

SUN LIFE ASSURANCE COMPANY OF CANADA

Policyholder: Contra Costa Community College District
Policy Number: 80816 - 002
Policy Effective Date: March 1, 2003
Policy Anniversary: July 1, 2004
Policy Amendment Effective Date: June 1, 2007

This Policy is delivered in California and is subject to the laws of that jurisdiction. Premiums are due and payable monthly on the first day of each month. Policy anniversaries will be annual beginning on July 1, 2004.

Sun Life Assurance Company of Canada (Sun Life) agrees to pay the benefits in accordance with all provisions provided by this Policy for Long Term Disability Insurance. This Policy is issued in consideration of the Application of the Policyholder, a copy of which is attached, and continued payment of premiums by the Policyholder. The following pages including any Riders, Endorsements or Amendments are a part of this Policy.

For the purpose of effective dates and termination dates under this Policy, all days begin at 12:00 midnight and end at 11:59:59 pm.

Signed at Sun Life's U.S. Headquarters, One Sun Life Executive Park, Wellesley Hills, MA 02481.

Donald A. Stewart.

Chief Executive Officer

READ YOUR POLICY CAREFULLY

Group Term Insurance Policy

Non-Participating

NOTICE TO POLICYHOLDER

THIS NOTICE IS TO ADVISE YOU THAT SHOULD YOU HAVE ANY QUESTIONS OR COMPLAINTS REGARDING YOUR SUN LIFE GROUP INSURANCE PLAN, YOU SHOULD CONTACT YOUR SALES REPRESENTATIVE OR YOU MAY CONTACT THE FOLLOWING:

**SUN LIFE ASSURANCE COMPANY OF CANADA
GROUP CUSTOMER SERVICE CENTER SC 1219
U.S. HEADQUARTERS OFFICE
ONE SUN LIFE EXECUTIVE PARK
WELLESLEY HILLS, MA 02481
(800) 247-6875**

**ALSO AVAILABLE TO YOU IS THE CONSUMER SERVICES DIVISION OF THE CALIFORNIA INSURANCE DEPARTMENT, 300 SOUTH SPRING STREET, SOUTH TOWER, 11TH FLOOR, LOS ANGELES, CALIFORNIA 90013
(800) 927-4357**

THE INSURANCE DEPARTMENT SHOULD BE CONTACTED ONLY AFTER DISCUSSIONS WITH THE INSURER HAVE FAILED TO PRODUCE A SATISFACTORY RESOLUTION TO THE PROBLEM

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Section I
Schedule of Benefits

ELIGIBLE CLASSES

All Active Full-Time Management, Contract Certified, & Classified Employees at least 18 years of age scheduled to work at least 20 hours per week

WAITING PERIOD

Until the first of the month following 3 months of employment

LONG TERM DISABILITY INCOME INSURANCE

CLASSIFICATION

All Eligible Employees

- a. The **Benefit Percentage** is: 66.67% of Total Monthly Earnings.
- b. The **Maximum Monthly Benefit** is: \$9,000.

The **Minimum Monthly Benefit** is \$100 or 10% of the Gross Monthly Benefit, whichever is greater.

Elimination Period

60 days, or the end of the Employee's accumulated sick leave, whichever is later.

Maximum Benefit Period

Age at Disability

Maximum Benefit Period

Less than age 60
60
61
62
63
64
65
66
67
68
69 and over

To age 65, but not less than 60 months
60 Months
48 Months
42 Months
36 Months
30 Months
24 Months
21 Months
18 Months
15 Months
12 Months

Section I
Schedule of Benefits

CONTRIBUTIONS

Employees will not contribute to the cost of their Long Term Disability Insurance.

INITIAL MONTHLY PREMIUM RATES

Long Term Disability Insurance

Refer to Attachment A

The initial monthly premium rates are guaranteed until June 30, 2005, unless otherwise specified in Section VIII, Premiums. See Section VIII, Premiums for more information.

Section II Definitions

In this section Sun Life defines some basic terms needed to understand this Policy. All male terms include the female term, unless stated otherwise.

For purposes of this Policy:

Actively at Work means that an Employee performs all the regular duties of his job for a full work day scheduled by the Employer at the Employer's normal place of business or a site where the Employer's business requires the Employee to travel.

An Employee is considered Actively at Work on any day that is not his regular scheduled work day (e.g. vacation or holiday), provided the Employee was Actively at Work on his immediately preceding scheduled work day and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

An Employee is considered Actively at Work if he usually performs the regular duties of his job at his home, provided the Employee can perform all the regular duties of his job for a full work day and could do so at the Employer's normal place of business if required to do so, and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

Application means the document pertaining to the plan of insurance applied for by the Policyholder. This document is attached to this Policy.

Certificate means a written booklet prepared by Sun Life which includes any Riders, Endorsements or Amendments, containing a summary of:

1. the insurance benefits an Employee is entitled to;
2. to whom the benefits are payable; and
3. any limitations, exclusions or requirements that may apply.

Eligibility Date means the date or dates an Employee in an Eligible Class becomes eligible for insurance under this Policy. Classes eligible for insurance are shown in Section I, Schedule of Benefits.

Employee means a person who is employed by the Employer, scheduled to work at least the number of hours shown in Section I, Schedule of Benefits, and paid regular earnings.

Employer means Contra Costa Community College District and includes any Subsidiary or Affiliated company named in the Application.

Evidence of Insurability means a statement or proof of an Employee's medical history upon which acceptance for insurance will be determined by Sun Life.

Grace Period means the 45 days following a premium due date.

Hospital or Institution means a facility licensed to provide full-time medical care and treatment under the direction of a full-time staff of licensed physicians.

Section II Definitions

Injury means bodily impairment resulting directly from an accident and independently of all other causes. Any Injury must occur and any disability must begin while the Employee is insured under this Policy.

Non-Contributory Insurance means insurance for which the premium is paid entirely by the Employer.

Physician means an individual who is operating within the scope of his license and is either:

1. licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
2. legally qualified as a medical practitioner and required to be recognized, under this Policy for insurance purposes, according to the insurance regulations of the governing jurisdiction.

The Physician cannot be the Employee, his spouse or the parents, brothers, sisters or children of the Employee or his spouse.

Policyholder means the entity to whom the Policy is issued.

Pregnancy means childbirth, miscarriage, abortion or any disease resulting from or aggravated by the pregnancy.

Retirement Plan means a program which provides retirement benefits to Employees and is not funded wholly by Employee contributions. The term will not include a 401(k) plan, a 403(b) plan, a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a nonqualified plan of deferred compensation.

Employer's Retirement Plan will include any Retirement Plan:

1. which is part of any federal, state, county, municipal or association retirement system; and
2. the Employee is eligible for as a result of employment with the Employer.

Sickness means illness, disease or pregnancy. Any disability, because of Sickness, must begin while the Employee is insured under this Policy.

U.S. Headquarters means Sun Life Assurance Company of Canada, Wellesley Hills, MA 02481.

Waiting Period means the length of time immediately before an Employee's Eligibility Date during which he must be employed in an Eligible Class. Any period of time prior to the Policy Effective Date the Employee was Actively at Work for the Employer as a full time Employee will count towards completion of the Waiting Period. The Waiting Period is shown in Section I, Schedule of Benefits.

Section II Definitions

The following Definitions are applicable to Long Term Disability Insurance

Disability Earnings means the employment income an Employee receives while Partially Disabled or income an Employee receives while participating in an approved Rehabilitation program. Disability Earnings does not include income an Employee receives from work performed prior to his Total or Partial Disability, nor income that is not derived from work performed.

Drug and Alcohol Illness means an illness which results from the abuse of alcohol, drugs or derivatives.

Elimination Period means a period of continuous days of Total Disability for which no LTD Benefit is payable. The Elimination Period is shown in Section I, Schedule of Benefits and begins on the first day of Total Disability.

If the Employee returns to work for 30 working days or less during the Elimination Period and cannot continue working, the Total Disability will be treated as continuous. However, only those days that the Employee is Totally Disabled will count toward satisfying the Elimination Period.

Family Social Security means benefits that are paid by the Federal Social Security Act to an eligible spouse and/or children as a result of the Employee's Total or Partial Disability.

Gross Monthly Benefit means the Employee's Monthly Benefit before any reduction of Other Income Benefits as described in Section IV, Long Term Disability Income Benefits and before any reduction of Disability Earnings.

Indexed Total Monthly Earnings means the Employee's Total Monthly Earnings prior to the date his Total or Partial Disability began adjusted on the first of the month following 12 calendar months of Partial Disability Benefit payments and each annual anniversary thereafter. Each adjustment to the Indexed Total Monthly Earnings is the lesser of 10% or the current annual percentage increase in the Consumer Price Index for Wage Earners and Clerical Workers as published monthly by the U.S. Department of Labor. Sun Life reserves the right to use some other similar measurement if the Department of Labor changes or stops publishing the Consumer Price Index.

LTD means Long Term Disability.

Material and Substantial Duties means, but is not limited to, the essential tasks, functions, skills or responsibilities required by employers for the performance of the Employee's Own Occupation.

Maximum Monthly Benefit means the largest amount payable monthly to an Employee under this Policy. The Maximum Monthly Benefit is shown in Section I, Schedule of Benefits.

Mental Illness means mental, nervous, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, dysfunction or syndrome regardless of cause, including any biological or biochemical disorder or imbalance of the brain. Mental Illness includes, but is not limited to, bipolar affective disorder, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders and any other mental and nervous condition classified in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association, in effect on the date of Total or Partial Disability or a comparable manual if the American Psychiatric Association stops publishing the (DSM).

Section II Definitions

Own Occupation means the usual and customary employment, business, trade, profession or vocation that the Employee performed immediately prior to the first date Total or Partial Disability began. Own Occupation is not limited to the job or position the Employee performed for the Employer or performed at any specific location.

Partial Disability or Partially Disabled means after at least one Total Disability Benefit has been paid, the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Occupation and the Employee has Disability Earnings of less than 80% of his Indexed Total Monthly Earnings.

The loss of a professional or occupational license or the inability to obtain or qualify for a license for any reason does not, in itself, constitute Partial Disability.

To qualify for benefits, the Employee must satisfy the Elimination Period with the required number of days of Total Disability and have received at least one Total Disability Benefit payment. The Elimination Period cannot be satisfied with days of Partial Disability.

Primary Social Security means benefits paid under the Federal Social Security Act to an Employee if he becomes Totally or Partially Disabled.

Social Security means the Federal Social Security Act which provides social insurance on a national scale.

Total Disability or Totally Disabled means the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Occupation.

The loss of a professional or occupational license or the inability to obtain or qualify for a license for any reason does not, in itself, constitute Total Disability.

To qualify for benefits, the Employee must satisfy the Elimination Period with the required number of days of Total Disability.

Total Monthly Earnings means the Employee's basic monthly earnings as reported by the Employer immediately prior to the first date Total Disability begins. Total Monthly Earnings does not include commissions, bonuses, overtime pay or any other extra compensation.

If an Employee is paid on an hourly basis, Total Monthly Earnings will be based on the Employee's hourly rate of pay, but will not exceed 40 hours per week.

Section III
Eligibility and Effective Dates

A. Eligible Classes

The class(es) eligible for insurance are shown in Section I, Schedule of Benefits.

B. Eligibility Date

An Employee in an Eligible Class will be eligible for insurance on the latest of the following dates:

1. March 1, 2003; or
2. the first day of the month following the date the Employee completes the Waiting Period.

If a former Employee is rehired by the Employer within 6 months of his termination date, all past periods of employment during which the Employee was Actively at Work with the Employer will count towards completion of the Waiting Period. The Employee's Eligibility Date will be the later of the date he is rehired or the day after completion of the Waiting Period.

If a former Employee is rehired by the Employer 6 months or later after his termination date, the Employee's Eligibility Date will be the day after he completes a new Waiting Period.

C. Effective Date of Insurance

An Employee will be insured, subject to the Delayed Effective Date of Insurance, on his Eligibility Date.

Delayed Effective Date of Insurance

The Effective Date of any initial, increased or additional insurance will be delayed for an Employee if he is not Actively at Work. The initial, increased or additional insurance will become effective on the date the Employee returns to an Actively at Work status.

Refusal of Coverage

If an eligible Employee declines his insurance, or terminates his insurance in writing while continuing to be eligible, the Employee will become insured after he applies for insurance and Evidence of Insurability is approved by Sun Life.

Changes in Insurance

Changes in an Employee's amount of insurance due to a change in an Employee's salary will take effect immediately upon the date of change.

However, any increase in insurance will be subject to the Delayed Effective Date of Insurance provision.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

If Sun Life receives Notice and Proof of Claim that an Employee is Totally or Partially Disabled, a Net Monthly Benefit will be payable, subject to the Limitations and Exclusions.

To be eligible to receive a Net Monthly Benefit, the Employee must:

1. satisfy the Elimination Period with the required days of Total Disability;
2. provide proof of continued Total or Partial Disability; and
3. have regular and continuing care by a Physician who provides appropriate treatment in accordance with the disabling condition.

Proof of Total or Partial Disability must be given to Sun Life upon request and at the Employee's expense.

A Net Monthly Benefit will:

1. be payable at the end of each month for that month.
2. include reductions described as Other Income Benefits.
3. include reductions for Disability Earnings (if applicable).
4. be paid on a pro-rata basis. An amount equal to 1/30 of the Net Monthly Benefit is payable for each day of Total or Partial Disability that is less than a full month.
5. not be less than the Minimum Monthly Benefit specified in the Schedule of Benefits.

Total Disability Benefit

If an Employee is Totally Disabled, the Net Monthly Benefit will be calculated based on the Total Disability Benefit formula. An Employee qualifies for this benefit if:

- the Employee is not working or is earning less than 20% of his Indexed Total Monthly Earnings; and
- the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Occupation.

To determine the Total Disability Benefit:

1. Take the lesser of:
 - a. the Employee's Total Monthly Earnings multiplied by the Benefit Percentage (shown in Section I, Schedule of Benefits); or
 - b. the Maximum Monthly Benefit (shown in Section I, Schedule of Benefits); then
2. Subtract Other Income Benefits from the amount determined in Step 1.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Partial Disability Benefit

If an Employee is Partially Disabled, the Net Monthly Benefit will be calculated based on the Partial Disability Benefit formula. An Employee qualifies for this benefit if:

- the Employee is working and has Disability Earnings of more than 20% but less than 80% of his Indexed Total Monthly Earnings; and
- after at least one Total Disability Benefit has been paid, the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Occupation.

To determine the Partial Disability Benefit for the first 12 months of the Employee's Partial Disability:

1. add the Employee's Disability Earnings and income received from Other Income Benefits to the Total Disability Benefit.
2. if this sum is in excess of 100% of the Employee's Indexed Total Monthly Earnings, subtract the amount in excess of 100% of the Employee's Indexed Total Monthly Earnings from the Total Disability Benefit. This result is the Partial Disability Benefit; or

if the sum is less than 100% of the Employee's Indexed Total Monthly Earnings, the Partial Disability Benefit is the Total Disability Benefit.

After Partial Disability benefits have been paid for 12 months and the Employee continues to be Partially Disabled, the following proportionate loss formula will be used to determine the Net Monthly Benefit:

(A divided by B) multiplied by C

where:

A = The Employee's Indexed Total Monthly Earnings minus the Employee's monthly Disability Earnings.

B = The Employee's Indexed Total Monthly Earnings.

C = The Total Disability Benefit.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Other Income Benefits

Other Income Benefits are those benefits provided to the Employee while a Long Term Disability Benefit is payable. These Other Income Benefits must be provided as a result of the same Total or Partial Disability payable under this Policy. Other Income Benefits include:

1. The amount the Employee is paid under:
 - a. Workers' Compensation Law as temporary disability benefits; or
 - b. Occupational Disease Law; or
 - c. Unemployment Compensation Law; or
 - d. Compulsory Benefit Act or Law; or
 - e. any other act or law of like intent.
2. The Railroad Retirement Act (including any dependent benefits).
3. Any labor management trustee, union or employee benefit plans that are funded in whole or in part by the Employer.
4. Any disability income benefits the Employee is paid under any governmental retirement system as a result of the Employee's job with his Employer.
5. The disability benefits the Employee receives under his Employer's Retirement Plan.
(This applies only if the benefits do not reduce the Employee's accrued Retirement Benefit and does not include any amount rolled over or transferred to any other retirement plan as defined in Section 402 of the Internal Revenue Code.)
6. The disability benefits the Employee receives under the United States Social Security Act, or any similar plan or act, as follows:
 - a. Disability benefits the Employee receives.
 - b. Disability benefits the Employee's spouse, child or children receive because of the Employee's Total or Partial Disability unless the dependent benefits are paid directly to the divorced spouse or to the children in custody of the divorced spouse.
7. The amount the Employee receives from any accumulated sick leave.
8. Any salary continuation paid to the Employee by his Employer which causes the Net Monthly Benefit, plus Other Income Benefits and any salary continuation to exceed 100% of the Employee's Total Monthly Earnings. The amount in excess of 100% of the Employee's Total Monthly Earnings will be used to reduce the Net Monthly Benefit.
9. Any amount due to lost wages the Employee receives by compromise, settlement or other method as a result of a claim for any Other Income Benefit.
10. Any amount the Employee receives from a voluntary separation of employment agreement from the Employer including severance pay or any other income in settlement of an employment contract.

**Section IV
Benefit Provisions**

Long Term Disability Income Benefits

Lump Sum Payment

If an Employee receives a lump sum payment for any Other Income Benefits, Sun Life will prorate the lump sum on a monthly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a monthly basis over a reasonable period of time as determined by Sun Life.

Required Application for Other Income

An Employee must apply for any Other Income Benefits for which the Employee may be eligible and has a reasonable expectation of receiving benefits. If such benefits are denied, Sun Life will assist the Employee with an appeal of the denial to any administrative levels. Sun Life has the right to receive from the Employee written documentation of the Employee's pursuit of Other Income Benefits.

Social Security Disability Income Assistance Program

Sun Life, at the Employee's request, will assist the Employee (if appropriate) through the various levels of the Social Security claim process. Sun Life will assist an Employee with his application and through the appeals process.

Adjustment of Benefits

The Employee must notify Sun Life in writing, within 31 days of receipt of notice, of the amount of Other Income Benefits when it is approved or if the amount is adjusted (other than for cost of living increases). Sun Life will make an adjustment to the Net Monthly Benefit payment when Sun Life receives written notice of the amount of the Other Income Benefit.

If after Sun Life makes an adjustment to the Net Monthly Benefit the Employee has been underpaid, Sun Life will immediately make a lump sum refund of the amount that has been underpaid to the Employee.

If after Sun Life makes an adjustment to the Net Monthly Benefit the Employee has been overpaid, the Employee must reimburse Sun Life the amount of the overpayment within 31 days of the award. Sun Life has the right to reduce future LTD benefit payments until the amount of the overpayment has been repaid.

Cost of Living Freeze

After the first deduction for each of the Other Income Benefits, Sun Life will not reduce LTD benefit payments due to cost of living increases an Employee receives from any of the sources described as Other Income Benefits. This does not apply to any increase in earnings the Employee receives from employment.

Waiver of Premium for Totally or Partially Disabled Employees

LTD premium payments for a Totally or Partially Disabled Employee are waived during any period LTD benefits are payable under this Policy. If this Policy is in force when the Employee's Total or Partial Disability ends, the Employee will remain insured if he returns to an Actively at Work status in an Eligible Class and premium payments for the Employee are resumed.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Termination of Long Term Disability Benefits

Total or Partial Disability Benefits will cease on the earliest of:

1. the date the Employee is no longer Totally or Partially Disabled.
2. the date the Employee dies.
3. the end of the Maximum Benefit Period.
4. the date the Employee fails to provide adequate employment earnings information or proof of continuing Total or Partial Disability.
5. the date the Employee's Disability Earnings exceed 80% of his Indexed Total Monthly Earnings.
6. the date the Employee is able to perform on a full-time basis the Material and Substantial Duties of his Own Occupation, even if the Employee chooses not to work.

Full-time basis means the Employee is able or has the capacity to perform the Material and Substantial Duties of his Own Occupation for the number of hours the Employee normally performed his Own Occupation prior to his Total or Partial Disability.

However, if the Employee normally performed his Own Occupation on an average in excess of 40 hours per week, Sun Life will consider the Employee able to perform that requirement if the Employee works or has the capacity to work 40 hours per week.

Successive Periods

Successive periods of Total Disability after a Net Monthly Benefit was payable will be considered a single period if the Employee, in the time between the successive periods, was Actively at Work for less than:

1. six months, if due to the same or related causes;
2. one day, if due to an entirely unrelated cause.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

The Employee will not have to complete a new Elimination Period. The LTD benefit will continue to be calculated based on the Employee's Total Monthly Earnings in effect at the time the initial period of Total Disability began. The LTD benefit will be payable, in total, for no longer than the Maximum Benefit Period at the time of the initial period of Total Disability.

This successive periods provision will cease to apply on the earliest of the following dates:

1. the date the Employee becomes eligible for coverage under any other group LTD policy; or
2. the date this Policy is terminated.

Survivor Benefit

Sun Life will pay a benefit to the Employee's Eligible Survivor when satisfactory proof is received that the Employee died after Total or Partial Disability benefits have been paid for at least 6 months but less than 12 months.

The benefit will be 6 times the Employee's last Gross Monthly Benefit

Sun Life will pay a benefit to the Employee's Eligible Survivor when satisfactory proof is received that the Employee died after Total or Partial Disability benefits have been paid for 12 or more months.

This benefit will be paid monthly to an Eligible Survivor for two years from the date of the Employee's death. The benefit will be 66 2/3% of the Employee's last full Net Monthly Benefit.

Eligible Survivor means the Employee's spouse, if living, or if the spouse dies before the final Survivor Benefit is paid, then the Employee's children who are under age 25. If there are no Eligible Survivors, payment will be made to the Employee's estate.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Conversion Privilege

If an Employee's LTD insurance ceases due to termination of employment, an Employee may apply for a conversion policy. To be eligible for the Conversion Privilege, the Employee:

1. must have been insured for LTD benefits for at least 12 consecutive months immediately before his LTD insurance under this Policy terminated; and
2. must be insured under this Policy's LTD Benefit Provision on the date he terminates employment.

The Employee must make a written application for the conversion policy within 31 days after his LTD insurance terminated. The benefits and amount of insurance may differ from those under the LTD Benefit Provision.

The Conversion Privilege is not available to any Employee whose insurance terminates for any of the following reasons:

1. the LTD insurance under this Policy has terminated.
2. the Employee has retired.
3. the Employee has attained age 70.
4. the Employee is not in an Eligible Class covered by this Policy.
5. the Policy has been amended to exclude the Eligible Class to which the Employee belongs.
6. the Employee has failed to make any required contributions.
7. the Employee is Totally or Partially Disabled under the terms of the LTD Benefit Provision.

If the Employee becomes insured for LTD coverage under another employer's LTD plan within 31 days after termination of the Employee's insurance under this Policy, the Conversion Privilege is no longer available.

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Limitations

No LTD benefit will be payable for any Total or Partial Disability during any of the following periods:

1. any period the Employee is not under the regular and continuing care of a Physician providing appropriate treatment in accordance with the disabling condition.
2. any period the Employee fails to submit to any medical examination requested by Sun Life.
3. any period of Total or Partial Disability due to Mental Illness, unless the Employee is under the continuing care of a specialist in psychiatric care.

Benefits will be payable for the first 24 months after the Employee completes his Elimination Period.

Benefits after the first 24 months will only be payable if the Employee is confined in a Hospital or Institution licensed to provide psychiatric treatment.

If the Employee continues to be Totally or Partially Disabled when discharged from a Hospital or Institution licensed to provide psychiatric treatment, Sun Life will continue an Employee's LTD benefit payment for up to 90 days. If the Employee becomes reconfined in a Hospital or Institution during the 90 day period and remains confined for at least 14 consecutive days, Sun Life will continue LTD benefit payments during the reconfinement. Upon discharge, the Employee will be eligible for up to an additional 90 days of LTD benefit payments, if the Employee continues to be Totally or Partially Disabled.

4. any period of Total or Partial Disability due to Drug and Alcohol Illness, unless the Employee is actively supervised by a Physician or rehabilitation counselor and is receiving continuing treatment from a rehabilitation center or a designated institution approved by Sun Life.

Benefits will be payable for the first 24 months after the Employee completes his Elimination Period if, during the Elimination Period the Employee:

- a) becomes confined in a Hospital or Institution licensed to provide Drug and Alcohol treatment; or
- b) begins participation in a drug or alcohol rehabilitation program acceptable to Sun Life

Benefits after the first 24 months will only be payable if the Employee is confined in a Hospital or Institution licensed to provide Drug and Alcohol treatment.

5. any period the Employee is incarcerated.
6. any period for which the Employee is receiving vacation or holiday pay from the Employer (any period of time for which the Employee is receiving vacation or holiday pay during a period of Total or Partial Disability will not count towards the Maximum Benefit Period shown in the Schedule of Benefits).

Section IV
Benefit Provisions

Long Term Disability Income Benefits

Exclusions

No LTD benefit will be payable for any Total or Partial Disability that is due to:

1. intentionally self-inflicted injury.
2. war, declared or undeclared, or any act of war.
3. active participation in a riot, rebellion or insurrection.
4. committing or attempting to commit an assault, felony or other criminal act.
5. the Employee's operation of any motorized vehicle while intoxicated.

Intoxicated means the minimum blood alcohol level required to be considered operating an automobile under the influence of alcohol in the jurisdiction where the accident occurred . For the purposes of this Exclusion, "Motorized Vehicle" includes, but is not limited to, automobiles, motorcycles, boats and snowmobiles.

6. a Pre-Existing Condition.

Pre-Existing Condition means during the 3 months prior to the Employee's Effective Date of Insurance the Employee received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

Pre-Existing Condition for increases in amounts of insurance means during the 3 months prior to the Effective Date of any increase in an Employee's amount of insurance the Employee received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

Pre-Existing Condition Exclusion Exception

The Pre-Existing Condition Exclusion will not apply if the Employee's Total or Partial Disability begins later than 12 months after the Employee's Effective Date of Insurance or later than 12 months after the Effective Date of any increase in an Employee's amount of insurance.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

**Section IV
Benefit Provisions**

Long Term Disability Income Benefits

Continuity of Coverage

In order to prevent loss of coverage for an Employee when this Policy replaces a group LTD policy the Employer had in force with another insurer immediately prior to March 1, 2003, Sun Life will provide the following coverage:

Employees not Actively at Work on March 1, 2003

An Employee may become insured under this Policy on March 1, 2003, subject to all of the following conditions:

1. he was insured under the prior insurer's group LTD policy immediately prior to March 1, 2003; and
2. he is not Actively at Work on March 1, 2003; and
3. he is a member of an Eligible Class under this Policy; and
4. premiums for the Employee are paid up to date; and
5. he is not receiving or eligible to receive benefits under the prior insurer's group LTD policy.

If an Employee continues to be not Actively at Work and subsequently becomes Totally or Partially Disabled on or after March 1, 2003, any LTD benefit payable will be the lesser of:

- the LTD benefit payable under this Policy; or
- the LTD benefit payable under the prior insurer's group LTD policy had it remained in force.

Total or Partial Disability due to a Pre-Existing Condition

LTD benefits may be payable to an Employee who becomes Totally or Partially Disabled on or after March 1, 2003 due to a Pre-Existing Condition, provided the Employee:

1. was insured under the prior insurer's group LTD policy immediately prior to March 1, 2003; and
2. was Actively at Work on March 1, 2003; and
3. was insured under this Policy on March 1, 2003.

Any benefit payable will be determined as follows:

1. if an Employee satisfies the Pre-Existing Condition Exception under this Policy, the LTD benefit will be determined according to this Policy's benefit provision.
2. if an Employee cannot satisfy the Policy's Pre-Existing Condition Exception under this Policy, the prior insurer's pre-existing condition provision will be applied.
 - a. if the Employee would satisfy the prior insurer's pre-existing condition provision, giving consideration for continuous time insured under both policies, any benefit payable will be the lesser of:
 - i. the LTD benefit payable under this Policy; or
 - ii. the LTD benefit payable under the prior insurer's group LTD policy had it remained in force.
 - b. if the Employee cannot satisfy the Pre-Existing Condition Exception of this Policy or if the pre-existing condition provision under the prior insurer's group LTD policy would apply, no LTD benefit will be paid.

All other provisions of Sun Life's Policy will apply.

Section V Termination Provisions

Termination of Employee's Insurance

An Employee will cease to be insured on the earliest of the following dates:

1. the date this Policy terminates.
2. the date the Employee is no longer in an Eligible Class.
3. the date the Employee's Class is no longer included for insurance.
4. the last day for which any required premium has been paid.
5. the date the Employee retires.
6. the date employment terminates. Ceasing to be Actively at Work will be deemed termination of employment, except:
 - a. insurance will be continued for an Employee absent due to a disability during:
 - i. the Elimination Period; and
 - ii. any period the premium is being waived under this Policy.
 - b. the Policyholder may continue the insurance by paying the required premiums, subject to the following:
 - i. insurance may be continued for up to 12 months after the Employee has been given an approved leave of absence (including Family and Medical Leave of Absences).
 - ii. insurance may be continued for up to 3 months of the Employee's paid vacation.

The Policyholder in all of the above situations must act so as not to discriminate unfairly among Employees in similar situations.

7. the date the Employee requests, in writing, to have his insurance terminated.
8. the date the Employee ceases to be Actively at Work due to a labor dispute, including any strike, work slowdown, or lockout.
9. the date the Employee enters active duty in any armed service during a time of war (declared or undeclared).

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Family and Medical Leave Act of 1993, as amended or continue coverage pursuant to a state required continuation period (if any).

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Section V Termination Provisions

Termination of Policy

This Policy will terminate for any of the following reasons:

1. If the Policyholder fails to pay any premium within the Grace Period, this Policy will terminate on the last day of the Grace Period.
2. The Policyholder may terminate this Policy by advance written notice delivered to Sun Life at least 31 days prior to the termination date. This Policy will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period this Policy is in force.
3. Sun Life may terminate this Policy on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees is less than 10; or
 - b. less than 100% of the Employees eligible are insured; or
 - c. the Policyholder fails to:
 - i. furnish promptly any information Sun Life may reasonably require; or
 - ii. perform any other obligations pertaining to this Policy.
4. Sun Life may terminate this Policy on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of this Policy may take effect on an earlier date when both the Policyholder and Sun Life agree.

Section V
Termination Provisions

Termination of Benefit Provision

A Benefit Provision will terminate for any of the following reasons:

1. The Policyholder may terminate a Benefit Provision by advance written notice delivered to Sun Life at least 31 days prior to the termination date. The Benefit Provision will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period that Benefit Provision is in force.
2. Sun Life may terminate a Benefit Provision on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees for that Benefit is less than 10; or
 - b. less than 100% of the Employees eligible for that Benefit are insured; or
 - c. the Policyholder fails to furnish promptly any information which Sun Life may reasonably require.
3. Sun Life may terminate any Benefit Provision on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of a Benefit Provision may take effect on an earlier date when both the Policyholder and Sun Life agree.

Section VI
General Policy Provisions

A. Statements

All statements made in any Application are considered representations and not warranties. No representation by:

1. the Policyholder in applying for this Policy will render it void unless the representation is contained in the Application; or
2. any Employee in applying for insurance under this Policy will be used to reduce or deny a claim unless a copy of the Employee's written application for insurance is or has been given to the Employee or the Employee's beneficiary, if any.

B. Entire Contract - Policy Changes

1. This Policy is the entire contract. It consists of:
 - a. all of the pages of the Policy;
 - b. the attached Application of the Policyholder;
 - c. each Employee's written application for insurance (Employee retains his own copy).
2. This Policy may be changed in whole or in part. Only an officer of Sun Life may approve a change. The approval must be in writing and endorsed on or attached to this Policy.
3. Any other person, including an agent, may not change this Policy or waive any part of it.

C. Employee's Certificate

Sun Life will provide a Certificate to the Policyholder for delivery to each Employee. The Certificate is intended to provide a brief explanation of the Policy benefits, but it does not form a part of this Policy. If the terms of a Certificate and this Policy differ, this Policy will govern.

Section VI
General Policy Provisions

D. Furnishing of Information - Access To Records

1. The Employer will furnish at regular intervals to Sun Life:
 - a. information relative to individuals:
 - i. who qualify to become insured;
 - ii. whose amounts of insurance change; and/or
 - iii. whose insurance terminates.
 - b. any other information about this Policy that may be reasonably required.

The records which, in the opinion of Sun Life, are material to the insurance, will be opened for inspection by Sun Life at any reasonable time.

2. Clerical error or omission will not:
 - a. deprive an individual of insurance;
 - b. affect an individual's amount of insurance; or
 - c. effect or continue an individual's insurance which otherwise would not be in force.

The Policyholder's or Employer's failure to report notice or proof of claim in a timely manner shall not constitute clerical error.

E. Misstatement of Facts

If relevant facts about any individual were not accurate:

1. an equitable adjustment of premium will be made; and
2. the true facts will be used to determine if and in what amount insurance is valid under this Policy.

If the amount of the benefit is dependent upon an individual's age, (as shown in Section I, Schedule of Benefits), the benefit will be the amount an individual would have been entitled to if his correct age was known.

If an adjustment results in a refund of premium, the refund will not exceed a period of more than 12 months.

F. Examination

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

1. examined by a Physician, other health professional or vocational expert of its choice; and/or
2. interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

G. Legal Proceedings

No legal action may start:

1. until 60 days after Proof of Claim has been given; nor
2. more than 3 years after the time Proof of Claim is required.

Section VI
General Policy Provisions

H. Workers' Compensation

This Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

I. Agency

For all purposes of this Policy, the Policyholder acts on its own behalf or as an agent of the Employee. Under no circumstances will the Policyholder be deemed an agent of Sun Life.

J. Incontestability

Policyholder

The validity of this Policy shall not be contested, except for non-payment of premium, after it has been in force for two years from the Policy Effective Date.

Individual

No statement made by an individual, relating to his insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during the individual's lifetime.

This statement must be contained in a form signed by that individual.

**Section VII
Claim Provisions**

A. Notice and Proof of Claim

Sun Life must receive Notice and Proof of Claim prior to any payment under this Policy.

1. Notice of Claim

for Long Term Disability - written notice of claim must be given to Sun Life no later than 30 days before the end of the applicable Elimination Period or, within 30 days after the termination of this Policy, if earlier.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting for the form.

2. Proof of Claim

for Long Term Disability - proof of claim must be given to Sun Life no later than 90 days after the end of the Elimination Period.

If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

Proof of Claim shall consist of:

- what the disability is ;
- the date the disability occurred; and
- the cause of the disability.

Proof of Claim includes, but is not limited to, Hospital records; Physician records; Psychiatric records; X-rays, narrative reports, or other diagnostic testing materials as required.

Sun Life may require as part of the Proof authorizations to obtain medical and non-medical information.

Proof of the Employee's continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

Section VII Claim Provisions

B. Notice of Decision on Claim

A written notice of decision on a claim will be sent within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim. If a decision cannot be made within 45 days after Sun Life receives the claim, Sun Life will request extensions of time as permitted under U.S. Department of Labor regulations. Any request for extension of time will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information. The claimant will have at least 45 days to provide the specified information.

C. Review Procedure

If all or any part of a claim is denied, the claimant may request in writing a review of the denial within 180 days after receiving notice of denial.

The claimant may submit written comments, documents, records or other information relating to the claim for benefits, and may request free of charge copies of all documents, records and other information relevant to the claimant's claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify the claimant of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify the claimant in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information.

D. Time of Payment of Claims

When Sun Life receives Proof of Claim, benefits payable under this Policy will be paid for any period for which Sun Life is liable.

**Section VII
Claim Provisions**

E. Payment of Claims

Survivor Benefits payable upon the death of an Employee are payable according to the Long Term Disability Income Benefit Provision.

All other benefits payable during the lifetime of the Employee are payable to the Employee.

If a benefit is payable to the Employee's estate, an Employee who is a minor, or an Employee who is not competent, Sun Life has the right to pay up to \$5,000 to any of the Employee's relatives whom Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

F. Amendment or Termination of Benefit Provision

An Employee's rights to any disability benefits are determined on the date the Employee's disability begins. The right is subject to the terms of this Policy in effect on the date disability begins and will not be affected by subsequent amendment or termination of this Policy.

Section VIII Premiums

A. Premium Rates

Sun Life determines its initial or any subsequent monthly premium rate on the basis of the coverage being provided. After the initial monthly premium rate has been in effect until June 30, 2005, Sun Life has the right to recalculate any premium rate. However, Sun Life has the right to recalculate the initial or any subsequent monthly premium rate when any of the following occurs:

1. the terms of this Policy are changed, including but not limited to the Schedule of Benefits; or
2. a new Division, Subsidiary or Affiliated Company of the Policyholder is added to or deleted from this Policy; or
3. the number of Employees insured changes by 25% or more from the number of Employees insured on the Policy Effective Date or the immediately preceding Policy Anniversary Date; or
4. one or more class(es) are added to or deleted from this Policy.

No premium rate may be increased unless Sun Life notifies the Policyholder at least 31 days in advance of the increase. Premium rate increases may take effect on an earlier date when both Sun Life and the Policyholder agree.

B. Payment of Premiums

1. All premiums due under this Policy, including adjustments, if any, are payable by the Policyholder on or before the respective due dates at Sun Life's U.S. Headquarters or at another location designated by Sun Life. The due dates are specified on the first page of this Policy.
2. The premiums due under this Policy on each premium due date are based upon the premium rates in effect for the benefit provided. The premium due is the sum of the monthly premiums for all insured Employees for all benefits.
3. Premiums payable to Sun Life will be paid in United States dollars on the premium due date.
4. The premium for additional or increased insurance becoming effective during a Policy month will be charged from the next premium due date.
5. The premium for insurance terminated during a Policy month will cease at the end of the Policy month in which such insurance terminates.
6. Except for fraud, premium adjustments, refunds or charges will be made for only:
 - a. the current Policy Year; and
 - b. the prior Policy Year.

C. Grace Period

The Grace Period is 45 days following a premium due date. During the Grace Period the Policy shall continue in force, unless the Policyholder has given Sun Life written notice to discontinue this Policy. In any event, premiums are payable for any period of time the Policy remains in force.