YOUR GROUP INSURANCE PLAN

DREXEL UNIVERSITY
ALL EMPLOYEES EXCLUDING STATIONARY EMPLOYEES
SHORT TERM DISABILITY
Employer-Funded Benefits Not Insured By Guardian
CERTIFICATE OF COVERAGE

The Guardian
7 Hanover Square
New York, New York 10004

The group short term disability income coverage described in this Certificate is attached to the group Policy effective January 1, 2016. This Certificate replaces any Certificate previously issued under this Plan or under any other plan providing similar or identical benefits issued to the planholder by Guardian.

GROUP SHORT TERM DISABILITY INCOME COVERAGE

Guardian certifies that the Employee to whom this Certificate is issued is entitled to the benefits described herein. However, the Employee must: (a) satisfy all of this Plan’s eligibility and effective date requirements; (b) be listed in Our and/or the Policyholder’s records as a validly covered Employee under this Plan; and (c) all required premium payments must have been made by or on behalf of the Employee.

The Employee is not covered by any part of this Plan for which he or she has waived coverage. Such a waiver of coverage is shown in Our and/or the Policyholder’s records.

Policyholder: DREXEL UNIVERSITY

Group Policy Number: 00518932

Stuart J Shaw
Vice President, Risk Mgt. & Chief Actuary

B040.0791
## TABLE OF CONTENTS

**IMPORTANT NOTICE** ........................................................................................................... 1

**DEFINITIONS** ..................................................................................................................... 2

**GENERAL PROVISIONS**
- Limitation of Authority ........................................................................................................... 8
- Incontestability ......................................................................................................................... 8
- Examination and Autopsy ......................................................................................................... 8
- Short Term Disability Claim Provisions .................................................................................. 8

**ELIGIBILITY FOR SHORT TERM DISABILITY INCOME COVERAGE**
- Eligible Employees .................................................................................................................. 10
- Conditions Of Eligibility (Class 5) ......................................................................................... 10
- Conditions Of Eligibility (All Other Classes) ........................................................................ 10
- When Employee Coverage Starts ......................................................................................... 12
- When Employee Coverage Ends ............................................................................................ 13
- Continuation Of Coverage ..................................................................................................... 13
- Your Right To Continue Short Term Disability Income Coverage ....................................... 13

**SHORT TERM DISABILITY INCOME COVERAGE**
- Benefit Provisions .................................................................................................................. 15
- Exclusions ............................................................................................................................... 20
- Services .................................................................................................................................. 21
- Claim Provisions ..................................................................................................................... 23

**SUBROGATION AND RIGHT OF RECOVERY** ..................................................................... 26

**SHORT TERM DISABILITY INCOME COVERAGE SCHEDULE OF BENEFITS**
- Changes To Coverage .............................................................................................................. 28

**SUMMARY PLAN DESCRIPTION SUPPLEMENT TO CERTIFICATE** ................................. 29

**STATEMENT OF ERISA RIGHTS**
- Disability Benefits Claims Procedure .................................................................................... 33
- Termination of This Group Plan .............................................................................................. 35
The Short Term Disability benefits are directly funded through and provided by your employer, and are not insured by Guardian. Guardian supplies administrative services, such as: claims services and preparation of employee benefit booklets.

Your employer, has the sole responsibility and liability for payment of these benefits.

As used in this booklet, the terms:

- "certificate" refers to this booklet describing the benefits directly funded through and provided by your employer;
- "insurance" and "insured" refers to the benefits directly funded through and provided by your employer;
- "plan", "we", "us" and "our" refer to the benefits that are directly funded through and provided by your employer, and are not insured by Guardian;
- "premium," "premiums," and "premium charge" refer to payments required from you for coverage under this plan; and
- "proof of insurability" refers to any evidence of your good health which may be required under this plan.

All terms and provisions, maximums or limitations set forth in this booklet will be applicable to these benefits provided by your employer.

B040.0830
DEFINITIONS

This section defines certain terms appearing in Your Certificate.

B040.0004

**Active Work, Actively At Work or Actively Working:** These terms mean You are able to perform, and are performing, all of the regular duties of Your work for the Employer, at: (1) one of the Employer’s usual places of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and the Employer have agreed on for Your work.

B040.0005

**Disability Earnings:** This term means the weekly income You earn from working while Disabled. It includes salaries, wages, commissions, bonuses and any other compensation earned or accrued while working including pension, profit sharing contributions, sick pay, paid time off, holiday and vacation pay. When You have an ownership interest in the business, Disability Earnings also includes business profits, attributable to You, whether received or not. It includes any income You earn while Disabled and return to the Employer, partnership, or any other similar business arrangement to cover any business or overhead expenses.

B040.0019-R

**Doctor:** Any medical practitioner We are required by law to recognize. He or she must: (1) be properly licensed or certified by the laws of the state where he or she practices; and (2) provide services that are within the lawful scope of his or her practice.

B040.0020

**Eligibility Date:** This term means the earliest date You are eligible for coverage under this Plan.

B040.0021

**Elimination Period:** This term means the period of time You must be Disabled, due to a covered Disability, before this Plan’s benefits are payable. Any days during which You return to work earning more than 80% of Your Insured Earnings will not count toward the Elimination Period. If You are or become eligible under any other similar group income replacement plan while You are working during the Elimination Period, You will not be entitled to benefits from this Plan.

We do not require You to complete an Elimination Period if: (1) You were covered under a similar income replacement plan the Employer had with another carrier on the day before this Plan starts; and (2) Your Disability would have been a Recurring Disability under the prior plan had it remained in effect.

B040.0022

**Employee:** This term means a person who works for the Employer and whose income is reported for tax purposes using a W-2 or 1099 form.

B040.0024

**Employer:** This term means DREXEL UNIVERSITY.
Full-Time (Classes 2, 3, 5 and 8): This term means You regularly work at least the number of hours in the normal work week set by the Employer (but not less than 20 hours per week) at: (1) Your Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and Your Employer have agreed upon for the performance of occupational duties.

Full-Time (Classes 6 and 7): This term means You regularly work at least the number of hours in the normal work week set by the Employer (but not less than 35 hours per week) at: (1) Your Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and Your Employer have agreed upon for the performance of occupational duties.

Full-Time (Classes 1, 9, 10): This term means You regularly work at least the number of hours in the normal work week set by the Employer (but not less than 40 hours per week) at: (1) Your Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and Your Employer have agreed upon for the performance of occupational duties.

Gainful Occupation or Gainful Work: These terms mean work for which You are, or may become, qualified by: (1) training; (2) education; or (3) experience. When You are able to perform such work, You can be expected to earn at least 80%, of Your Insured Earnings within 12 months of returning to work.

Government Plan: This term means any of the following: (1) the United States Social Security Act; (2) the Railroad Retirement Act; (3) the Canadian Pension Plan; or (4) any other plan provided under the laws of a state, province or any other political subdivision. It also includes: (a) any public employee Retirement Plan; or (b) any plan provided in place of the above named plan or acts. It does not include: (i) any Workers’ Compensation Act or similar law; (ii) the Jones’ Act; (iii) the Longshoreman’s and Harbor Workers’ Compensation Act; or (iv) the Maritime Doctrine of Maintenance, Wages, or Cure.

Gross Weekly Benefit: This term means this Plan’s Weekly Benefit before it is integrated with other income and earnings.

Injury: This term means a bodily Injury due to an accident that occurs, independent of all other causes, while You are covered by this Plan. Subject to all other requirements, We will cover a Disability caused by an Injury when the Disability starts within 90 days of the date of such Injury.

Insured Earnings: Only Your earnings from the Employer will be included as Insured Earnings.

We calculate benefit amounts and limits based on the amount of Your Insured Earnings as of the date immediately prior to the start of Your Disability.
For Partners And S Corporation Shareholders: Insured Earnings means the sum of the amounts listed below, divided by 52.

1. Your compensation as an Employee or S Corporation shareholder, as reported on Your Federal Income Tax Return(s), Form 1040, for the prior calendar year, less the gross total of unadjusted Employee business expenses as included on the corresponding Schedule A-Itemized Deductions.

2. Your non-passive income (loss) from trade of business as reported on Schedule E - Part II of Your Federal Income Tax Return(s), Form 1040, for the prior calendar year, less any expenses incurred and reported elsewhere on Your Return; and

3. Your contributions during the prior calendar year, deposited into a: (a) cash or deferred compensation plan, or salary reduction plan, qualified under IRC section 401(k), 403(b), 457 or similar plan; and (b) elective Employee pre-tax deferrals to a Section 125 plan or flexible spending account.

You may not have been a partner or S Corporation shareholder for the full prior calendar year. In that case, Your earnings are based on the weekly average of the sum of the listed amounts averaged for the full number of weeks that You were a partner or S Corporation shareholder during that calendar year.

For Sole Proprietors: Insured Earnings means the sum of the amounts listed below.

1. Your average weekly net profit as determined from Schedule C - Part II of Your Federal Income Tax Return(s), Form 1040 for the prior calendar year.

2. Your average weekly contribution during the prior calendar year deposited into a: (a) cash or deferred compensation plan, or salary reduction plan, qualified under IRC section 401(k), 403(b), 457 or similar plan; and (b) elective Employee pre-tax deferrals to a Section 125 plan or flexible spending account.

Weekly net profit is calculated as gross income less total expenses.

You may not have been a sole proprietor for the prior calendar year. In that case, We calculate average weekly net profit and average weekly contributions using the full number of weeks that You were a sole proprietor during such time.

For Any Other Employee Who Receives Base Salary Only: Insured Earnings means Your base weekly salary from the Employer. The term also includes Your contributions deposited into a: (1) cash or deferred compensation plan, or salary reduction plan, qualified under IRC section 401(k), 403(b), 457 or similar plan; and (2) elective Employee pre-tax deferrals to a Section 125 plan or flexible spending account. Earnings based on excluded income and Employer contributions deposited into such 401(k), 403(b), 457 or similar plan are not included. The term also does not include: (a) bonuses; (b) commissions; (c) overtime pay; (d) expense accounts; (e) stock options; and (f) any other extra compensation. If You are paid hourly, We calculate weekly earnings based on actual hours worked or billed in the eight weeks before the start of Your Disability. We do not include pay for hours worked or billed over 40 per week.
For Employees Who Are Compensated On Less Than A 12 Month Basis: Insured Earnings means Your average rate of weekly earnings determined from Your annual contract salary. If You do not have an annual contract salary, Insured Earnings means Your prior calendar year salary divided by 52. The term also includes Your contributions deposited into a: (1) cash or deferred compensation plan, or salary reduction plan, qualified under IRC section 401(k), 403(b), 457 or similar plan; and (2) elective Employee pre-tax deferrals to a Section 125 plan or flexible spending account. Earnings based on excluded income and Employer contributions deposited into such 401(k), 403(b), 457 or similar plan are not included. The term also does not include: (a) overtime pay; (b) expense accounts; (c) stock options; and (d) any other extra compensation. If You are paid hourly, We calculate weekly earnings based on actual hours worked or billed in the eight weeks before the start of Your Disability. We do not include pay for hours worked or billed over 40 per week.

For Employees Whose Income Is Reported On A IRS Form 1099: Insured Earnings means Your average rate of weekly earnings as figured from the 1099 form(s) received from the Employer for the prior calendar year. Earnings are calculated as Your earned income as reported on the 1099 form(s) minus business expenses as reported on Schedule C - Part II of Your Federal Income Tax Return(s), Form 1040. Your average rate of weekly earnings is calculated as such earnings divided by 52 or the number of weeks You worked for the Employer during such calendar year, if less than 52. The term also includes Your contributions deposited into a: (1) cash or deferred compensation plan, or salary reduction plan, qualified under IRC section 401(k), 403(b), 457 or similar plan; and (2) elective Employee pre-tax deferrals to a Section 125 plan or flexible spending account.

Maximum Payment Period: This term means the longest time that benefits are paid by this Plan, subject to all terms, limitations and exclusions.

No-Fault Motor Vehicle Coverage: This term means a motor vehicle plan that pays disability or medical benefits no matter who was at fault in an accident.

Objective Medical Evidence: This term includes, but is not limited to: (1) diagnostic testing; (2) laboratory reports; and (3) medical records of a Doctor’s exam documenting clinical signs, presence of symptoms and test results consistent with generally accepted medical standards supported by nationally recognized authorities in the health care field.

Objective Proof of Your Restrictions and Limitations: During the Own Job period this term means objective proof of Your inability to perform the duties of Your Own Job, and including all restrictions and limitations relating to Your inability to work.
**Own Job:** This term means Your job for the Employer. We use the job description provided by the Employer to determine the duties and requirements of Your Own Job.

**Part-Time (Classes 5 and 8):** This term means:

- With respect to eligibility for coverage, You regularly work at least the number of hours in the normal work week set by the Employer (but not less than 20 hours per week), at: (1) Your Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and Your Employer have agreed upon for the performance of occupational duties.
- With respect to eligibility for benefits, the ability to work and earn between 40% and 80% of Insured Earnings.

**Plan:** This term means the group short term disability income coverage described in the Policy and this Certificate.

**Reasonable Accommodation:** This term means any modification or adjustment that the Employer willingly provides to: (1) a job; (2) an employment practice; (3) a work process; or (4) the work place. The modification or adjustment must make it possible for a Disabled person to: (a) reach the same level of performance as a similarly situated non-disabled person; or (b) enjoy equal benefits and privileges of employment as are available to a similarly situated non-disabled person. The modification or adjustment must not place an undue hardship on the Employer.

**Recurring Disability:** This term means a later Disability that: (1) is related to an earlier Disability for which this Plan paid benefits; and (2) meets the conditions described in the Recurring Disability section of this Plan.

**Regular and Appropriate Care:** This term means, with respect to Your disabling condition(s) and any other condition(s) which, if left untreated, would adversely affect Your disabling condition, You: (1) visit a Doctor as frequently as medically required, according to generally accepted medical standards, to effectively manage these conditions; and (2) are receiving the most appropriate treatment, according to generally accepted medical standards, designed to achieve maximum medical improvement in these conditions. Treatment must be provided by a Doctor or Doctors whose specialty is most appropriate according to generally accepted medical standards for Your: (a) Disability; and (b) any other conditions which left untreated would adversely affect Your disabling condition. Generally accepted medical standards are those supported by nationally recognized authorities in the health care field including: (i) the American Medical Association (AMA); (ii) the AMA Board of Medical Specialties; (iii) the Food and Drug Administration; (iv) the Centers for Disease Control; (v) the National Cancer Institute; (vi) the National Institutes of Health; (vii) the Department of Health and Human Services; and (viii) any other agency of similar repute.
Rehabilitation Agreement: This term means a formal agreement between: (1) You; (2) Us; and (3) Your Employer, if needed. It outlines the Rehabilitation Program in which You agree to take part.

Rehabilitation Program: This term means a program of work or job-related training for You that We approve in writing. Its aim is to restore Your wage earning abilities.

Retirement Plan: This term means a defined benefit or defined contribution plan funded wholly or in part by the Employer’s deposits for Your benefit. The term does not include: (1) profit sharing plans; (2) thrift plans; (3) non-qualified deferred compensation plans; (4) individual retirement accounts; (5) tax sheltered annuities; (6) 401(k), 403(b), 457 or similar plans; or (7) stock ownership plans.

Retirement plan "retirement benefits" are lump sum or periodic payments at normal or early retirement. Some Retirement plans make payments for Disability (as defined by those plans) that start before normal retirement age. When such payments reduce the amount that would have been paid at normal retirement age, they are retirement benefits. When such payments do not reduce the normal retirement amount, they are "disability benefits."

Sickness: This term means an illness or disease. Pregnancy is treated as a Sickness under this Plan.

We, Us and Our: These terms mean The Guardian Life Insurance Company of America.

Weekly Benefit: This term means this Plan’s Gross Weekly Benefit reduced by other income. If You are working while Disabled, Your Weekly Benefit will be further reduced based on the amount of Your Disability Earnings.

You or Your: These terms mean the covered Employee.
GENERAL PROVISIONS

Limitation of Authority

No person, except by a writing signed by the President, a Vice President or a Secretary of Guardian, has the authority to act for Us to: (1) determine whether any contract, Plan or certificate is to be issued; (2) waive or alter any provisions of any contract or plan, or any of Our requirements; (3) bind Us by any statement or promise relating to the contract issued or to be issued; or (4) accept any information or representation which is not in a signed application. No agent or broker has the authority to change the contract or plan or waive any provisions of the same.

Incontestability

This Plan is incontestable, except for a fraudulent statement, after two years from its date of issue, except for non-payment of premiums.

No statement in any application, except a fraudulent statement, made by You will be used to contest the validity of Your insurance or to deny a claim for a loss incurred after such insurance has been in force for two years during Your lifetime.

If this Plan replaces a plan Your Employer had with another insurer, We may rescind this Plan based on misrepresentations or omissions made by the Employer or an employee in a signed application for up to two years from the effective date of this Plan.

In the event Your insurance is rescinded, We will refund premiums paid for the periods such insurance is void. The premium paid by You will be sent to Your last known address on file with Your Employer or Us.

Examination and Autopsy

We have the right to have a doctor of Our choice examine the person for whom a claim is being made under this Plan as often as We feel necessary. We also have the right to have an autopsy performed in the case of death where allowed by law. We will pay for all such examinations and autopsies.

Short Term Disability Claim Provisions

Your right to make a claim for short term disability benefits provided by this Plan is governed as follows:

Notice: You must send Us written notice of an injury or sickness for which a claim is being made within 20 days of the date the injury occurs or the sickness starts. This notice should include Your name and the Policy number.
Claim Forms: We will furnish You with forms for filing proof of loss within 15 days of receipt of notice. If We do not furnish the forms on time, We will accept a written description and adequate proof of the injury or sickness that is the basis of the claim as proof of loss. You must detail the nature and extent of the loss for which the claim is being made.

Proof Of Loss: You must send written proof to Our designated office within 90 days of the loss.

Late Notice Or Proof: We will not void or reduce Your claim if You cannot send Us notice and proof of loss within the required time. In that case, You must send Us notice and proof as soon as reasonably possible.

Payment Of Benefits: We will pay short term disability benefits as soon as We receive written proof of loss.

Legal Actions: No legal action against this Plan shall be brought until 60 days from the date proof of loss has been given as shown above. No legal action shall be brought against this Plan after three years from the date of the final benefit determination.

Workers’ Compensation: The short term disability benefits provided by this plan are not in place of and do not affect requirements for coverage by Workers’ Compensation.
Eligibility for Short Term Disability Income Coverage

Eligible Employees

Subject to the conditions of eligibility set forth below, and to all of the other conditions of this Plan, You are eligible if You are in an eligible class of Employees and are: (1) an active Full-Time Employee; or (2) an active Part-Time Employee.

If You are a partner or proprietor, We will treat You like an Employee if You meet this Plan’s conditions of eligibility.

Conditions Of Eligibility (Class 5)

You are eligible for short term disability income coverage if You are:

- Legally working in the United States or working outside of the United States for a United States based employer in a country or region approved by Us; and;

- Regularly working at least the number of hours in the normal work week set by the Employer (but not less than 20 hours per week and 50% appointment for Faculty) at: (1) the Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and the Employer have agreed upon for the performance of occupational duties.

You are not eligible for short term disability income coverage if You are:

- A temporary or seasonal Employee.

Conditions Of Eligibility (All Other Classes)

You are eligible for short term disability income coverage if You are:

- Legally working in the United States or working outside of the United States for a United States based employer in a country or region approved by Us; and;

- Regularly working at least the number of hours in the normal work week set by the Employer (but not less than 40 hours per week) at: (1) the Employer’s place of business; (2) some place where the Employer’s business requires You to travel; or (3) any other place You and the Employer have agreed upon for the performance of occupational duties.

You are not eligible for short term disability income coverage if You are:

- A temporary or seasonal Employee.
Enrollment Requirement: If You must pay all or part of the cost of Your coverage, We will not cover You until You enroll and agree to make the required payments.

Proof of Insurability: If You: (1) do not meet this Plan’s enrollment requirement within 31 days after You first become eligible; or (2) enroll after You previously had coverage which ended because You failed to make a required payment, We will require Proof of Insurability. And, You will not be covered until We approve that proof in writing.

Part or all of Your insurance amounts may be subject to Proof of Insurability. The Schedule Of Benefits explains if and when We require proof. You will not be covered for any amount that requires such proof until You give the proof to Us and We approve that proof in writing.

If Your active Full-Time or Part-Time service ends before You meet any Proof of Insurability requirements that apply You will still have to meet those requirements if You are later re-employed by the Employer or an associated company within 31 days.

The Waiting Period: If You are in an eligible class, You are eligible for short term disability income coverage under this Plan after You complete the service waiting period, if any, established by the Employer.

Multiple Employment: If You work for both the Employer and a covered associated company, or for more than one covered associated company, We will treat You as if only one firm employs You. You will not have multiple short term disability income coverage under this Plan. But, if this Plan uses the amount of Your earnings to set the rates, determine class, figure coverage amounts, or for any other reason, such earnings will be figured as the sum of Your earnings from all covered Employers.

Coverage During Temporary Leave of Absence or Layoff: If Your Active Work ends because You are temporarily laid off or on an approved leave of absence, You and Your Employer may agree to continue Your insurance, subject to continued payment of all required premium, until the end of the temporary layoff or the approved leave of absence in accordance with the ER’s general practice.

If You become Disabled under this Certificate while Your coverage is being continued during a temporary layoff or approved leave of absence, Your eligibility for benefits will be governed by all the terms of this Certificate.
When Employee Coverage Starts

You must be fully capable of performing the major duties of Your regular occupation for the Employer and working Your regular number of hours at 12:01 A.M. Standard Time for Your place of residence on the date Your coverage is scheduled to start. And, You must have met all of the conditions of eligibility and the conditions shown below which apply to You. If You are not fully capable of performing the major duties of Your regular occupation on Your scheduled effective date, We will postpone the start of Your coverage while this Plan is in force. We will postpone coverage until You are so capable and working Your regular number of hours for one full day, with the expectation that You could do so for one full week.

Whether You must pay all or part of the cost of Your coverage, You must elect to enroll and agree to make the required payments before Your coverage will start. If You do this on or before Your Eligibility Date, Your coverage is scheduled to start on Your Eligibility Date. If You do this within 31 days after Your Eligibility Date, Your coverage is scheduled to start on Your Eligibility Date. If You elect to enroll and agree to make the required payments more than 31 days after Your Eligibility Date, Your coverage will not start until You send Us Proof of Insurability. Once We have approved such proof, Your coverage is scheduled to start on Your approved effective date.

Sometimes a scheduled effective date is not a regularly scheduled work day. If the scheduled effective date falls on (1) a holiday; (2) a vacation day; (3) a non-scheduled work day; (4) a day during an approved leave of absence not due to Sickness or Injury, of 90 days or less; or (5) a day during a period of absence that is less than 7 days in duration; and if: (a) You were fully capable of performing the major duties of Your regular occupation for the Employer on a Full-Time basis at 12:01 AM Standard Time for Your place of residence on the scheduled effective date; and (b) You were performing the major duties of Your regular occupation and working Your regular number of hours on Your last regularly scheduled work day, Your coverage will start on the scheduled effective date. However, any coverage or part of coverage for which You must elect and pay all or part of the cost, will not start if You are on an approved leave and such coverage or part of coverage was not previously in force for You under a prior plan which this Plan replaced.

Any part of Your coverage which is subject to Proof of Insurability will not start unless You send such proof to Us, and We approve it in writing. Once We have approved it, that part of Your coverage is scheduled to start on Your approved effective date.

Delayed Effective Date For Short Term Disability Income Coverage: If You are not Actively At Work and working Your regular number of hours, due to Sickness or Injury, on the date Your short term disability income coverage is scheduled to start, We will postpone coverage for an otherwise covered loss for that condition. We will postpone such coverage until You complete ten consecutive days of active service working Your regular number of hours, without missing a work day due to the same condition. Coverage for an otherwise covered loss due to all other conditions will start on the date You return to Active Work working Your regular number of hours.
When Employee Coverage Ends

Your coverage will end on the first of the following dates:

- The last day of the month in which Your active service ends for any reason, except as shown below under Continuation Of Coverage.
- The date You stop being an eligible Employee under this Plan.
- The date You are no longer working in the United States, or working outside of the United States for a United States based employer in a country or region approved by Us.
- The date the group Plan ends, or is discontinued for a class of Employees to which You belong.
- The last day of the period for which required payments are made for You.

Continuation Of Coverage

You may be Disabled when Your active service ends due to a non-job related Injury or Sickness. In that case, Your coverage will remain in force during the: (1) Elimination Period, subject to payment of required premiums; and (2) the period for which benefits are payable by this Plan. But, the Disability (a) must be covered by this Plan.

Your Right To Continue Short Term Disability Income Coverage During A Family Leave Of Absence

Important Notice: This section may not apply to Your Employer’s Plan. You must contact Your Employer to find out if he or she must allow for a family leave of absence under federal law. If he or she must allow for such leave, this section applies.

If Your Coverage Would End: Your short term disability income coverage would normally end because You cease work due to an approved leave of absence. But, You may continue Your coverage if the leave has been granted to: (1) allow You to care for a seriously injured or ill spouse, child or parent; (2) after the birth or adoption of a child; (3) due to Your own serious health condition; or (4) because of a serious Injury or illness arising out of the fact that Your spouse, child, parent or next of kin who is a covered servicemember is on active duty, or has been notified of an impending call or order to active duty, in the Armed Forces in support of a contingency operation. To continue Your coverage, You will be required to pay the same share of the premium as You paid before the leave of absence.

When Continuation Ends: Continued coverage will end on the earliest of the following:

- The date You return to Active Work.
In the case of a leave granted to You to care for a covered servicemember. The end of a total leave period of 26 weeks in one 12 month period. This 26 week total leave period applies to all leaves granted to You under this section for all reasons. If You take an additional leave of absence in a subsequent 12 month period, continued coverage will cease at the end of a total leave period of 12 weeks.

In any other case, the end of a total leave period of 12 weeks in any 12 month period.

The date on which Your Employer’s Plan is terminated or You are no longer eligible for coverage under this Plan.

The end of the period for which premium has been paid.

Definitions: As used in this section, the terms listed below have the meanings shown below:

- **Active Duty**: This term means duty under a call or order to active duty in the Armed Forces of the United States.

- **Contingency Operation**: This term means a military operation that: (1) is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations or hostilities against an enemy of the United States or against an opposing military force; or (2) results in the call or order to, or retention on, active duty of members of the uniformed services under any provision of law or during a national emergency declared by the President or Congress.

- **Covered Servicemember**: This term means a member of the Armed Forces, including a member of the National Guard or Reserves, who for a serious Injury or illness is: (1) undergoing medical treatment, recuperation or therapy; (2) otherwise in outpatient status; or (3) otherwise on the temporary disability retired list.

- **Next Of Kin**: This term means Your nearest blood relative.

- **Outpatient Status**: This term means, in the case of a covered servicemember, that he or she is assigned to: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

- **Serious Injury Or Illness**: This term means, in the case of a covered servicemember, an Injury or illness incurred by him or her in line of duty on active duty in the Armed Forces that may render him or her medically unfit to perform the duties of his or her: (1) office; (2) grade; (3) rank; or (4) rating.
SHORT TERM DISABILITY INCOME COVERAGE

This coverage replaces part of Your income if You become Disabled due to a covered Sickness or Injury. What We pay is governed by all the terms of this Plan.

This Certificate includes form(s) GC-SCH-STD-11-PA, which are this Plan’s Schedule(s) of Benefits. Your class and benefit options are shown in the Schedule of Benefits that applies to You. See form(s) GC-SCH-STD-11-PA.

Terms with special meanings are defined. See the definitions section of this Plan. Other terms with special meanings are defined where they are used.

Benefit Provisions

How Payments Start: To start getting payments from this Plan, You must meet all of the conditions listed below.

- You must: (1) become Disabled while covered by this Plan; and (2) remain Disabled and covered for this Plan’s Elimination Period.
- You must provide proof of loss, as described in Claim Provisions.

Benefits accrue as of the first day after the end of the Elimination Period, subject to all Plan terms.

You can satisfy the Elimination Period while working, provided You are Disabled.

Waiver Of Premium: We waive Your premiums for this coverage while You are entitled to receive a Weekly Benefit payment from this Plan.

When Payments End: Your benefits from this Plan will end on the earliest of the dates shown below:

- The date You are no longer Disabled.
- The date You fail to provide proof of loss as required by this Plan.
- The date You earn, or are able to earn, the maximum earnings allowed while Disabled under this Plan.
- The date You are able to perform the major duties of Your Own Job on a Full-Time basis with Reasonable Accommodation.
- The date You have been outside the United States and/or a country or region approved by Us for more than two months in a 12 month period.
- The date You die.
- The end of the Maximum Payment Period.
- The date no further benefits are payable under any provision in this Plan that limits the Maximum Payment Period.
- The date You are no longer receiving Regular and Appropriate Care from a Doctor.
- The date payments end in accordance with a Rehabilitation Agreement.
The date You refuse to take part in a Rehabilitation Program.

**Maximum Payment Period:** The Maximum Payment Period is shown in the Schedule Of Benefits. But, it may be less than that shown due to: (1) the date You were first treated for the cause of Your Disability; and (2) the length of time You have been covered by this Plan.

**Recurring Disability:** Benefits from this Plan end if You cease to be Disabled. But, a later Disability may be treated as a Recurring Disability, if all of the terms listed below are met:

- You must return to Active Work right after Your benefits end.
- The Disability must recur less than two weeks after You were last entitled to benefits.
- The later Disability must be due to the same or related cause of Your earlier Disability.
- This Plan must not end during Your return to Active Work.
- You must not become covered under any other similar group income replacement plan during the time You return to Active Work.
- During the time You return to Active Work, You must: (1) stay covered by this Plan; and (2) premium payments must be made on Your behalf.
- Your benefits must not have ended because You have used up the Maximum Payment Period.

If the later Disability is a Recurring Disability, You will not need to satisfy a new Elimination Period. The Recurring Disability will be subject to all the terms of this Plan in effect on the date the earlier Disability began.

If all of the terms listed above are not met, the later Disability will be treated as a new period of Disability. You will be required to satisfy a new Elimination Period. The new period of Disability will be subject to all the terms of this Plan in effect on the date the new period of Disability starts.

**Calculation of Weekly Benefit:** Your benefit is governed by the terms of this Plan in effect on the date Disability starts. Any changes to this Plan that take place: (1) while You are Disabled; or (2) during a period of Active Work that occurs between an initial period of Disability and a Recurring Disability; will not affect Your benefit.

We calculate Your Gross Weekly Benefit according to the Schedule of Benefits.

From Your Gross Weekly Benefit, subtract the amount of any income listed in Other Income Benefits that You receive or are entitled to receive. The result is Your Weekly Benefit.
Redetermination: This Plan redetermines Your Insured Earnings on the date a change in Your Insured Earnings occurs. The Employer must report updates to all Employees’ Insured Earnings as they occur. Changes to Your Insured Earnings are subject to any Proof of Insurability requirements of this Plan. As of this Plan’s redetermination date, We use Your Insured Earnings on record with Us to: (1) set rates; (2) project benefit amounts and limits; and (3) calculate premium payable under this Plan. You must be actively-at-work on that date. If You are not, We do not do this until the date You return to Active Work. But, changes in earnings will not apply to a Recurring Disability.

Other Income Benefits: You may receive, or be entitled to receive, income shown in the list below. We will reduce Your Gross Weekly Benefit by such other income benefits to determine Your Weekly Benefit from this Plan.

- Commissions or monies: (1) received; (2) payable but deferred; or (3) paid after Disability benefits start. This includes: (a) vested and nonvested renewal commissions; (b) bonuses; (c) royalties; and (d) other distributions.

- Disability benefits from any mandated benefit act or law. This includes all temporary disability or state disability benefits required by law.

- Disability benefits from all group plans of the Employer. This includes payments made by a group life insurance plan due to Your Disability. This does not include payments made from a group life insurance plan’s: (1) accelerated death benefit; or (2) like provision that allows payment of such plan’s proceeds due to terminal illness.

- Disability benefits from any other group plan; but, if the other group plan was in force prior to this Plan, and the other group plan also deducts for disability benefits from any other group plan, We will not deduct these other group disability benefits.

- Income received from partnership distributions but only to the extent that such income plus the amount of Your Gross Weekly Benefit is more than 100% of Your Insured Earnings.

- Benefits as shown below from: (1) the United States Social Security Act; (2) the Railroad Retirement Act; or (3) any other like U.S. or Canadian plan or act.
  
  (a) All disability benefits for which You are entitled;

  (b) All unreduced retirement benefits for which You are entitled; and

  (c) All reduced retirement benefits paid to You.

We will reduce Your Gross Weekly Benefit by benefits referred to in (a), (b) and (c) above, net of attorney fees approved by the Social Security Administration.

We do not reduce Your Gross Weekly Benefit by the retirement benefits described in (b) and (c) above, to the extent that You were entitled to receive such income prior to the start of Disability. We will reduce the Gross Weekly Benefit by marginal increases in such income You were entitled to receive after Disability begins.
- Income of the type that is included in Your Insured Earnings for purposes of determining Your Gross Weekly Benefit under this Plan.
- That portion of Retirement Plan retirement benefits which the Employer funds.
- That portion of Retirement Plan disability benefits which the Employer funds.
- Retirement benefits or Retirement Plan disability benefits, due to Your Disability, from any Government Plan other than those shown above.
- Disability benefits from any: (1) No-Fault Motor Vehicle Coverage; (2) motor vehicle financial responsibility act; or (3) like law.
- Payment or settlement, with or without admission of liability, from: (1) a Workers’ Compensation law; (2) an occupational disease law; or (3) any other act or law of like intent. This includes: (a) the Jones’ Act; (b) the Longshoreman’s and Harbor Workers’ Compensation Act; or (c) any Maritime doctrine of Maintenance, Wages or Cure. If You receive a payment net of attorney fees approved by the Workers’ Compensation Board or similar authority, We reduce Our benefit by the net payment.
- Disability benefits from any third party when Your Disability is the result of the negligence or intentional tort liability of that third party.
- Unemployment compensation benefits.
- Payment from Your Employer as part of a termination or severance agreement.

We integrate Your Gross Weekly Benefit with income shown above that You are entitled to receive without regard to the reason You are entitled to receive it.

Our right to reduce Your benefit by such income shall not be negated by a transfer of claim liability to a third party. Payment by such third party by law, settlement, judgment, waiver or otherwise shall not negate Our right.

**Other Income Not Subject to Deduction:** We will not reduce Your Gross Weekly Benefit by any income You receive or are entitled to receive from the list below.
- Deferred compensation arrangements such as 401(k), 403(b) or 457 plans;
- Profit sharing plans;
- Thrift plans;
- Tax sheltered annuities;
- Stock ownership plans;
- Individual Retirement Accounts (IRA);
- Individual disability income plans;
- Credit disability insurance;
- Non qualified plans of deferred compensation;
- Pension plans for partners;
• Retirement plans of another employer not affiliated with this Plan;
• Military pension and disability plans;
• Income from a sick leave, salary continuance, or paid time off plan;
• Critical Illness insurance, unless the benefit is paid out as a wage replacement benefit;
• Accident insurance, unless the benefit is paid out as a wage replacement benefit;
• Cancer insurance, unless the benefit is paid out as a wage replacement benefit.

Lump Sum Payments Of Other Income: Income with which We integrate may be paid in a lump sum. In this case, We take the equivalent weekly rate stated in the award into account when We determine Your Weekly Benefit. If no weekly rate is given, We divide the lump sum payment by the number of calendar days in the period for which it was awarded. This will determine the daily rate. Then, multiply the daily rate by seven. The result is the prorated weekly rate.

Cost Of Living Freeze: You may receive a cost of living increase in other income with which We integrate. In this case, We do not further reduce Your Weekly Benefit by the amount of such increase.

Application For Other Income: You must apply for other income benefits to which You may be entitled. If these benefits are denied, You must appeal until: (1) all possible appeals have been made; or (2) We notify You that no further appeals are required.

If We feel You are entitled to receive such income benefits, We will estimate the amount due to You. We will take this estimated amount into account when We determine Your Weekly Benefit. But, We will not take this estimated amount into account if You sign Our reimbursement agreement. In this agreement You promise: (1) to apply for any benefits for which You may be eligible; (2) to appeal any denial of such benefits until all possible appeals have been made; and (3) to repay any amount We overpaid due to an award of such benefits.

If We do reduce Your Gross Weekly Benefit by an estimated amount, We will adjust Your Weekly Benefit when We receive written proof: (1) of the amount awarded; or (2) that the other income benefits have been denied; and no further appeals are possible. If We underpaid You, We pay the full amount of the underpayment in a lump sum.

We will assist You in applying for other income benefits.

Adjustment Of Weekly Benefit For Disability Earnings: We adjust the Weekly Benefit for Disability Earnings as follows.

We pay the greater of the amount calculated under Method 1 or Method 2.

Method 1:
We reduce Your Weekly Benefit by 50% of Your Disability Earnings.

Method 2:

(1) Subtract Your Disability Earnings from Your Insured Earnings.
(2) Divide the result in (1) above by Your Insured Earnings.

(3) Multiply the result in (2) above by Your Weekly Benefit. This is the amount We pay.

If Your Disability Earnings fluctuate widely from week to week, We may adjust Your Weekly Benefit using an average Disability Earnings amount. The average Disability Earnings amount will be computed using Your most current week’s Disability Earnings and the prior two weeks Disability Earnings.

Exclusions

For any Disability caused by, contributed to by or resulting from a pre-existing condition, We limit the Maximum Payment Period to 2 weeks, unless the Disability starts after You complete at least one full day of Active Work after the date You have been covered under this Plan for 12 months in a row.

Your Disability caused by, contributed to by or resulting from; a pre-existing condition may begin after: (1) a change which provides for an increase in the benefits payable by this Plan; or (2) a change in Your benefit election which increases the benefit payable by this Plan. In this case, Your benefit will be limited to the amount that would have been payable had the change not taken place. But, this limit does not apply if Your Disability starts after You complete at least one full day of Active Work after the date the change has been in force for 12 months in a row.

We do not cover any Disability that starts before Your coverage under this Plan.

Prior Coverage Credit: If this Plan replaces a similar disability income replacement plan the Employer had with another insurer, the pre-existing condition provision may not apply to You, if coverage under this Plan starts immediately after the termination of coverage under the prior disability income replacement plan. This Plan must start right after the prior plan ends.

The pre-existing condition provision will be waived for You if You: (1) are Actively Working on the effective date of this Plan; and (2) have fulfilled the requirements of any pre-existing condition provision of the prior plan.

You may have been covered under the prior plan when it ended, but have not met the requirements of any pre-existing condition provision of the prior plan. In that case, We credit any time used to meet the prior plan’s pre-existing condition provision toward meeting this Plan’s pre-existing conditions provision. You must: (1) enroll for coverage under this Plan on or before this Plan’s effective date; and (2) be Actively Working on the effective date of this Plan.

But, We limit Your maximum Weekly Benefit under this Plan if: (1) it is more than the maximum Weekly Benefit for which You were covered under the prior plan; (2) You become Disabled due to a pre-existing condition; and (3) this Plan pays benefits for such Disability because We credit time as explained above. In this case, We limit the maximum Weekly Benefit to the amount to which You would have been entitled under the prior plan.
We deduct all payments made by the prior plan under an extension provision.

**Exclusions:** This Plan does not pay benefits for Disability caused by, or related to:

- Declared or undeclared war, act of war, or armed aggression;
- Service in the armed forces, National Guard, or military reserves of any state or country;
- Your taking part in a riot or civil disorder;
- Your commission of, or attempt to commit a felony;
- Cosmetic surgery occurring within the first 12 Months of coverage under this Certificate. Cosmetic surgery is any surgery or other procedure which is directed at improving appearance, unless such surgery or procedure is necessary to correct a deformity resulting from a congenital abnormality or a disfiguring Sickness, physical disease or Injury;
- Your voluntary use of any poison, chemical, prescription or non-prescription drug or controlled substance unless: (1) it was prescribed for You by a Doctor; and (2) it was used as prescribed. In the case of a non-prescription drug, We do not pay for any loss resulting from or contributed to by Your use in a manner inconsistent with package instructions. A controlled substance is anything called a controlled substance in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended from time to time;
- Intentional self-inflicted injuries while sane or insane;
- Job-related or on-the-job Injury.

This Plan does not pay any benefits for any period of Disability:

- During which You are confined to a facility as a result of Your conviction of a crime;
- During which You are receiving medical treatment or care outside the United States or Canada unless expressly authorized by Us;
- Which starts before You are covered by this Plan; or
- During which Your loss of earnings is not solely due to Your Disability.

**Services**

**Rehabilitation And Case Management:** We will review Your Disability to see if certain services are likely to help You return to Gainful Work. If needed, We may ask for more medical or vocational information.

When Our review is complete, We may offer You a Rehabilitation Program. We have the right to suspend or end Your Weekly Benefit if You do not accept it.
The Rehabilitation Program will start when a written Rehabilitation Agreement is signed by: (1) You; (2) Us; and (3) Your Employer, if needed. The program may include, but is not limited to:

- Vocational assessment of Your work potential;
- Coordination and transition planning with an Employer for Your return to work;
- Consulting with Your Doctor on Your return to work and need for accommodations;
- Training in job seeking skills and resume preparation; and
- Retraining.

We have the right to determine which services are appropriate.

If You accept the Rehabilitation Agreement, We will pay an enhanced benefit. The enhanced benefit will be 110% of the Weekly Benefit that would otherwise be paid. This enhanced benefit will be payable as of the first Weekly Benefit after the Rehabilitation Program starts.

We stop paying the enhanced benefit on the earliest of:

- The date Your benefits from this Plan end;
- The date You violate the terms of the Rehabilitation Agreement;
- The date You end the Rehabilitation Program; and
- The date the Rehabilitation Agreement ends.

If You end a Rehabilitation Program without Our consent, You must repay any enhanced benefits paid.

**Dependent Care Expenses:** While You are participating in a Rehabilitation Program, We will pay a dependent care expense benefit, when all of the following conditions are met:

- You incur expense to provide care for a qualified dependent; and
- The care is provided by a licensed provider other than a family member.

The dependent care expense benefit will be the lesser of: (1) $100.00 per week per qualified dependent; not to exceed $300.00 per week for all qualified dependents combined; and (2) the actual weekly day care expense incurred by You.

We will stop paying the dependent care expense benefit on the earlier of the date You are no longer: (1) incurring dependent care expenses for a qualified dependent; (2) participating in a Rehabilitation Program; or (3) entitled to receive a Weekly Benefit from this Plan.
As used here, "qualified dependent" means a person who is: (1) dependent upon You for main support and maintenance; and (2) under the age of fourteen; and (3) Your biological child, lawfully adopted child, stepchild or any other child who is living with You in a regular parent-child relationship. The term also means a family member age fourteen or over who is physically or mentally incapable of caring for him or herself.

**Claim Provisions**

**Authority**: We have the sole discretionary authority to: (1) interpret the terms of this Plan; and (2) determine Your eligibility for coverage and benefits under this Plan. All such determinations are conclusive and binding, except that they may be modified or reversed by a court or regulatory agency with appropriate jurisdiction.

**Notice**: You must send Us written notice of Your intent to file a claim under this Plan as described in the Certificate's General Provisions. For details, You can call Us at 1-800-268-2525.

**Proof Of Loss**: When We receive Your notice, We will provide You with a claim form for filing proof of loss. This form requires data from the Employer, You, and the Doctor(s) treating Your Sickness or Injury. Proof of loss must be given to Us within the time stated in the Certificate's General Provisions. If You do not receive a claim form within 15 days of the date You sent Your notice, You should send Us written proof of loss without waiting for the form.

Proof of loss, provided at Your expense, consists of the following. Failure to provide this information may delay, suspend, reduce or terminate Your benefits.

- The date Disability began.
- Your last day of Active Work.
- The cause of Disability.
- The extent of Disability, including limitations and restrictions preventing You from performing the major duties of Your Own Job.
- If Your occupation requires that You carry liability or malpractice insurance, any changes to such insurance that become effective on or after the date of Disability.
- Objective Medical Evidence in support of Your limitations and restrictions, beginning with the date Disability began.
- Objective Proof of Your Restrictions and Limitations, beginning with the date Disability began.
- The prognosis of Disability.
The name and address of all Doctors, hospitals and health care facilities where You have been treated for Your Disability since the date Disability began.

Proof that You are currently receiving Regular and Appropriate Care from a Doctor.

Proof that You have been receiving Regular and Appropriate Care from a Doctor, from the date Disability began.

Proof of Insured Earnings.

Proof of Disability Earnings.

Payroll or absence data from the Employer for the three months prior to the date Disability began, or other period We specify.

Proof of application for all other sources of income to which You may be entitled, that may affect Your payment from this Plan.

Proof of receipt of other income that may affect Your payment from this Plan.

You must provide Objective Medical Evidence from a Doctor who is not Yourself, Your spouse, child, parent, sibling or business associate.

Proof of Insured Earnings and Disability Earnings may consist of: (1) copies of Your W-2 forms; (2) payroll records from Your Employer(s); (3) copies of Your U.S. Individual Income Tax Returns; (4) copies of the U.S. income tax returns from any business in which You hold an ownership or shareholder interest; (5) a statement from a certified public accountant; (6) copies of any income records accepted or required by the IRS; or (7) any other records We deem necessary.

Proof of loss and other claim data should be submitted to:

The Guardian Life Insurance Company of America
Group Short Term Disability Claims Department
P.O. Box 26160
Lehigh Valley, PA 18002-6160.

Authorization Required: You must provide Us with written, unaltered authorizations to obtain medical, financial, vocational, occupational, and governmental information required to determine Our liability under this Plan. You must provide Us with such authorizations as often as We may require, in order that they remain current. Failure to provide such authorizations may delay, suspend or terminate Your benefits.

Right To Request Medical, Financial Or Vocational Assessment: We may ask You to take part in a medical, financial, vocational or other assessment that We feel is necessary to determine whether the terms of this Plan are met. We may require this as often as We feel is reasonably necessary. We will pay for all such assessments. But, if You postpone a scheduled assessment without Our approval, You will be responsible for any rescheduling fees. If You do not take part in or cooperate with the assessment, We have the right to stop or suspend Your payments under this Plan.

Ongoing Proof Of Loss: To continue to receive payments from this Plan, You must give Us current proof of loss as often as We may reasonably require. Ongoing proof of loss must be provided to Us within 30 days of the date We request it.
Payment Of Benefits: We pay benefits to You, if You are legally competent. If You are not, We pay benefits to the legal representative of Your estate. Benefits are paid in US dollars.

We pay benefits biweekly at the end of the period for which they are payable.

No benefits are payable for this Plan’s Elimination Period.

Benefits to which You are entitled may remain unpaid at Your death. Such benefits may be paid at Our discretion to: (1) Your estate; or (2) Your spouse, parents, children, or brothers and sisters.

Partial Week Payment: You may be Disabled for only part of a week. In this case, We compute Your payment as 1/7th of the benefit to which You would be entitled for the full week times the number of days You are Disabled.

Overpayment Recovery: If We overpaid You, You must repay Us in full. We have the right to reduce Your payment or apply any benefits payable, including the minimum payment, toward recovery of the overpayment.

B040.0158
SUBROGATION AND RIGHT OF RECOVERY

**Purpose:** When You have the right to recover amounts paid by this Plan. We also have certain rights. These are explained below.

**Definitions:** As used in this section, the terms listed below have the meanings shown below:

- **Guardian:** This term means a person who has the care of the person or property of another.

- **Insurance Coverage:** This term means any insurance which provides coverage for: (1) medical expense payments; or (2) liability. This includes, but is not limited to: (a) uninsured motorist coverage; (b) underinsured motorist coverage; (c) personal umbrella coverage; (d) medical payments coverage; (e) workers compensation coverage; (f) no-fault automobile insurance coverage; or (g) any first party insurance.

- **Third Party:** This term means any party actually, possibly, or potentially responsible for making any payment to You due to Your Injury, Sickness or condition. This term also means such party's: (1) liability insurer; or (2) any insurance coverage. But, this term does not mean: (a) Us; or (b) You.

- **You:** This term means the covered Employee. It also includes Your parent or guardian if You are a minor or incompetent.

**Subrogation:** When this Plan pays a benefit, We will immediately be subrogated to Your rights of recovery from any third party to the full extent of benefits paid.

**Recovery:** If You receive a payment from any third party or insurance coverage due to an Injury, Sickness or condition, We have the right to recover from, and be repaid by, You for all amounts this Plan has paid due to that Injury, Sickness or condition, up to and including the full amount You receive from any third party or insurance coverage.

**Constructive Trust:** You must serve as a constructive trustee over the funds that constitute payment from any third party or insurance coverage due to Your Injury, Sickness or condition. If You fail to hold such funds in trust, it will be deemed a breach of Your fiduciary duty to Us.

**Lien Rights:** We will have a lien to the extent of benefits We paid due to Your Injury, Sickness or condition for which the third party is liable. The lien will be imposed on any recovery, whether by settlement, judgement, or otherwise, including from any insurance coverage, that You receive due to Your Injury, Sickness or condition. The lien may be enforced against any party who holds funds or proceeds which represent the amount of benefits paid by Us. This includes, but is not limited to: (1) You; (2) Your representative or agent; (3) the third party; (4) the third party's insurer, representative or agent; and (5) any other source who holds such funds.
**First Priority Claim:** This Plan’s recovery rights are a first priority claim against all third parties and are to be paid to Us before any other claim for Your damages. This Plan will be entitled to full repayment on a first dollar basis from any third party’s payments, even if such payment to the plan will result in a recovery to You which is not sufficient: (1) to make You whole; or (2) to compensate You in part or in whole for the damages sustained. This Plan is not required to participate in or pay court costs or attorney fees to the attorney hired by You to pursue Your damage claim.

**Applicable To All Settlements And Judgements:** We are entitled to full recovery regardless of whether: (1) any liability for payment is admitted by a third party; or (2) the settlement or judgement received by You identifies the benefits the plan paid. This Plan is entitled to recover from any and all settlements or judgements, even those designated as: (a) pain and suffering; or (b) non-economic damages only.

**Cooperation:** You must fully cooperate with Our efforts to recover the benefits paid under this Plan. You must notify Us within 30 days of the date when any notice is given to any party, including an insurance company or attorney, of Your intention to pursue or investigate a claim to recover damages or obtain compensation due to Injury, Sickness or condition sustained by You. You and Your agents, must provide all information requested by Us or Our representative. This includes, but is not limited to, completing and submitting any applications or other forms or statements as We may reasonably request. Failure to do this may result in the termination of benefits or the instigation of legal action against You.

You must do nothing: (1) to prejudice Our rights as described in this section; or (2) to prejudice Our ability to enforce the terms of this section. This includes, but is not limited to, refraining from making any settlement or recovery that attempts to reduce or exclude the full amount of all benefits paid by this Plan.

We have the right to conduct an investigation regarding the Injury, Sickness or condition to identify any third party. We reserve the right to notify the third party and his or her agents of Our lien. Agents include, but are not limited to: (1) insurance companies; and (2) attorneys.

**Interpretation:** In the event that any claim is made that any part of this section is ambiguous, or questions arise as to the meaning or intent of any of its terms, We have the sole authority and discretion to resolve all disputes regarding the interpretation of this section.

**Jurisdiction:** Any legal action or proceeding with respect to this section may be brought in any court of competent jurisdiction as We may choose. You must submit to each such jurisdiction and waive whatever rights may correspond to You by reason of Your present or future domicile.
Effective January 1, 2016 this Schedule of Benefits is attached to the Certificate. This Schedule of Benefits replaces any previously issued Schedule of Benefits.

**Elimination Period During Disability**
- For Disability due to Injury: 30 days
- For Disability due to Sickness: 30 days

**Maximum Payment Period For Each Disability**
- For Disability due to Injury: 8 weeks
- For Disability due to Sickness: 8 weeks

**Gross Weekly Benefit**
- 60% of Your Insured Earnings to a maximum benefit of $2,700.00.
- The benefit will be rounded to the nearest $1.00, if not already a multiple of that amount.

**Note:** We integrate Your Gross Weekly Benefit with certain other income You may receive. Read all of the terms of this Plan to see: (1) the other income with which We integrate; and (2) how We integrate.

**Changes To Coverage**

**Changes In Coverage Amounts**
If You are not Actively At Work, any change in Your amount of coverage will not become effective prior to the date You return to Active Work.

**Changes In Insurance Classification**
If Your classification changes, coverage will not be changed to the new amount until the first day on which You are: (1) Actively At Work; and (2) make a contribution, if required, for the new classification.

If a contribution is required for the new classification for which a larger amount of coverage is provided, You must make the required contribution for the new amount within 31 days of the change. If You do not make the required contribution within 31 days of the change or within 31 days of becoming Actively At Work, if You are not Actively At Work, when Your classification changes, no increase will be allowed due to such change or any later change. In that case, in order to become covered for the larger amount, You must: (1) make the required contribution for the new amount; and (2) furnish Proof of Insurability to Us, which We approve in writing.

If the coverage amount was previously reduced because of age or retirement, it will be retained at the reduced amount.
SUMMARY PLAN DESCRIPTION SUPPLEMENT TO CERTIFICATE

You participate in a single employer insured Welfare Plan. This supplement and your certificate of insurance constitute the Summary Plan Description as required by the Employee Retirement Income Security Act of 1974 (ERISA). This supplement should be retained with your certificate.

- **Name of Plan:**
  DREXEL UNIVERSITY GROUP INSURANCE PLAN

- **Employer’s Name:** (Plan Sponsor)
  DREXEL UNIVERSITY

  **Address:** 3201 ARCH STREET, SUITE 400
  PHILADELPHIA PA 19104

  **Phone Number:** 215-895-1413

- **IRS Employer Identification Number (EIN):** 231352630

- **Plan Number:** 501

- **Plan Administrator:** (if other than Plan Sponsor)
  DREXEL UNIVERSITY

  **Address:** 3201 ARCH STREET, SUITE 400
  PHILADELPHIA PA 19104

  **Phone Number:** 215-895-1413

- **Agent for The Service of Legal Process:**
  DREXEL UNIVERSITY

  **Address:** 3201 ARCH STREET, SUITE 400
  PHILADELPHIA PA 19104

  (Legal process may also be served on the Plan Administrator.)

- **Date of End of Plan Year:** One day prior to January 1st.

- Contributions to the plan are provided by the Employee.

- The following class or classes of full-time and part-time employees are eligible to apply for insurance:

  **Class 0001**
  THE ELIGIBLE PRESIDENT OF DREXEL UNIVERSITY

  **Class 0002**
  ALL ELIGIBLE FULL TIME DREXEL UNIVERSITY POLICE DEPARTMENT UNION ELECTING THE 2X ANNUAL SALARY BASIC LIFE OPTION
Class 0003  ALL ELIGIBLE FULL TIME DREXEL UNIVERSITY POLICE DEPARTMENT UNION ELECTING THE FLAT $50,000 BASIC LIFE OPTION

Class 0005  ALL ELIGIBLE ACADEMY OF NATURAL SCIENCES PART TIME PROFESSIONAL STAFF AND FACULTY

Class 0006  ALL ELIGIBLE ACADEMY OF NATURAL SCIENCES PROFESSIONAL STAFF ELECTING THE 2X ANNUAL SALARY BASIC LIFE OPTION

Class 0007  ALL ELIGIBLE ACADEMY OF NATURAL SCIENCES PROFESSIONAL STAFF ELECTING THE FLAT $50,000 BASIC LIFE OPTION

Class 0008  ALL ELIGIBLE DREXEL UNIVERSITY PART TIME PROFESSIONAL STAFF, STATIONERY ENGINEERS AND FACULTY

Class 0009  ALL ELIGIBLE DREXEL UNIVERSITY FULL TIME PROFESSIONAL STAFF AND FACULTY ELECTING THE 2X ANNUAL SALARY BASIC LIFE OPTION

Class 0010  ALL ELIGIBLE DREXEL UNIVERSITY FULL TIME PROFESSIONAL STAFF AND FACULTY ELECTING THE FLAT $50,000 BASIC LIFE OPTION

provided they have completed the service waiting period established by the employer, if any. Qualified dependents of these employees may also be eligible for insurance. (Your certificate provides details).

B800.0047-R
STATEMENT OF ERISA RIGHTS

As a participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

(a) Examine, without charge, at the plan administrator’s office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U. S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(b) Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts, collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

(c) Receive a summary of the plan’s annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions By Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of plan participants and beneficiaries. No one, including your employer, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.
Enforcement Of Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a state or Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110.00 a day until you receive the material, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a federal court. If it should happen that plan fiduciaries misuse the plan’s money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

Assistance with Questions

If you have questions about the plan, you should contact the plan administrator. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor listed in your telephone directory or the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.
Disability Benefits Claims Procedure

If you seek benefits under the plan you should complete, execute and submit a claim form. Claim forms and instructions for filing claims may be obtained from the Plan Administrator.

Guardian is the Claims Administrator with respect to processing claims. Guardian has the right to secure independent professional healthcare advice and to require such other evidence as needed to decide your claim.

The Plan Administrator has discretionary authority to determine eligibility for benefits and to construe the terms of the plan with respect to claims.

In addition to the basic claim procedure explained in your benefit booklet, Guardian will also observe the procedures listed below. These procedures are the minimum requirements for benefit claims procedures of employee benefit plans covered by Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA")

**Definitions**

"Adverse determination" means any denial, reduction or termination of a benefit or failure to provide or make payment (in whole or in part) for a benefit.

**Timing For Initial Benefit Determination**

The benefit determination period begins when a claim is received. Guardian will make a benefit determination and notify a claimant within a reasonable period of time, but not later than the maximum time period shown below. A written or electronic notification of any adverse benefit determination must be provided.

Guardian will provide a benefit determination not later than 45 days from the date of receipt of a claim. This period may be extended by up to 30 days if Guardian determines that an extension is necessary due to matters beyond the control of the plan, and so notifies the claimant before the end of the initial 45-day period. Such notification will include the reason for the extension and a date by which the determination will be made. If prior to the end of the 30-day period Guardian determines that an additional extension is necessary due to matters beyond the control of the plan, and so notifies the claimant, the time period for making a benefit determination may be extended for up to an additional period of up to 30 days. Such notification will include the special circumstances requiring the extension and a date by which the final determination will be made.

A notification of an extension to the time period in which a benefit determination will be made will include an explanation of the standards upon which entitlement to a benefit is based, any unresolved issues that prevent a decision of the claim, and the additional information needed to resolve those issues.

If a claimant fails to provide all information needed to make a benefit determination, Guardian will notify the claimant of the specific information that is needed as soon as possible but no later than 45 days after receipt of the claim.
Disability Benefits Claims Procedure (Cont.)

If Guardian extends the time period for making a benefit determination due to a claimant’s failure to submit information necessary to decide the claim, the claimant will be given at least 45 days to provide the requested information. The extension period will begin on the date on which the claimant responds to the request for additional information.

**Adverse Benefit Determination**

If a claim is denied, Guardian will provide a notice that will set forth:

- the specific reason(s) for the adverse benefit determination;
- references to the specific plan provision on which the determination is based;
- a description of any additional material or information necessary to make the claim valid and an explanation of why such material or information is needed;
- a description of the plan’s claim review procedures which a claimant may follow to have a claim for benefits reviewed and the time limits applicable to such procedures, including a statement indicating that the claimant has the right to bring a civil action under ERISA Section 502(a) following an adverse benefit;
- identification and description of any specific internal rule, guideline or protocol that was relied upon in making an adverse benefit determination, or a statement that a copy of such information will be provided to the claimant free of charge upon request; and
- in the case of an adverse benefit determination based on medical necessity or experimental treatment, notice will either include an explanation of the scientific or clinical basis for the determination, or a statement that such explanation will be provided free of charge upon request.

**Appeal of Adverse Benefit Determinations**

If a claim is wholly or partially denied, the claimant will have up to 180 days to make an appeal.

Guardian will conduct a full and fair review of an appeal which includes providing to claimants the following:

- the opportunity to submit written comments, documents, records and other information relating to the claim;
- the opportunity, upon request and free of charge, for reasonable access to, and copies of, all documents, records and other information relating to the claim; and
- a review that takes into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In reviewing an appeal, Guardian will

- provide for a review conducted by a named fiduciary who is neither the person who made the initial adverse determination nor that person’s subordinate;
in deciding an appeal based upon a medical judgment, consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;

- identify medical or vocational experts whose advice was obtained in connection with an adverse benefit determination; and

- ensure that a health care professional engaged for consultation regarding an appeal based upon a medical judgment shall be neither the person who was consulted in connection with the adverse benefit determination, nor that person’s subordinate.

Guardian will notify the claimant of its decision not later than 45 days after receipt of the request for review of the adverse determination. This period may be extended by an additional period of up to 45 days if Guardian determines that special circumstances require an extension of the time period for processing and so notifies the claimant before the end of the initial 45-day period.

A notification with respect to an extension will indicate the special circumstances requiring an extension of the time period for review, and the date by which the final determination will be made.

Alternative Dispute Options

The claimant and the plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S Department of Labor Office and the State insurance regulatory agency.

Termination of This Group Plan

Your employer may terminate this group plan at any time.

When this plan ends, you may be eligible to continue your coverage. Your rights, if any, upon termination of the plan are explained in this benefit booklet.