

**YOUR
GROUP
DISABILITY INSURANCE
PLAN**

For Employees of

CITY OF MERCED

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IF YOU HAVE A QUESTION ABOUT YOUR POLICY, IF YOU NEED ASSISTANCE WITH A PROBLEM, OR IF YOU HAVE QUESTIONS ABOUT A CLAIM, YOU MAY WRITE OR CALL US AT:

**ReliaStar Life Insurance Company
P.O. Box 20
Minneapolis, Minnesota 55440
Telephone Number: (800) 955-7736**

YOU WILL NEED TO PROVIDE YOUR POLICY NUMBER WITH ANY COMMUNICATION.

IF YOU DO NOT REACH A SATISFACTORY RESOLUTION AFTER HAVING DISCUSSIONS WITH US, OR OUR AGENT OR REPRESENTATIVE, OR BOTH, YOU MAY CONTACT THE FOLLOWING UNIT WITHIN THE DEPARTMENT OF INSURANCE THAT DEALS WITH CONSUMER AFFAIRS:

**California Department of Insurance
Consumer Communications Bureau
300 South Spring Street, South Tower
Los Angeles, California 90013
Outside Los Angeles: 1-800-927-HELP (1-800-927-4357)
Los Angeles: (213) 897-8921**

**RELIASTAR LIFE INSURANCE COMPANY
OUTLINE OF COVERAGE**

This outline is only a summary of certain provisions in your certificate. You must consult the policy and certificate for contract provisions regarding coverage.

Disability Income Protection Coverage

	<u>Section(s) of Certificate</u>
BENEFITS	Schedule of Benefits Disability Income Insurance
EXCEPTIONS, REDUCTIONS AND LIMITATIONS	Schedule of Benefits Disability Income Insurance
ELIGIBILITY, TERMINATION AND CONTINUATION	Employee's Insurance Conversion Rights

PREMIUMS: Information about your premium contribution for coverage may be obtained from the Participating Employer.

**RELIASTAR LIFE INSURANCE COMPANY
Minneapolis, Minnesota 55440**

ReliaStar Life Insurance Company (ReliaStar Life) certifies that it has issued the Group Policy listed below to the Policyholder. All benefits are controlled by the terms and conditions of the Group Policy. The Group Policy is on file in the Policyholder's office. You may look at the Group Policy there. ReliaStar Life also certifies that the person named below is insured under the Group Policy.*

31640-7DISABILITY
CSAC Excess Insurance Authority

*If you are actively at work on the effective date. If you are not, your insurance is effective on the date you return to active work.

The insurance included in this certificate applies to you only if you have elected and are insured for it.

The certificate summarizes and explains the parts of the Group Policy which apply to you. This certificate is not an insurance policy. In any case of differences or errors, the Group Policy rules.

This certificate replaces any other certificates ReliaStar Life may have given you under the Group Policy.



Registrar

SCHEDULE OF BENEFITS

Disability Income Insurance – Weekly Income Benefits

For Total Disability you will be covered under the Base Plan as shown below. You may elect an additional amount of coverage above the Base Plan by purchasing the Buy-Up Plan.

The **Weekly Income Benefit** is calculated as follows:

Base Plan	The lesser of 60% of your Basic Weekly Earnings or \$600, minus Other Income. OR if you elect the Buy-Up Plan:
Buy-Up Plan	The lesser of 66.67% of your Basic Weekly Earnings or \$1,650, minus Other Income.
Partial Disability	(A divided by B) times C, minus Other Income.

A = your Basic Weekly Earnings minus your current weekly earnings.

B = your Basic Weekly Earnings.

C = The benefit you would receive if you were totally disabled (before Other Income is subtracted).

"Other Income" does not include sick leave benefits provided through your employer until the gross weekly benefit plus your sick leave benefits exceed 100% of your Basic Weekly Earnings.

Basic Weekly Earnings – the basic salary or wage you received on the last day you worked for the Participating Employer, before becoming disabled. It does not include bonuses, commission or overtime pay.

Minimum Weekly Income Benefit \$25

Benefit Waiting Period

- White Collar Employees 30 days
- All Other Eligible Employees 60 days

Maximum Benefit Period

- White Collar Employees 22 weeks
- All Other Eligible Employees 18 weeks

Disability Income Insurance – Monthly Income Benefits

For Total Disability you will be covered under the Base Plan as shown below. You may elect an additional amount of coverage above the Base Plan by purchasing one of the Buy-Up Plans.

The **Monthly Income Benefit** is calculated as follows:

Base Plan	The lesser of 60% of your Basic Monthly Earnings or \$2,500, minus Other Income. OR if you elect the Buy-Up Plan:
Buy-Up Plan	The lesser of 66.67% of your Basic Monthly Earnings or \$7,000, minus Other Income.
Partial Disability	(A divided by B) times C, minus Other Income.

A = your indexed Basic Monthly Earnings minus your current monthly earnings.

B = your indexed Basic Monthly Earnings.

C = The benefit you would receive if you were totally disabled (before Other Income is subtracted).

"Other Income" does not include sick leave benefits provided through your employer until the gross monthly benefit plus your sick leave benefits exceed 100% of your Basic Monthly Earnings.

SCHEDULE OF BENEFITS

Note: During the first 12 months of Monthly Income Benefits, your Monthly Income Benefit will not be reduced by any current monthly employment earnings until the gross monthly benefit plus your current monthly employment earnings exceed 100% of your pre-disability Basic Monthly Earnings. Your Monthly Income Benefit will then be reduced by that excess amount.

In no event will your Monthly Income Benefit plus Other Income be greater than your predisability Basic Monthly Earnings.

Basic Monthly Earnings – your monthly salary or wage on the day before the date you became disabled. It does not include bonuses, commissions or overtime pay. For Partial Disability, Basic Monthly Earnings are indexed. To determine indexed Basic Monthly Earnings, your predisability Basic Monthly Earnings are increased by 5% on the one-year anniversary of your first benefit.

Minimum Monthly Income Benefit \$100

Benefit Waiting Period 180 days

Maximum Benefit Period

Age at disability

- Less than age 61
- 61 but less than 62
- 62 but less than 63
- 63 but less than 64
- 64 but less than 65
- 65 but less than 66
- 66 but less than 67
- 67 but less than 68
- 68 but less than 69
- 69 and over

Maximum benefit period

- to age 65
- 48 months
- 42 months
- 36 months
- 30 months
- 24 months
- 21 months
- 18 months
- 15 months
- 12 months

Survivor Benefit 3 times the net monthly benefit,
subject to any necessary adjustments

Proof of Good Health

Proof of good health will be required for Weekly and Monthly Income Benefits to increase your amount of insurance from the Base Plan to the Buy-Up Plan more than 31 days after the date you become eligible.

EMPLOYEE'S INSURANCE

Eligibility

You are eligible on one of the following dates:

- For Public Safety employees, the date you complete 30 days of continuous service with the Participating Employer.
- For all other eligible employees, the date you complete 6 months of continuous service with the Participating Employer.

You must meet the following conditions to become insured:

- Be actively at work.
- Apply for the insurance, if you have to pay any part of the premium.
- Give to ReliaStar Life proof of good health, which it approves, as required on the Schedule of Benefits.

Effective Date of Employee's Insurance

Your insurance starts on the latest of the following dates:

- The date you become eligible.
- The date you return to active work if you are not actively at work on the date insurance would otherwise start. **Exception:** Your insurance starts on a nonworking day if you were actively at work on your last scheduled working day before the nonworking day.
- The date you apply for insurance, if you have to pay any part of the premium.
- The date ReliaStar Life approves your proof of good health, if proof is required.

Effective Date of Change in Amount of Insurance

If there is an increase in the amount of your insurance, the increase will take effect on:

- The date of the increase, if you are actively at work on that date.
- The date you return to active work, if you are not actively at work on the date your insurance increases.
- The nonworking day on which the increase was effective, if you were actively at work on your last scheduled working day before the nonworking day.

If proof of good health is required, the increase will take effect on the later of the dates indicated above or the date ReliaStar Life approves your proof of good health.

A decrease in the amount of your insurance will take effect on the date of the decrease.

Termination of Insurance

Your insurance stops on the earliest of the following dates:

- The date you are no longer actively at work for the Participating Employer.
- The date you are no longer eligible for insurance under the Group Policy.
- The date the Group Policy stops.
- The date you retire.
- The date the Participating Employer stops subscribing to the agreement establishing the CSAC Excess Insurance Authority.
- The end of the period for which you paid premiums, if you do not make the next required premium contribution when due.

ReliaStar Life stops providing a specific benefit to you on the date that benefit is no longer provided under the Group Policy.

Family and Medical Leave Act of 1993

Certain employers are subject to the FMLA. If you have a leave from active work certified by your employer, then for purposes of eligibility and termination of coverage you will be considered to be actively at work. Your coverage will remain in force so long as you continue to meet the requirements as set forth in the FMLA.

Reinstatement

ReliaStar Life will reinstate your insurance if you stop work and then return to work within 12 months. You will be eligible for insurance on the date you return to active work with the Participating Employer.

DISABILITY INCOME INSURANCE

Disability Income Benefits

There are 2 types of disability income benefits. Weekly income benefits are provided for short periods of disability. Monthly income benefits are provided for periods of disability that continue beyond the maximum benefit period for weekly income benefits.

Qualifying for Benefits

ReliaStar Life pays benefits if you become disabled and qualify to receive benefits. The benefit payable is based on the Schedule of Benefits in effect on the date you became disabled.

To qualify for benefits, all of the following conditions must be met:

You must –

- be insured on the date you become disabled and the condition causing your disability is not excluded from coverage.
- be insured on the date the benefit waiting period begins.
- send written notice of the disability as described in the Claim Procedures Section.
- be receiving regular and appropriate care and treatment.

Benefit Waiting Period

The benefit waiting period is the length of time you must be continuously disabled before you qualify to receive any benefits. **Exception:** For monthly income benefits, you may return to work for up to 15 days during the benefit waiting period without having to begin a new benefit waiting period. The days you work do not count toward meeting the benefit waiting period. Any part of a day worked will count as a full day for purposes of this section.

The benefit waiting period begins on the first day you see a doctor and he or she states in writing that you are disabled because of sickness or accidental injury.

The benefit waiting period is shown on the Schedule of Benefits.

Benefit Payments

Weekly income benefits are paid at the end of each week for the period for which you qualified. If you are disabled for part of a week the benefit payable is based on 1/7 of your weekly income benefit for each day you are disabled.

Monthly income benefits are paid at the end of each month for the period for which you qualified. If you are disabled for part of a month, the benefit payable is based on 1/30th of your monthly income benefit for each day you are disabled.

The weekly and monthly income benefits are determined as shown on the Schedule of Benefits. Benefits continue while you are disabled up to the maximum benefit period shown on the Schedule of Benefits. You must complete the benefit waiting period before any benefits are payable.

Other Income

Other Income is income you and your dependents are eligible to receive because of one of the following:

- your age.
- the same or related disability for which you are eligible to receive benefits under the Group Policy.

Other Income is subtracted from the benefit you would otherwise receive, as shown on the Schedule of Benefits. ReliaStar Life considers you to be eligible to receive Other Income benefits whether or not you apply for them, until you send ReliaStar Life written proof that the benefits were denied or contested. When ReliaStar Life receives written proof that Other Income benefits were denied or contested, ReliaStar Life will pay benefits you are qualified to receive. However, if the denial of Other Income benefits is not final, you must pursue the Other Income Benefits to the fullest extent possible.

Other Income includes, but is not limited to, the following:

- Federal Social Security benefits.
- State Disability benefits.
- Railroad Retirement Act benefits.
- Other government disability or retirement income.
- Worker's Compensation benefits.
- No fault accident wage replacement plan benefits.

DISABILITY INCOME INSURANCE

- Sponsored short term or long term disability income or retirement plan benefits. Sponsored means that your past or present employer administered, paid part of the cost of, or made a payroll deduction for the plan.

Other Income also includes the following:

- Salary continuance benefits provided through your employer.
- Salary, commission, bonus or any other income you earn from any work while receiving benefits, except as explained for Partial Disability or the Rehabilitative Work Benefit.

Other Income includes only the following retirement benefits:

- Early retirement benefits you are receiving that are voluntarily selected.
- Retirement benefits that are unreduced by age for which you are eligible on the later of the following:
 - the date you reach age 62.
 - normal retirement age.

ReliaStar Life considers retirement benefits received before age 62, or if later, before normal retirement age, to be voluntarily elected until you provide written proof satisfactory to ReliaStar Life that you did not elect to receive benefits voluntarily.

Exceptions: Benefits will not be reduced by –

- retirement benefits attributable to employee contributions.
- retirement or disability benefits you receive from a past employer, if these benefits have been paid continuously to you for more than 2 years before you become eligible to receive benefits under the Group Policy.
- benefits paid by a group or franchise creditor disability plan.
- income received from a profit sharing plan, thrift plan, individual retirement account, tax sheltered annuity, stock ownership plan, or a non-qualified plan of deferred compensation.
- disability or retirement benefits which are received under an employer's retirement plan but are rolled over or transferred to any eligible retirement plan as defined by the Internal Revenue Code.
- Federal Social Security benefits if your disability begins after age 70 and you were receiving Social Security benefits while continuing to work.
- a cost of living increase to any other income benefit after the initial other income benefit becomes payable.

Minimum Weekly or Monthly Income Benefit

If you receive Other Income, it will be subtracted from the benefit you would otherwise receive.

However, after you qualify for weekly or monthly income benefits, ReliaStar Life will pay you at least the minimum weekly or monthly income benefit shown on the Schedule of Benefits.

Lump Sum Payments

Other Income you receive as a lump sum will be prorated into weekly or monthly amounts. The prorated amount will be subtracted from the benefit you would otherwise receive, until the total amount subtracted equals the lump sum payment. ReliaStar Life will determine the prorated amount using the first of the following methods that applies:

- Divide the Other Income lump sum into weekly or monthly amounts based on the amount of Other Income you were receiving from the same source prior to receiving the lump sum payment.
- Divide the Other Income lump sum into weekly or monthly amounts based on the weekly or monthly amount you could have received in lieu of the lump sum payment.
- Divide the Other Income lump sum into weekly or monthly amounts over the remaining maximum benefit period.

Overpayment

If ReliaStar Life pays you a larger benefit than you should have received, ReliaStar Life may recover any overpayments it made.

ReliaStar Life will recover from you the full amount of the overpayment through one or more of the following means:

- Require you to return the overpayment in one lump sum.
- Stop payment of benefits until the full overpayment is repaid.
- Require you to assign any Other Income to ReliaStar Life.

DISABILITY INCOME INSURANCE

Any minimum weekly or monthly income benefit otherwise payable will not be paid until the overpayment is recovered.

Waiver of Premium for Monthly Income Benefits

ReliaStar Life waives your premium during any period for which monthly income benefits are payable. If ReliaStar Life waives your premium it is the Policyholder's responsibility to refund to you any contribution you may make after qualifying for benefits.

Premiums are not waived for weekly income benefits. Premium payment is required during any period for which weekly income benefits are payable.

Termination of Benefits

ReliaStar Life stops paying benefits on the earliest of the following:

- The date you are no longer disabled.
- The end of the maximum benefit period for any one period of disability. The maximum benefit period is shown on the Schedule of Benefits.
- The date you no longer qualify for benefits under all the conditions listed.
- The date of your death.
- The date you fail to provide written proof of disability.
- The date you cease to be under regular and appropriate care of a doctor, or unreasonably refuse to undergo an examination by a doctor of ReliaStar Life's choosing.
- The date you unreasonably refuse to receive medical treatment that is generally acknowledged by doctors to cure or improve your condition so as to reduce its disabling effect.
- The date you unreasonably refuse to work with the assistance of modifications made to your work environment, functional job elements or work schedule, or adaptive equipment or devices, that a qualified doctor has indicated will accommodate the limiting factors of your medical condition.

Weekly income benefits stop on the date any monthly income benefits become payable.

If the Group Policy or the Disability Income Insurance part of the Group Policy terminates after you qualify to receive benefits, ReliaStar Life continues your benefit payments. Benefits are paid as long as you continue to qualify according to the terms of the Group Policy in effect on the date you qualified.

Recurrent Disability

If you are receiving weekly income benefits, a recurrent disability is a disability due to the same cause which occurs after you have returned to full-time work for the Participating Employer for less than 30 working days.

If you are receiving monthly income benefits, a recurrent disability is a disability due to the same cause which occurs after you have returned to full-time work for less than 6 months.

You cannot receive both weekly and monthly income benefits.

ReliaStar Life pays benefits for a recurrent disability which is a continuation of a previous disability.

A recurrent disability has –

- no additional benefit waiting period.
- the same maximum benefit period as the previous disability.

Benefits payable under this recurrent disability provision will stop if benefits are payable to you under any other group disability policy.

Exclusions

ReliaStar Life will not pay benefits if your disability results from any of the following:

- Sickness or injury which occurs in any armed conflict, whether declared as war or not, involving any country or government.
- Sickness or injury which occurs while you are on military service for any country or government.
- Intentionally self-inflicted injury, whether you are sane or insane.
- Injury which occurs when you commit or attempt to commit a felony.
- Injury suffered in a fight in which you are the aggressor.

DISABILITY INCOME INSURANCE

- For Monthly Income Benefits, sickness or injury which is the result of a pre-existing condition, if you become disabled during the first 12 months your insurance is in effect. **A pre-existing condition** is a sickness or accidental injury for which, during the 3 months immediately before the date your insurance started, you did one or more of these:
 - Saw a doctor for treatment.
 - Received medical services or advice.
 - Took prescribed drugs.

ReliaStar Life will not pay benefits for the portion of any period of disability that you are confined in a penal or correctional institution as a result of conviction for a criminal or other public offense.

ReliaStar Life will not pay an additional benefit for disability caused by both sickness and accidental injury or by more than one sickness or accidental injury.

Rehabilitative Work Benefit for Monthly Income Benefits

You may receive adjusted benefits if you qualify and engage in rehabilitative work. To qualify for adjusted benefits you must provide ReliaStar Life with proof of your earnings upon request and you must be working –

- for pay or profit, and
- under an approved rehabilitation program.

The amount of your adjusted benefit will be your monthly income benefit minus 50% of the income you receive from rehabilitative work.

If you are receiving monthly income benefits, your adjusted benefit will not be less than the minimum monthly income benefit shown on the Schedule of Benefits.

If the conditions listed above are met, the Rehabilitative Work Benefit will apply on the later of the following dates:

- Twelve months following the date monthly income benefits become payable.
- The date monthly income benefits for partial disability stop.

Limitation for Mental Disorder, Alcoholism or Chemical Dependency for Monthly Income Benefits

When disability is due in whole or in part to mental disorder, alcoholism, or chemical dependency, ReliaStar Life limits monthly income benefits to a maximum of 24 months while you are not hospital confined.

This maximum applies to any and all such periods of disability during your lifetime.

If at anytime during the 24 month period, you are hospital confined for the same disability, ReliaStar Life pays benefits for as long as you remain hospital confined, up to the maximum benefit period. After your release from the hospital, ReliaStar Life continues payment of benefits for any remaining portion of the 24 months for which you are qualified to receive non-hospitalized benefits.

Survivor Benefit for Monthly Income Benefits

ReliaStar Life pays the Survivor Benefit shown on the Schedule of Benefits if you die –

- while receiving monthly income benefits, and
- before the end of the maximum benefit period.

ReliaStar Life pays the Survivor Benefit to your lawful spouse. If you do not have a spouse, ReliaStar Life will pay the benefit in equal shares to your eligible children, if any. If you do not have a spouse or eligible children at the time of death, ReliaStar Life will not pay a Survivor Benefit.

An eligible child is your child 14 days but less than age 19 or student dependent age 19 but less than 23. Child includes your –

- natural or adopted child, who is dependent on you for support and maintenance.
- child who is placed in your home for purposes of adoption.
- child who is primarily dependent on you for support and lives with you in a permanent parent-child relationship and who is your stepchild, foster child, or a child for whom you are legal guardian.

CONVERSION RIGHTS

Disability Income Insurance for Monthly Income Benefits (Not available to residents of FL, IN, LA, MI, NY, OR, SD or WV)

If your long term disability insurance stops under the Group Policy, you may have a Conversion Right. The Conversion Right allows you to obtain long term disability income insurance without proof of good health.

Conditions for Conversion

You may convert your long term disability insurance if coverage under the Group Policy terminates for any of the following reasons:

- You resign.
- You are terminated for cause.
- You are laid-off.
- You go on a leave of absence.

You do not have to supply medical evidence of your insurability to convert your insurance. You must have been insured for at least 12 consecutive months prior to your insurance terminating under the Group Policy. The 12 months can be a combination of insurance under the Group Policy and a prior plan of group long term disability insurance, whether insured or self-funded, sponsored by the Policyholder.

You must apply for conversion of your insurance and pay the first premium within 31 days after termination of coverage under the Group Policy. If approved, your long term disability conversion insurance coverage will become effective on the day after your long term disability insurance ends under the Group Policy. The benefits and amounts of insurance under the conversion coverage may differ from those under the Group Policy. ReliaStar Life reserves the right to have your conversion coverage issued by another insurance company.

You may **not** convert your insurance under the Group Policy if your insurance terminates for any of the following reasons:

- Termination of the Group Policy.
- The Group Policy is amended to exclude from coverage the class of employees to which you belong.
- You no longer belong to a class eligible for coverage under the Group Policy.
- You retire.
- You fail to pay any contributions required for your insurance.
- You are disabled under the terms of the Group Policy.

If you become covered for long term disability benefits under another group plan within 31 days after termination of your insurance under the Group Policy, you may not convert your insurance under the Group Policy.

CLAIM PROCEDURES

Submitting a Claim

You or someone on your behalf must send ReliaStar Life written notice of the loss on which your claim will be based. The notice must –

- include information to identify you like your name, address and Group Policy number.
- be sent to ReliaStar Life or one of its licensed agents authorized to accept claims.
- be sent within 20 days after the loss for which claim is based has occurred or as soon as reasonably possible.

Claim Forms

ReliaStar Life or its authorized agent will send proof of loss claim forms to you or to the Policyholder to give to you. ReliaStar Life will send the forms within 15 days after ReliaStar Life receives your notice of claim.

You or someone on your behalf must return the completed proof of loss claim forms to ReliaStar Life within 90 days of the loss. Even if you do not receive the forms, written proof of loss must be sent to ReliaStar Life within 90 days after the loss or as soon as reasonably possible.

Written proof of loss includes details of how the loss occurred. It also includes copies of itemized doctor, hospital and prescription drug bills or receipts.

Benefit Payments

Benefits under the Group Policy are paid when proof of loss is received.

Benefits are paid to you. Any weekly or monthly income benefit remaining unpaid at the time of your death will be paid to your survivors or your estate in the following order:

1. Your spouse.
2. Your children.
3. Your estate.

Time Payment of Claims

Subject to due proof of loss, all accrued benefits payable under the Group Policy will be paid at the end of each week or month during the period for which ReliaStar Life is liable. Any balance remaining unpaid at the end of such period will be paid as soon as possible after receipt of written proof of loss.

GENERAL PROVISIONS

Free Choice of Doctor

You have the right to choose any doctor.

Health Insurance Assignment

You may not transfer to anyone else –

- ownership of any certificate issued under the Group Policy.
- Disability Income Insurance under the Group Policy.

Legal Action

Legal action may not be taken to receive benefits until 60 days after the date proof of loss is submitted according to the requirements of the Group Policy. Legal action must be taken within 3 years after the date proof of loss must be submitted.

If the Policyholder's state requires longer time limits, ReliaStar Life will comply with the state's time limits.

Exam

When reasonably necessary, ReliaStar Life may have you examined while you are claiming benefits. The exam will be conducted by one or more doctors of ReliaStar Life's choice. ReliaStar Life has the right to defer or suspend payment of benefits if you fail to attend an exam or fail to cooperate with the doctor. Benefits may be resumed, provided that the required exam occurs within a reasonable time and benefits are otherwise payable.

Incontestability

Your insurance has a contestable period starting with the effective date of your insurance and continuing for 2 years while you are living. During that 2 years, ReliaStar Life can contest the validity of your insurance because of inaccurate or false information received relating to your insurability. Only statements that are in writing and signed by you can be used to contest the insurance.

Reimbursement

If ReliaStar Life pays disability income benefits for sickness or accidental injury caused in whole or part by the act or omission of another, you must –

- reimburse ReliaStar Life for the benefits paid if you recover damages for lost income by settlement, court order, judgement or otherwise.
- provide ReliaStar Life with a lien and order directing reimbursement for benefits. The lien and order may be filed with –
 - the person whose act caused the sickness or accidental injury,
 - their agent,
 - the court, or
 - your attorney.
- cooperate with ReliaStar Life, including execution, completion, and filing of any document deemed by ReliaStar Life necessary to protect its reimbursement rights.

ReliaStar Life has a first priority claim against –

- amounts which are or may be subject to reimbursement.
- any person who is or may be obligated to pay damages for lost income. This includes any insurer of you.

ReliaStar Life will be reimbursed first before other claims against amounts recovered or recoverable from persons who are or may be obligated to pay damages for lost income, even if the amounts are not enough to reimburse ReliaStar Life in full or compensate you in full for damages sustained.

ReliaStar Life has no obligation to pay attorney's fees or other legal fees to your attorney for recovery of amounts subject to reimbursement.

ReliaStar Life will have the right to intervene in any suit or other proceedings to protect its reimbursement rights. Any settlement proceeds received by you or your attorney will be held in trust for ReliaStar Life's benefit. ReliaStar Life's rights herein are binding upon and enforceable against your legal representatives, heirs, next of kin, and successors in interest.

DEFINITIONS

Accidental Injury – bodily injury resulting from a sudden, violent, unexpected and external event. ReliaStar Life considers all injuries received in one accident as one accidental injury. Infection resulting from a cut or wound caused by an accident is also an accidental injury.

Accidental injury does not include poisoning, disease or any other type of infection, except as stated above.

Active Work, Actively at Work – the employee is physically present at his or her customary place of employment with the intent and ability of working the scheduled hours and doing the normal duties of his or her job on that day.

Alcoholism – a disorder of psychological and/or physiological dependence or addiction to alcohol which results in functional (physical, cognitive, mental, affective, social or behavioral) impairment.

Approved Rehabilitation Program – a process of receiving medical, psychological or vocational services intended to restore you to a condition that allows you to perform your own occupation or any occupation which you are or could reasonably become qualified to do by education, training or experience. The program must have ReliaStar Life and doctor approval for your return to work.

Chemical Dependency – a disorder of psychological and/or physiological dependence or addiction to psychoactive drugs or medications which results in functional (physical, cognitive, mental, affective, social or behavioral) impairment.

Complication of Pregnancy – a condition that requires hospital confinement and that is distinct from pregnancy, but is adversely affected or caused by pregnancy. Examples are: acute inflammation or disease of the kidney or bladder, cardiac decompensation, missed abortion, an ectopic pregnancy, non-elective caesarean section, and eclampsia. Complication of pregnancy does not include: normal delivery, elective caesarean section, miscarriage, elective abortion, false labor, occasional spotting, morning sickness, excessive vomiting, preeclampsia and other conditions associated with a difficult pregnancy.

Damages for Lost Income – any payments which in whole or part can reasonably be considered compensatory for lost income, regardless of designation.

Disability, Disabled – Partial or Total Disability as defined below.

Partial Disability, Partially Disabled – sickness or accidental injury which has caused the following:

- During the benefit waiting period and the first 24 months of disability benefits, you are able to perform at least one of the essential duties of your regular occupation on a full-time or part-time basis but you are unable to perform all of the essential duties of your regular occupation on a full-time basis and as a result you are unable to earn more than 80% of your basic monthly earnings.

Economic factors such as, but not limited to, recession, job obsolescence, paycuts, and job sharing will not be considered in determining whether you meet the requirements stated above.

You will not be considered disabled solely because of the loss or restriction of your license to engage in your regular occupation.

Total Disability, Totally Disabled – sickness or accidental injury which has caused the following:

- During the benefit waiting period and the first 24 months of disability benefits, the inability to perform with reasonable continuity all of the essential duties of your regular occupation and as a result you are not working at all.
- After you have qualified for monthly income benefits for 24 months, the inability to perform with reasonable continuity all of the essential duties of any gainful occupation and as a result you are not working at all.

Economic factors such as, but not limited to, recession, job obsolescence, paycuts, and job sharing will not be considered in determining whether you meet the requirements stated above.

You will not be considered disabled solely because of the loss or restriction of your license to engage in your regular occupation.

DEFINITIONS

Doctor – a person who is licensed to practice medicine in the state in which treatment is received and is providing treatment or advice in accordance with the license. He or she must possess the necessary training and qualifications, according to generally accepted medical standards, to evaluate and treat your condition.

A doctor is a person other than:

- you.
- anyone related to you by blood or marriage.
- an employee of the employer.
- anyone living with you.

Employee – an active employee residing in the United States, is employed by the City of Merced (a Participating Employer) and is regularly scheduled to work on at least a 40-hour-per-week basis. Temporary and seasonal employees are excluded.

Essential Duties – substantial and material acts necessary to pursue an occupation in the usual and customary way. If you were normally required to perform essential duties in excess of 40 hours per week or 8 hours per day prior to becoming disabled, ReliaStar Life will consider you still able to perform the essential duties if you are working or have the capacity to perform such duties at least 40 hours weekly or 8 hours daily.

Gainful Occupation – any occupation that you could reasonably be expected to perform satisfactory in light of your age, education, training, experience, station in life, and physical and mental capacity.

Gross Monthly Benefit – Your monthly income benefit before other income is subtracted.

Group Policy – the written group insurance contract between ReliaStar Life and the Policyholder.

Hospital – an institution licensed as a hospital in the state in which it is located, which meets the following conditions:

- Provides, for a fee from its patients, diagnostic, medical, surgical, psychiatric or rehabilitative services for the care and treatment of people who are injured or sick.
- Has a staff of one or more doctors available at all times.
- Has 24-hour-a-day services of R.N.'s or other nursing services reporting to the doctor in charge.
- Has inpatient facilities.
- Is accredited by one of the following:
 - The Joint Commission on Accreditation of Healthcare Organizations (JCAHO).
 - American Osteopathic Hospital Association (AOHA).
 - American Osteopathic Association (AOA).
 - Commission on Accreditation of Rehabilitation Facilities (CARF).

Hospital is not an institution that is mainly a rest home, extended care facility or home for the aged.

Mental Disorder – a clinically significant behavioral or psychological syndrome or pattern that occurs in a person and is associated with present distress (a painful symptom) or disability (impairment in one or more important areas of functioning) or with significantly increased risk of suffering death, pain, disability, or an important loss of freedom.

ReliaStar Life uses standard classification manuals such as the Diagnostic and Statistical Manual of Mental Disorders and International Classification of Diseases to determine whether a condition should be considered a mental disorder.

Determination of a mental disorder is made regardless of its original cause.

DEFINITIONS

Nonworking Day – a day on which the employee is not regularly scheduled to work, including time off for the following:

- Vacations.
- Personal holidays.
- Weekends and holidays.
- Approved nonmedical leave of absence.

Nonworking day does not include time off for any of the following:

- Medical leave of absence.
- Temporary layoff.
- The Participating Employer suspending its operations, in part or total.
- Strike.

Period of Disability – all periods of disability which have the same cause are considered one period of disability. A new period of disability begins when any of the following happen:

- For Weekly Income Benefits, you become disabled due to the same cause after you have been actively at work on a full-time basis with the Participating Employer continuously for at least 30 working days.
- For Monthly Income Benefits, you become disabled due to the same cause after you have been actively at work on a full-time basis with the Participating Employer continuously for at least 6 months.
- The new disability results from a cause or causes unrelated to that of any previous disability, separated by active work with the Participating Employer.

Policyholder – CSAC Excess Insurance Authority. A Participating Employer is defined as a unit of government who has subscribed to the agreement establishing the CSAC Excess Insurance Authority.

Regular and Appropriate Care – means:

- You personally visit a doctor or licensed practitioner supervised by a doctor as often as is medically required, according to generally accepted medical standards and consistent with the stated severity of your medical condition, to effectively manage and treat your sickness or injury.
- You are receiving care which conforms with generally accepted medical standards for treating your sickness or injury and is consistent with the stated severity of your medical condition.
- Care is rendered by a doctor whose specialty or experience is appropriate for your disability according to generally accepted medical standards.

Regular Occupation – the activity which, immediately prior to disability, you were regularly performing and which was your source of income from the Participating Employer.

Your regular occupation is not limited to the specific position that you held with the Participating Employer.

ReliaStar Life – ReliaStar Life Insurance Company, at its Home Office in Minneapolis, Minnesota.

Sickness – any physical illness, mental disorder, normal pregnancy or complication of pregnancy.

Written, In Writing – signed, dated and received at ReliaStar Life's Home Office in a form ReliaStar Life accepts.

You, Your – an employee insured for Employee's Insurance under the Group Policy.



**RELIASTAR LIFE INSURANCE COMPANY
CERTIFICATE BOOKLET RIDER**

**CSAC Excess Insurance Authority
31640-7DISABILITY**

City of Merced

Your certificate has been changed as follows. Please insert this rider in your certificate. This rider is subject to all of the terms of the Group Policy.

I. DISABILITY INCOME INSURANCE

The "Survivor Benefit" provision is changed to read as follows:

Survivor Benefit for Monthly Income Benefits

ReliaStar Life pays the Survivor Benefit shown on the Schedule of Benefits if you die –

- while receiving monthly income benefits, and
- before the end of the maximum benefit period.

ReliaStar Life pays the Survivor Benefit to your spouse or domestic partner. If you do not have a spouse or domestic partner, ReliaStar Life will pay the benefit in equal shares to your eligible children, if any. If you do not have a spouse or domestic partner or eligible children at the time of death, ReliaStar Life will not pay a Survivor Benefit.

An eligible child is your child 14 days but less than age 19 or student dependent age 19 but less than 23. Child includes your –

- natural or adopted child, who is dependent on you for support and maintenance.
- child who is placed in your home for purposes of adoption.
- child who is primarily dependent on you for support and lives with you in a permanent parent-child relationship and who is your stepchild, domestic partner's child, foster child, or a child for whom you are legal guardian.

II. CLAIM PROCEDURES

The "Benefit Payments" provision is changed to read as follows:

Benefit Payments

Benefits under the Group Policy are paid when proof of loss is received.

Benefits are paid to you. Any weekly or monthly income benefit remaining unpaid at the time of your death will be paid to your survivors or your estate in the following order:

1. Your spouse or domestic partner.
2. Your natural and adopted children.
3. Your estate.

III. DEFINITIONS

The following definition is added:

Domestic Partner – another adult with whom you have registered your domestic partnership with the California Secretary of State. A copy of the certified registration form may be required as proof.

IV. EFFECTIVE DATE

This Certificate Booklet Rider is effective on the later of the following dates:

- March 1, 2011.
- The effective date of your insurance.

Registrar

