty Mutual** to provide to you Voluntary Supplemental Group Long Term Disability insurance benefits on a payroll deducted basis under a Policy issued by **Liberty Life Assurance Company of Boston**, a member of the Liberty Mutual Group. These supplemental benefits replace a part of your salary if you become disabled. Voluntary Supplemental Group Long Term Disability Insurance is an *inexpensive* way to provide this protection. Participation in this supplemental plan will not only provide you cash benefits but is also aimed at getting you back to work as soon as possible by providing a comprehensive rehabilitation program.

Becoming a part of the "partnering" between Liberty Mutual and The University of North Carolina will help protect your family, lifestyle, and assets.

2 About Liberty Mutual and Liberty Life

Liberty Mutual is the largest writer of Managed Disability programs in the United States. Established in 1912, Liberty Mutual specializes in risk management and disability management services for large multi-location employers.

With over 80 years of Workers' Compensation experience, Liberty Mutual has the experience and leadership to effectively reduce the impact of disability claims.

This plan is underwritten by Liberty Life Assurance Company of Boston, a wholly owned subsidiary of Liberty Mutual Group. Liberty Life Assurance is rated "AA" by Standard & Poors, and "A" by AM Best.

Liberty's supplemental long term disability insurance coverage provides salary replacement protection at affordable pricing.

Additionally, participation in our supplemental plan will ensure you the availability of successful and effective claimant service programs designed to reduce the duration and cost related to disability.

3 Supplementing the State's Plan

As a member of the North Carolina Teachers' and State Employees' Retirement System (TSERS), you are eligible to receive disability benefits from the State of North Carolina Disability Income Plan following one year of contributing membership.

After one year of contributing membership in TSERS, you are eligible to receive a short term benefit equal to 50% of your gross pay to a maximum of \$3,000 per month, following a 60-day waiting period. These benefits are available for up to one year unless the disability is of a temporary nature. If the disability is temporary and you are expected to return to work within one year following the short term benefit period, it is possible to extend the short term benefit for as many as 365 days.

After five years of contributing membership in TSERS, you are eligible to receive a long term benefit equal to 65% of your gross pay to a maximum of \$3,900 per month, after the conclusion of the one year short term disability period.

Liberty's long term disability insurance is designed to fill in the gaps of the State's plan -- for the first year of employment (since there is no coverage available under the State's Plan); as a supplement during the State's short term period before and after five years of service; and, in the event your salary exceeds the covered maximum salary limit under the State's short term and long term benefit periods.

Liberty can also provide coverage if you are on an Approved Leave of Absence with less than full pay for up to two years since there is no coverage provided by the State plan during these periods of leave.

Liberty's long term disability insurance is designed to supplement the State's benefit up to a level of 66 2/3% of your basic monthly earnings to a maximum benefit of **\$10,000** per month (reduced by payments from other sources).

Please refer to the tables on pages 5 and 6 for detailed illustrations.

IMPORTANT NOTICE

This coverage contains an **exclusion for Pre-Existing conditions**. Please refer to Page 9, Q&A 3 for the definition of a Pre-Existing Condition. This coverage may be terminated by Liberty or The University of North Carolina as described on Page 15, Q&A 19. This is important Termination information. Please read Q&A 19 on page 15 very carefully.

Table I

Supplemental Disability Benefit Illustration

For Employees With Less Than 5 Years Of State Retirement Membership*

Employee's Gross Salary		0-5 Years Service	Less than 1 Year Service		1- 5 Years Service During 1 st Year of Disability		1- 5 Years Service Following End of State's 1 Year Short Term Benefit Period	
Annual	Monthly	Monthly Premium	Monthly Benefit Paid By State	Monthly Benefit Paid By Liberty Mutual	Monthly Benefit Paid By State	Monthly Benefit Paid By Liberty Mutual	Monthly Benefit Paid By State	Monthly Benefit Paid By Liberty Mutual
\$15,000	\$1,250	\$7.00	0	\$833	\$625	\$208	0	\$833
\$20,000	\$1,667	\$9.34	0	\$1,111	\$833	\$278	0	\$1,111
\$30,000	\$2,500	\$14.00	0	\$1,667	\$1,250	\$417	0	\$1,667
\$40,000	\$3,333	\$18.66	0	\$2,222	\$1,667	\$556	0	\$2,222
\$50,000	\$4,167	\$23.33	0	\$2,778	\$2,083	\$694	0	\$2,778
\$60,000	\$5,000	\$28.00	0	\$3,333	\$2,500	\$833	0	\$3,333
\$80,000	\$6,667	\$37.34	0	\$4,444	\$3,000	\$1,444	0	\$4,444
\$100,000	\$8,333	\$46.66	0	\$5,556	\$3,000	\$2,556	0	\$5,556
\$120,000	\$10,000	\$56.00	0	\$6,667	\$3,000	\$3,667	0	\$6,667
\$150,000	\$12,500	\$70.00	0	\$8,333	\$3,000	\$5,333	0	\$8,333
\$180,000	\$15,000	\$84.00	0	\$10,000	\$3,000	\$3,000	0	\$10,000
\$200,000	\$16,667	\$84.00	0	\$10,000	\$3,000	\$3,000	0	\$10,000

*Based on a 90 day elimination period. This is for illustration purposes only and, besides reflecting the eligible benefit paid by the State if applicable, does not reflect any other benefit income offsets as described on Page 7 of this booklet.

Table II

Supplemental Disability Benefit Illustration

For Employees With 5 Or More Years Of State Retirement Membership*

Employee's Gross Salary		5 or More Years of Service	5 or More Years of Service During 1 st Year of Disability		5 or More Years of Service Following End of State's 1 Year Short Term Benefit Period	
Annual	Monthly		Monthly Benefit Paid By State	Monthly Benefit Paid By Liberty Mutual	Monthly Benefit Paid By State	Monthly Benefit Paid By Liberty Mutual
\$15,000	\$1,250	\$2.63	\$625	\$208	\$813	\$100
\$20,000	\$1,667	\$3.50	\$833	\$278	\$1,083	\$111
\$30,000	\$2,500	\$5.25	\$1,250	\$417	\$1,625	\$167
\$40,000	\$3,333	\$7.00	\$1,667	\$556	\$2,167	\$222
\$50,000	\$4,167	\$8.75	\$2,083	\$694	\$2,708	\$278
\$60,000	\$5,000	\$10.50	\$2,500	\$833	\$3,250	\$333
\$80,000	\$6,667	\$14.00	\$3,000	\$1,444	\$3,900	\$544
\$100,000	\$8,333	\$17.50	\$3,000	\$2,556	\$3,900	\$1,656
\$120,000	\$10,000	\$21.00	\$3,000	\$3,667	\$3,900	\$2,767
\$150,000	\$12,500	\$26.25	\$3,000	\$5,333	\$3,900	\$4,433
\$180,000	\$15,000	\$31.50	\$3,000	\$7,000	\$3,900	\$6,100
\$200,000	\$16,667	\$31.50	\$3,000	\$7,000	\$3,900	\$6,100

*Based on a 90 day elimination period. This is for illustration purposes only and, besides reflecting the eligible benefit paid by the State if applicable, does not reflect any other benefit income offsets as described on Page 7 of this booklet.

4 Plan Highlights

Eligibility: All Regular Full-time University Employees working 30 hours or more a week who are participating in the North Carolina Teachers' and State Employees' Retirement System (TSERS).

Elimination Period: Must be disabled 90 days before eligible to receive a benefit.

Benefit Percentage: 66 2/3% of Basic Monthly Earnings less benefits received from other income sources described below.

Maximum Monthly Benefit: \$10,000 reduced by benefits from income as described below.

"Monthly Benefit" means the amount Payable if you are Disabled or Partially Disabled. Benefits are paid on a monthly basis.

Minimum Benefit*: Greater of \$100 or 10% of gross monthly disability benefit.

***EXCEPTION:** If the monthly benefit payable plus any earnings from other Income Sources exceeds 100% of your pre-disability earnings, the monthly benefit will be reduced by the excess amount so that the monthly benefit plus your earnings do not exceed 100% of your pre-disability earnings.

Benefits From Other Income Sources: Benefits from Other Income Sources include those amounts you are eligible to receive under Worker's Compensation, disability retirement benefits received from TSERS, the State's Disability Income Plan, any other Group disability insurance plan of the University, any governmental retirement system benefit as a result of your job with the University, Primary and Family Social Security Benefits, TSERS retirement benefits, and any earnings you receive from any form of employment.

Benefit Duration: To age 65 (see table in Q/A section)

4 Plan Highlights (continued)

Mental Illness, Alcohol, and Drug Abuse Limitation:

Benefits will not be paid for more than 24 months unless confined in a hospital or institution.

Survivor Benefit:

3 Months

Partial Disability:

Does not require total disability through the elimination period

Definition of Disability:

36 months own occupation

For employees other than pilots, co-pilots, and crew of an aircraft:

"Disability" or "Disabled" with respect to Long Term Disability Coverage means, for persons other than pilots, co-pilots and crew of an aircraft, during the Elimination Period and the next 36 months of Disability you are unable to perform all of the material and substantial duties of your occupation on an Active Employment basis because of an Injury or Sickness.

After 36 months of benefits have been paid, you are unable to perform, with reasonable continuity, all of the material and substantial duties of your own or any other occupation for which you are or become reasonably fitted by training, education, experience, age, and physical and mental capacity.

For employees who are employed as a pilot, co-pilot or crew of an aircraft:

"Disability" or "Disabled" with respect to Long Term Disability Coverage means because of Injury or Sickness you cannot perform the material and substantial duties of any gainful occupation for which you are or become reasonably fitted by training, education, experience, age, and physical and mental capacity.

For all participating employees:

"Partial Disability" or "Partially Disabled" means as a result of the Injury or Sickness which caused your disability you are (1) able to perform one or more, but not all, of the material and substantial duties of your own or any other occupation on an Active Employment or a part time basis; or (2) able to perform all the material and substantial duties of your own or any other occupation on a part time basis.

General Policy exclusions and the Pre-Existing Conditions Limitations are defined on Page 16 of the Questions & Answers section (Q&A 21).

5 Questions and Answers

1. What is the purpose of this insurance plan?

This plan offers supplemental insurance benefits in addition to any State disability benefits for which you may be eligible. Liberty's benefit will either provide 66 2/3% of your basic monthly earnings from The University of North Carolina, or supplement the State's disability benefit, depending on your length of contributing TSERS membership.

2. Do I have to submit medical underwriting to get this coverage?

Not if you apply within 60 days from the day you become eligible. Medical evidence of insurability satisfactory to Liberty will be required if you apply any time beyond this 60 day period.

3. What if I currently have a pre-existing condition, will Liberty provide coverage if I become disabled?

This plan will not cover any disability which is caused by, contributed to, or results from, a Pre-Existing Condition that begins in the first 12 months after your effective date of coverage under Liberty's Long Term Disability plan, unless no treatment was received for that condition for 6 consecutive months after your effective date under Liberty's Long Term Disability plan.

"Pre-existing condition" means a condition resulting from an Injury or Sickness for which you are diagnosed or received Treatment within 3 months prior to your effective date of coverage under Liberty's Long Term Disability plan.

"Treatment" means consultation, care or services provided by a physician, including diagnostic measures and taking prescribed drugs and medicines.

4. How do I pay for this additional insurance coverage?

Your premium contributions will be made on a payroll-deducted basis. You will not be required to pay premiums while receiving benefits from this plan.

5 a. If I have less than 5 years of contributing TSERS membership, do I have to be receiving benefits from the State's Disability Income Plan to be eligible for disability benefits from Liberty?

You must satisfy Liberty's definition of disability (defined on Page 11, Q&A 11) and either

not be eligible for the State's Disability Income Plan due to the number of years of membership or; if eligible for the State's Disability Income Plan, you must be receiving benefits except for either reaching the Plan's maximum benefit period or choosing instead to receive benefits under the disability retirement plan from TSERS (if applicable) in order to be eligible to receive disability benefits from Liberty.

5 b. If I have 5 years or more of contributing TSERS membership, do I have to be receiving benefits from the State's Disability Income Plan to be eligible for disability benefits from Liberty?

You must satisfy Liberty's definition of disability (defined on Page 11, Q&A 11) and either be receiving benefits under the State's Disability Income Plan or receiving a TSERS monthly retirement benefit in order to be eligible to receive disability benefits from Liberty. If you are eligible to receive benefits under the State's Disability Income Plan but have elected to receive benefits instead from the TSERS disability retirement plan (if applicable), you are eligible to receive disability benefits from Liberty.

6. If I enroll prior to five years of contributing TSERS membership credit, will my premium be reduced after I reach five years?

Yes, once you have five years of contributing TSERS membership and become eligible for a long term benefit under the State's Disability Plan, the University will adjust your premium deductions accordingly. Please, however, consult your University Human Resources Department as to when this adjustment will be made as some adjustments are made only once a year.

7. Are benefits received from Liberty taxable as regular income?

Unlike the State's disability benefits, Liberty's benefits are NOT taxable under Federal Tax Income law since you pay for this coverage.

8. When will my coverage begin?

You will be insured for contributory insurance when you become a TSERS participant on the latest of these dates:

- a. 1st day of the following month of your TSERS eligibility date and the first payroll deduction, if you make written application for insurance on or before the 60th day after your TSERS eligibility date; or
- b. 1st day of the month following the date Liberty gives its approval, if you:
 - i. make written application for insurance more than 60 days after your eligibility date; or
 - ii. terminated your insurance while continuing to be eligible.

In the case of i. and ii. above, you must submit an application and evidence of insurability to Liberty for approval. This will be at your expense.

NOTE: If you have moved from an ineligible class to an eligible class, you will be insured for contributory insurance on the latest of these dates:

- a. 1st day of the month following the date you enroll, if you make written application for insurance on or before the 60th day after your eligibility date; or
- b. 1st day of the month following the date Liberty gives its approval, if you:
 - i. make written application for insurance more than 60 days after your eligibility date; or
 - ii. terminated your insurance while continuing to be eligible.

In the case of i. and ii. above, you must submit an application and evidence of insurability to Liberty for approval. This will be at your expense.

9. What if I am not Actively at Work on the day my insurance is scheduled to begin?

If you are not actively at work on that day, the effective date of any initial, increased or additional insurance will be delayed if you are not in Active Employment because of Injury or Sickness. The initial, increased or additional insurance will start on the date you return to Active Employment.

"Active Employment" means you must be actively at work for the University 1) on a full-time basis and paid regular earnings; 2) working a minimum of at least 30 hours per week; and either perform such work at the Sponsor's usual place of business, or at a location to which the Sponsor's business requires you to travel.

10. Who determines if I am disabled under the Liberty policy?

A Liberty disability claims analyst will review your condition with supporting documentation from your employer and your physician. A determination of your benefit qualification will be made.

11. Under Liberty's policy what constitutes Disability?

For employees other than pilots, co-pilots, and crew of an aircraft:

"Disability" or "Disabled" with respect to Long Term Disability Coverage means during the Elimination Period and the next 36 months of Disability you are unable to perform all of the material and substantial duties of your occupation on an Active Employment basis because of an Injury or Sickness.

After 36 months of benefits have been paid, you are unable to perform, with reasonable continuity, all of the material and substantial duties of your own or any other occupation for

which you are or become reasonably fitted by training, education, experience, age, and physical and mental capacity.

For employees who are employed as a pilot, co-pilot or crew of an aircraft:

"Disability" or "Disabled" with respect to Long Term Disability Coverage means because of Injury or Sickness you cannot perform the material and substantial duties of any gainful occupation for which you are or become reasonably fitted by training, education, experience, age, and physical and mental capacity.

For all participating employees:

"Partial Disability" or "Partially Disabled" means as a result of the Injury or Sickness which caused your disability you are (1) able to perform one or more, but not all, of the material and substantial duties of your own or any other occupation on an Active Employment or a part time basis; or (2) able to perform all the material and substantial duties of your own or any other occupation on a part time basis.

"Injury" means bodily impairment resulting directly from an accident and independently of all other causes.

"Sickness" is defined as any illness, disease, pregnancy or complications of pregnancy.

12. Under the Liberty Long Term Disability plan must I be totally disabled throughout the Elimination Period?

No. Once you are eligible to receive benefits from the State's Disability Income Plan, you may also be eligible for Liberty's Long Term Disability benefit if you are either totally or partially disabled, or a combination of these two, between the 61st and 90th day of the elimination period. Also, disability can result from sickness or injuries that result in only a 20% loss of pre-disability, gross earnings.

13. What will happen to my benefits if I return to transitional/rehabilitative work before I am fully recovered?

Liberty's Long Term Disability plan includes protection for partial disabilities (defined above). Liberty will pay you a benefit in addition to income you earn on a limited basis. If you are unable to earn more than 80% of your pre-disability earnings, Liberty will calculate your benefit based upon your lost earnings.

14. When will I be eligible to receive benefits?

You will be eligible to receive Liberty's Long Term Disability benefit one month after the later of the 90 day Elimination Period or the end of salary continuation by exhausting any accumulated sick leave or vacation leave.

15. How do I calculate my benefit?

Liberty's Long Term Disability plan will provide 66 2/3% of your basic monthly earnings to a maximum monthly benefit of \$10,000, less benefits from other income listed on Page 7 under Plan Highlights.

The minimum* monthly benefit will be either \$100 or 10% of your gross monthly benefit, whichever is greater.

***EXCEPTION:** If the monthly benefit payable plus any earnings from other Income Sources exceeds 100% of your pre-disability earnings, the monthly benefit will be reduced by the excess amount so that the monthly benefit plus your earnings do not exceed 100% of your pre-disability earnings.

"Basic Monthly Earnings" or "Pre-disability Earnings" means 1/12th of your annual base rate of compensation in effect, and for which your premium is based upon, immediately prior to the date disability (or partial disability) begins, including 1/12th of your annual longevity payment, if any. Annual base rate of compensation includes earnings paid to you by the University for authorized full-time work in summer school, evening classes, special seminar and executive programs during the 12-month period immediately prior to the month in which disability occurs. However, such earnings will not include bonuses, overtime pay and any other extra compensation.

16. How long will benefits continue under this plan?

Your benefits under this plan will continue as long as you are disabled according to the definition of disability and under the regular care of a physician. You must also satisfy the additional requirements set out in Q&A #5 (a and b) for benefits under this plan to continue. You may qualify for a payable benefit to age 65.

If disabled while actively employed beyond age 59, benefits will be paid according to the table below.

Age at Disability

Maximum Benefit Period

Less than age 60.....	to age 65, but not less than 5 years
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

17. When will my Long Term Disability benefits be discontinued?

Your monthly benefit will cease on the earliest of:

1. the date you are no longer disabled; or
2. the date you die; or
3. the end of your Maximum Benefit Period as shown above; or
4. the date your current earnings exceed 80% of your pre-disability, gross earnings.

If you have less than 5 years or more of contributing TSERS membership and do not satisfy the requirements described in Q&A #5 (a), benefits will cease.

If you have 5 years or more of contributing TSERS membership and do not satisfy the requirements described in Q&A #5 (b), benefits will cease.

Because your current earnings may fluctuate, Liberty will average your earnings over three consecutive months rather than immediately terminating your benefit once 80% of your pre-disability, gross earnings have been reached.

18. If I should die while receiving benefits, would my family be entitled to any of my benefits?

Liberty will pay a lump sum benefit to your Eligible Survivor when proof is received that a covered person died (1) after Disability had continued for 180 or more consecutive days; and (2) while receiving a Monthly Benefit. The lump sum benefit will be an amount equal to three times your Last Monthly Benefit.

"Eligible Survivor" means your spouse, if living, otherwise your children under age 25.

"Last Monthly Benefit" means the Monthly Benefit paid to you immediately prior to your death without any reduction for earnings received from employment.

19. When will my coverage terminate?

You will cease to be insured under Liberty's Long Term Disability plan on the earlier of the following dates:

1. the date this policy terminates, but without prejudice to any claim originating prior to the time of termination;
2. the date you are no longer in an eligible class;
3. the date your class is no longer included for insurance;
4. the last day for which any required employee contribution has been made;
5. the date your employment terminates. Cessation of active employment will be deemed termination of employment, except the insurance will be continued for an employee absent due to disability during (a) the elimination period; and (b) the period during which premium is waived.

20. Will my Long Term Disability insurance with Liberty continue if I take an Approved Leave of Absence?

You may continue your Disability insurance for up to twenty-four (24) months during any Leave of Absence in which you receive at least 1/4 of your salary, or if you receive less than 1/4 of your salary if you are actively engaged in education or research, or are pursuing an advanced degree.

Disability insurance may also be continued during a Maternity Leave for up to four (4) months following the termination of pregnancy, or during an approved family medical leave of absence.

For any other Leave of Absence, coverage may be continued until the end of the month in which the leave begins.

If you are on Leave of Absence, your Basic Monthly Earnings will be based on your rate of pay just prior to the start of your leave. For coverage to continue, you must continue to pay your premium contributions through personal payment while on leave.

Coverage may also be continued during an approved Family Medical Leave. (If coverage is not desired during a Family Medical Leave, it must be resumed at the end of the Family Medical Leave in order to retain coverage. If coverage is not resumed, it is terminated. Future coverage would be subject to Evidence of Insurability approval.)

21. What conditions are excluded under Liberty's Long Term Disability insurance?

Liberty's Long Term Disability policy will not cover any Disability or Partial Disability 1) which is caused or contributed to, or results from a Pre-Existing Condition; and 2) which begins in the first twelve (12) months after your effective date under the plan, unless you received no treatment of the condition for six consecutive months after your effective date.

"Pre-Existing Condition" means a condition resulting from an Injury or Sickness for which you are diagnosed or received treatment within three (3) months prior to your effective date under the plan.

"Treatment" means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Liberty 's Long Term Disability insurance will also not cover any Disability or Partial Disability due to:

1. war, declared or undeclared or any act of war;
2. intentionally self-inflicted injuries, while sane or insane;
3. active Participation in a Riot;
4. your committing of or attempting to commit an indictable offense.

"Participation" shall include promoting, inciting, conspiring to promote or incite, aiding, abetting, and all forms of taking part in, but shall not include actions taken in defense of public or private property, or actions taken in defense of the person of the insured, if such actions of defense are not taken against persons seeking to maintain or restore law and order including, but not limited to, police officers and firemen.

"Riot" shall include all forms of public violence, disorder or disturbance of the public peace, by three or more persons assembled together, whether or not acting with a common intent and whether or not damage to persons or property or unlawful act or acts is the intent or the consequence of such disorder.

22. Are Mental Illness, Alcohol, and Drug Abuse conditions covered?

The benefit for disability due to Mental Illness and Alcohol or Drug Abuse will not exceed 24 months unless you meet one of these situations.

1. You are in a Hospital or Institution at the end of the 24-month period. The monthly benefit will be paid during confinement. If you are still disabled when you are discharged, the monthly benefit will be paid for a recovery period up to 90 days. If you become reconfined during the recovery period for at least 14 days in a row, benefits will be paid for the confinement and another recovery period up to 90 days.

2. You continue to be disabled and become confined for the Mental Illness, Alcohol, or Drug Abuse:
 - a. after the 24 month period; and
 - b. for at least 14 days in a row.

The monthly benefit will be payable during the confinement for the Mental Illness, Alcohol or Drug Abuse. The monthly benefit will not be payable beyond the maximum benefit period as illustrated on In Q&A 16 on page 14.

"Hospital or Institution" means a facility licensed to provide care and treatment for the condition causing your disability.

"Mental Illness" means mental, nervous or emotional diseases or disorders of any type.

23. How do I file a claim?

Notice and Proof of Claim:

Notice

Written notice of claim must be given to Liberty within 30 days of the date of the loss on which the claim is based, if that is possible. If that is not possible, Liberty must be notified as soon as it is reasonably possible to do so.

When Liberty has the written notice of claim, Liberty will send you the claim forms. If the forms are not received within 15 days after written notice of claim is sent, you can send Liberty written proof of claim without waiting for the form.

Proof

Proof of claim must be given to Liberty. This must be done no later than 30 days after the end of the Elimination Period (90 days).

Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it was not reasonably possible to furnish such proof within such time. Such proof must be furnished as soon as reasonably possible, and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

Proof of continued Disability or Partial, when applicable, and regular attendance of a Physician must be given to Liberty within 30 days of the request for the proof. The proof must cover, when applicable:

- a. the date Disability or Partial Disability started;

- b. the cause of Disability or Partial Disability; and
- c. the degree of Disability or Partial Disability.

Time of Payment of Claims

When Liberty receives satisfactory proof of claim, the benefit payable under this policy may be paid at least monthly, during any period for which Liberty is liable. Any balance remaining unpaid upon the termination of the period of liability will be paid immediately upon receipt of due written proof.

Payment of Claims

The benefit is payable to the Covered Person. But, if a benefit is payable to a Covered Person's estate, a Covered Person who is a minor, or a Covered Person who is not competent, Liberty has the right to pay up to \$2,000 to any of the Covered Person's relatives or any other person whom Liberty considers entitled thereto by reason of having incurred expense for the maintenance, medical attendance or burial of the Covered Person. If Liberty, in good faith, pays the benefit in such a manner, Liberty will not have to pay such benefit again.

Examination

Liberty, at its own expense, will have the right and opportunity to have a Covered Person, whose injury or sickness is the basis of a claim, examined by a physician or vocational expert of its choice. This right may be used as often as reasonably required.

24. What if there is a benefit overpayment?

If a benefit overpayment on any claim occurs, it will be required that reimbursement be made to Liberty within 60 days of notice of such overpayment, or Liberty has the right to reduce future benefit payments until such reimbursement is received. Liberty has the right to recover such overpayments from the Covered Person or the Covered Person's estate.

NOTICE

When this plan refers to "you" or "your," it means the Employee insured under this plan.

Please read this "brochure" carefully. If you have any questions about any terms or provisions, please contact your University Benefits Representative at your work location or write to Liberty. Liberty will assist you in any way possible to help you understand your benefits.

Liberty shall possess the authority, in its sole discretion, to construe the terms of this coverage and to determine eligibility hereunder. Liberty's decisions regarding construction of the terms of this coverage and benefit eligibility shall be determined by the terms of the Master Policy which is on file and available for your review at the Benefits Office of your University or Institution of employment.

Your coverage may be terminated or modified in whole or in part under the terms and provisions of the Policy. If the terms of this "brochure" and the Policy differ, the Policy will govern.