

**TABLE OF CONTENTS**

	<b>Page Number</b>
<b>Certificate</b> .....	2
<b>Schedule of Benefits</b> .....	3
<b>Basic Terms</b> .....	4
<b>Plan Membership</b>	
Eligibility for Insurance.....	8
Effective Date of Insurance .....	9
Discontinuance of Insurance .....	10
<b>Coverage Provisions</b>	
Long-Term Disability Insurance.....	12
General Exclusions.....	17
<b>Claims and Plan Member Rights</b>	
How to Claim Benefits .....	19
 <b>Managed Long Term Disability</b>	

## CERTIFICATE

UNICARE Life & Health Insurance Company certifies that it has issued a Group Policy Number GI 145483 insuring certain employees of

**UNIVERSITY OF KENTUCKY**  
**(herein called the Plan Sponsor)**

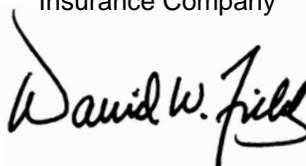
This booklet describes the benefits provided as of October 1, 2006. Certain terms of the Group Policy which affect your insurance are contained in the following pages.

The Group Policy was issued in the state of Kentucky. Its laws and rules will govern in resolving any questions about the Group Policy.

While you remain insured, this booklet is your **Certificate of Insurance**. It replaces any prior booklet given to you for the types of insurance described here.

233 S. Wacker Dr., Suite 3900  
Chicago, IL 60606-6309

UNICARE Life & Health  
Insurance Company

A handwritten signature in black ink that reads "David W. Fild". The signature is written in a cursive style with a large, stylized 'D' and 'F'.

President and CEO

**SCHEDULE OF BENEFITS**

Your amounts of personal insurance are determined by this schedule.

Changes in amounts of personal insurance under this schedule are effective on the first day of a calendar month coinciding with or next following date they apply to you. However, changes due to your age or retirement will be the only changes to become effective while you are disabled. Here, the term "disabled" means that an injury or illness prevents you from doing substantially any occupation.

**PERSONAL LONG TERM DISABILITY INSURANCE**

An amount equal to 10% of your monthly earnings not to exceed the maximum monthly benefit.

Maximum Monthly Benefit: ..... \$9,120

Minimum Monthly Benefit: ..... None

Benefit Waiting Period: ..... 180 days

**Maximum Benefit Period for Total Disability**

<u>Age at Disablement</u>	<u>Maximum Benefit Period</u>
Less than age 60	To age 65
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

## **BASIC TERMS**

When used in this provision, these words and phrases have the meaning explained here and supersede any previously defined words and phrases listed elsewhere in this plan.

### **Active Employment**

When used in this provision the term "Active Employment" means that you must be working:

1. for the plan sponsor on a permanent full-time basis and must be paid regular earnings;
2. at least .75 Full Time Equivalent or greater as determined by the plan sponsor and either:
  - a. at the plan sponsor's usual place of business; or
  - b. at a location to which the plan sponsor's business requires you to travel.

### **Annual Salary**

The term "Annual Salary" means your earnings in effect from the plan sponsor for the twelve month period immediately prior to the date total disability begins. It does not include bonuses, overtime pay, commissions or extra compensation.

### **Basic Monthly Earnings or Predisability Income**

The term "Basic Monthly Earnings" or "Predisability Income" means your monthly rate of earnings from the plan sponsor in effect immediately prior to the date total disability begins. It does not include bonuses, overtime pay, commissions or extra compensation.

### **Benefit Waiting Period**

The term "Benefit Waiting Period" means a period of consecutive days of total disability for which no benefits will be paid by this coverage. The benefit waiting period is shown in the Schedule of Benefits of this plan and begins on the first day of your disability. It may happen that you will return to work during the benefit waiting period. If you do return to work for 14 or less days and can not continue to work, only those days during which you are not in active employment will be used to satisfy the benefit waiting period.

**Doctor**

The term "Doctor" means:

1. a person who is licensed to practice medicine and prescribe and administer drugs, or to perform surgery; and is performing tasks that are within the limits of the person's medical license
2. a person with a doctoral degree in Psychology (Ph. D. or Psy. D.) whose primary practice is treating patients; or
3. a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

For the purposes of Long Term Disability Benefits, Doctor will not include you, your spouse, children, parents or siblings for your claim.

**Eligibility Waiting Period**

The term "Eligibility Waiting Period" means the amount of time shown in the Plan Membership section for the continuous length of time you must serve in an eligible class to reach your eligibility date.

**Eligible Survivor**

When used in this provision, the term "Eligible Survivor" means your spouse, if living. Otherwise, this term means your children under age 23.

**Evidence of Insurability**

The term "Evidence of Insurability", means a statement or proof of your medical history upon which eligibility for this coverage will be determined by the insurer.

**Gainful Occupation**

The term "Gainful Occupation" means an occupation that is or can be expected to provide you with an income at least equal to 60% of your pre-disability income.

**Illness**

The term "Illness" means a sickness or disease. It will include pregnancy unless excluded in the General Exclusion Section of this provision. The illness must begin while you are insured under this provision.

**Injury**

The term "Injury" means bodily injury resulting directly from an accident and independent of all other causes. The injury must occur and disability must begin while you are insured under this provision. EXCEPTION: Any disability which begins more than 60 days after an injury will be considered an illness for the purpose of determining benefits under this provision.

**Last Monthly Benefit**

The term "Last Monthly Benefit" means the net monthly benefit paid to you immediately prior to your death. It does not include any reduction for earnings.

**Monthly Benefit**

The term "Monthly Benefit" means the amount paid to the disabled plan member.

**Partial Disability/Partially Disabled**

As used in this provision, the terms "Partial Disability" or "Partially Disabled" mean that as a result of an injury or illness which causes the disabling condition, you are:

1. able to perform one or more, but not all, of the material and substantial duties of your own occupation or any other occupation on a full-time or a part-time basis; or
2. able to perform all of the material and substantial duties of your own occupation or any other occupation on a part-time basis.

**Recurrent Disability**

The term "Recurrent Disability" means a disability which is related or due to the same cause(s) as a prior disability for which a monthly benefit was payable.

**Regular Care**

The term "Regular Care" means:

1. you personally visit a doctor as frequently as is medically required, according to standard medical practice, to effectively manage and treat your disabling condition(s); and
2. you are receiving appropriate treatment and care of your disabling condition(s) which conforms with standard medical practice by a doctor whose specialty or experience is the most appropriate for your disabling condition(s) according to standard medical practice.

**Total Covered Payroll**

The term "Total Covered Payroll" means the total amount of basic monthly earnings for which all plan members are insured under this provision or policy.

**Total Disability**

The term "Total Disability" means that during the benefit waiting period and beyond you are unable to perform with reasonable continuity all of the usual duties of your own or any gainful occupation for which you are or become reasonably fitted by training, education, experience, age and physical and mental capacity.

The loss of a professional or occupational license or certification for any reason does not, in itself, constitute total disability.

**Usual Duties**

The term "Usual Duties" means duties normally required for performance of any occupation which cannot be reasonably omitted or changed.

**Vocational Rehabilitation**

Vocational Rehabilitation is a process started as early as possible for a disabled employee. The process may include but is not limited to:

1. Assessing a disabled employee's potential for return to work with the previous employer or for placement with another employer;
2. Labor market surveys;
3. Development of alternative work plans;
4. Retraining; and
5. Assistance with job seeking skills.

## **PLAN MEMBERSHIP**

### **ELIGIBILITY FOR INSURANCE**

This section tells how you may become insured. The term “personal insurance” means your insurance under the plan with respect to yourself.

#### **Personal Insurance**

To obtain personal insurance, you need to be a qualified employee. You are a “qualified employee” only if you meet all of these requirements:

1. you are a full-time employee of the plan sponsor, working for pay on a scheduled normal work week of at least .75 Full Time Equivalent or greater as determined by the plan sponsor, and
2. you perform that work at the plan sponsor’s usual place of business, except for duties of a kind that must be done elsewhere, and
3. you are in a covered employment class named in the group policy. Specific information regarding the group policy and its terms maybe obtained from the plan sponsor.

If you are a qualified employee on October 1, 2006, you are eligible for personal insurance on that date, provided you have completed 12 months of continuous employment with the plan sponsor. Otherwise, you become eligible on the first day of the calendar month coinciding with or next following the date you become a qualified employee and complete 12 months of continuous employment with the plan sponsor.

## **EFFECTIVE DATE OF INSURANCE**

Once you have become eligible for insurance, this section tells when your insurance will begin.

### **Personal Insurance**

Except as explained in this section, your personal insurance will begin on the first day of the policy month coinciding with or next following the date you become eligible for such insurance.

The plan sponsor may require employees to contribute toward the cost of all or part of their personal insurance. Any such contributory insurance will not become effective for you before you sign a form agreeing to make those contributions. The form may be obtained from the plan sponsor. If you sign the form more than 31 days after you became eligible, your contributory insurance will be deferred until the date the insurer approves the employee's written evidence of insurability.

If you are disabled on the date your personal insurance would begin, that insurance will be deferred until you return to full-time active work. Here, the term "disabled" means that an injury or illness prevents you from doing substantially all of your usual duties for the plan sponsor.

## **DISCONTINUANCE OF INSURANCE**

Your personal insurance will cease on the first to occur of these dates:

1. the date the group policy is discontinued.
2. the date you are no longer eligible for that coverage. This may be due to a change in the group policy or because you transfer to an employment class that is not eligible.
3. the date ending the last period for which you made any required contribution toward the cost of that insurance.
4. the date you cease active work for the plan sponsor, except that if you are disabled or on a leave of absence or temporary layoff, your insurance may continue up to any time limit imposed by the group policy.

Specific information regarding the group policy and its terms may be obtained from the plan sponsor.

## **COVERAGE PROVISIONS**

### **DESCRIPTION OF THE COVERAGES**

The pages of this section specify when plan benefits will be paid. Any conditions governing whether, and how much benefit is paid for those events are also discussed in this section.

To receive plan benefits, you must be insured as described in the Plan Membership section of this summary. Then, your amounts of insurance are determined by the Schedule of Benefits.

Should you become entitled to benefits, the Claims and Plan Member Rights section of this summary tells how to present your claim.

## **PERSONAL LONG-TERM DISABILITY INSURANCE**

### **TOTAL DISABILITY**

When the insurer receives proof that you are totally disabled due to an illness or injury and require the regular attendance of a doctor, the insurer will pay a monthly benefit at the end of the benefit waiting period. The benefit will be paid for the period of total disability if you give to the insurer proof of continued:

1. total disability; and
2. regular attendance of a doctor.

The proof of continued disability must be given upon request by the insurer and at your expense. However, the insurer, at its expense, may also require that you be examined by its doctor at reasonable intervals. No benefits will be paid beyond any date that: (a) due proof that you remain totally disabled is not provided when requested by the insurer; or (b) you do not allow a doctor to examine you when required by the insurer.

The monthly benefit and the maximum benefit period are shown in the Schedule of Benefits of this plan. The monthly benefit will not:

1. exceed your amount of coverage; or
2. be paid for longer than the maximum benefit period.

### **TOTAL DISABILITY MONTHLY BENEFIT**

To figure the amount of monthly benefit:

1. Multiply your basic monthly earnings by the benefit percentage shown in the Schedule of Benefits of this Plan.
2. Take the lesser of:
  - a. the amount determined in step (1) above; or
  - b. the maximum monthly benefit shown in the Schedule of Benefits of this plan.

The total disability benefit payable will never be less than the minimum monthly benefit shown in the Schedule of Benefits of this plan.

### **TERMINATION OF TOTAL DISABILITY MONTHLY BENEFITS**

The total disability monthly benefit will cease on the earliest of:

1. the date you cease to be totally disabled; or
2. the date you die; or
3. the end of the maximum benefit period.

## **PARTIAL DISABILITY**

When proof is received that you are partially disabled from an illness or injury following a period of total disability for which benefits were payable, the insurer will pay the partial disability benefit of this plan if you:

1. are partially disabled within 31 days of the date your total disability benefits cease; and
2. give to the insurer upon request and at your expense proof of continued:
  - a. partial disability, and
  - b. regular attendance of a doctor

To qualify for a partial disability benefit, you must be earning less than 80% of your predisability income at the time the partial disability employment begins.

## **PARTIAL DISABILITY MONTHLY BENEFIT**

To figure the amount of monthly benefit:

1. Multiply your pre-disability income by the benefit percentage shown in the Schedule of Benefits of this plan.
2. Take the lesser of:
  - a. the amount determined in step (1) above; or
  - b. 100% of your pre-disability income less other income benefits, shown below; or
  - c. the maximum monthly benefit shown in the Schedule of Benefits of this plan.

The partial disability benefit will never be less than the minimum monthly benefit shown in the Schedule of Benefits of this plan.

## **TERMINATION OF THE PARTIAL DISABILITY MONTHLY BENEFIT**

The partial disability monthly benefit will cease on the earliest of:

1. the date you cease to be partially disabled; or
2. the date the plan member dies; or
3. the end of the maximum benefit period; or
4. the date your earnings from any employment exceed 80% of your pre-disability income; or
5. the date you refuse to participate in or to continue to participate in an approved vocational rehabilitation program if offered, or an approved substance abuse rehabilitation program if offered.

145483-A (10/06)

During the first 12 months of Partial Disability Monthly Benefits, there will be no reduction in the partial disability monthly benefit for your return to work earnings, unless the monthly benefit combined with your return to work earnings exceed 100% of your pre-disability income including all Cost of Living Adjustments, if any. At the end of a 12 month period, Partial Disability Monthly Benefits will be calculated using the following Proportionate Loss Formula. If your earnings exceed 80% of your pre-disability income including all Cost of Living Adjustments, if any, the Partial Disability Monthly Benefits will cease.

Proportionate Loss Formula  $(A / B) \times C$

A = Your indexed pre-disability income including all Cost of Living Adjustments, if any, minus your monthly earnings received while you are partially /residually disabled.

B = Your pre-disability income including all Cost of Living Adjustments, if any.

C = The total monthly benefit.

If you enter another eligible class, you will not be eligible for any additional benefits until you have completed a 30-day waiting period, and have been actively at work one full day in the new class.

#### **RECURRENT DISABILITY**

A recurrent disability will be treated as part of a prior disability if, after receiving disability benefits under this plan, you:

1. return to your regular occupation on a full-time basis for less than 6 months; and
2. during that time you perform all the usual duties of your occupation.

Benefit payments for a recurrent disability will be subject to the terms and provisions of this plan that applied to the prior disability.

#### **ALCOHOLISM AND SUBSTANCE ABUSE LIMITATION**

There is a limit on the benefits to be paid due to alcoholism and substance abuse. Benefits to be paid for such a condition will not exceed 24 months of monthly benefit payments. However, if you meet one of the conditions specified below, this limitation will not apply.

1. If you are confined in the hospital as an inpatient at the end of the 24 month period, the monthly benefits will continue to be paid during the rest of that period of hospital confinement.

You may still be disabled when you are discharged from the hospital. In this case, the monthly benefit will be paid during a recovery period of up to 90 days. However, you may become confined in the hospital as an inpatient during that recovery period. Then, the monthly benefit will be paid during the confinement and for another recovery period of up to 90 days.

2. If you continue to be disabled and become confined:
  - a. after the 24 month period; and
  - b. for at least 14 consecutive days,the monthly benefit will be payable during the confinement.

#### **MENTAL ILLNESS LIMITATION**

There is a limit on the benefits to be paid due to a mental or nervous disorder. Benefits to be paid for such a condition will not exceed 24 months of monthly benefit payments. However, if you meet one of the conditions specified below, this limitation will not apply.

1. If you are confined in the hospital as an inpatient at the end of the 24 month period, the monthly benefits will continue to be paid during the rest of that period of hospital confinement.

You may still be disabled when you are discharged from the hospital. In this case, the monthly benefit will be paid during a recovery period of up to 90 days. However, you may become confined in the hospital as an inpatient during that recovery period. Then, the monthly benefit will be paid during the confinement and for another recovery period of up to 90 days.

2. If you continue to be disabled and become confined:
  - a. after the 24 month period; and
  - b. for at least 14 consecutive days,
  - c. the monthly benefit will be payable during the confinement.

As used in this limitation, mental illness means a mental, nervous or emotional disease or disorder of any type.

#### **COST OF LIVING FREEZE**

After the first deduction for each of the other income benefits has been made to the monthly benefit, the monthly benefit will not be further reduced due to any cost of living increases payable under these other income benefits.

## **LUMP SUM PAYMENTS**

Other income benefits which are paid in a lump sum will be prorated on a monthly basis over the time period for which the sum is given. If no time period is stated, the sum will be prorated on a monthly basis over your expected lifetime as determined by the insurer.

## **VOCATIONAL REHABILITATION**

If you are disabled and receiving a monthly benefit under the policy, you may be eligible for vocational rehabilitation services. These services may include vocational testing and training, job modifications, job placement, or other services determined to be reasonably needed to assist you in returning to active employment either full-time or part-time.

The insurer will determine the extent to which these services may be provided. The insurer will pay the service provider(s) for these services unless the insurer agrees to other arrangements.

The insurer's decision to offer these services will be based on:

1. your education, training and experience;
2. your transferable skills;
3. your physical and mental abilities;
4. your motivation to return to active employment;
5. the labor force demand for workers in the proposed occupation in your geographic area;
6. the expected liability for your long term disability claim.

To qualify for these services, you must:

1. have a disability which prevents you from performing some or all of the substantial duties of your regular occupation;
2. lack the skills, training, or experience you would need to perform another gainful occupation;
3. possess the physical and mental abilities you need to complete a rehabilitation program;
4. be reasonably expected to return to active employment with the assistance of these services.

A vocational rehabilitation program proposal may be made by either the insurer, your doctor or you. The insurer will prepare a written program with input from you, your doctor, your current employer and/or your prospective employer. Once the insurer approves a

program, you will be provided services according to the written program.

The written program will describe:

1. the goals of the program;
2. the insurer's responsibilities;
3. your responsibilities;
4. the responsibilities of any third party(ies) associated with this program;
5. the expected dates of the services;
6. the expected costs of the services;
7. the expected duration of the program.

The insurer reserves the right to make the final decision concerning your eligibility to take part in this program, and the amount of services you will be provided.

If you agree to participate in the program and are unable to complete your responsibilities under the program without good cause, your monthly benefits may be reduced or discontinued.

The term "good cause" means documented physical or mental impairments, which leave you unable to take part in or complete the agreed upon program. It may also mean that you are involved in:

1. medical treatment which prevents or interferes with your taking part in or completing the program; or
2. some other vocational rehabilitation program which conflicts with your taking part in or completing the program developed by the insurer, and that program is reasonably expected to return you to active employment.

#### **GENERAL EXCLUSIONS**

This provision will not cover any total disability due to:

1. war, declared or undeclared or any act of war;
2. intentionally self-inflicted injuries;
3. active participation in a riot;

the insured individual's committing of, or the attempting to commit, a felony or any type of assault or battery.

A monthly benefit will not be paid for any period of disability during which you are incarcerated.

145483-A (10/06)

## **PRE-EXISTING CONDITION EXCLUSION**

This provision will not cover any total disability:

1. which is caused or contributed to, by, or results from a pre-existing condition; and
2. which begins in the first 12 months after your effective date, unless you received no treatment of the condition for 6 consecutive months after your effective date.

“Treatment” means consultation, care or services provided by a doctor including diagnostic measures and taking prescribed drugs and medicines.

“Pre-existing Condition” means an illness or injury for which you received treatment within 3 months prior to your effective date.

## **CLAIMS AND PLAN MEMBER RIGHTS**

### **HOW TO CLAIM BENEFITS**

Due written proof of claim is required in order to receive benefits under this group insurance plan.

#### **Notice of Claim**

Notice of a claim must be given within 20 days after a covered loss starts, or as soon as reasonably possible. Written notice can be given to the insurer at its home office or to the insurer's agent. Reference to a "loss" merely means that an event occurred or an expense was incurred for which this plan agrees to pay a benefit. The notice must identify you along with the group insurance policy number shown in the Certificate in the front of this summary.

#### **Claim Forms**

When the insurer receives the notice of claim, it will send the claimant forms for filing proof of loss. The needed forms may also be obtained from the plan sponsor. If these forms are not given to the claimant within 15 days, the claimant will meet the proof of loss requirements by giving the insurer a written statement of the nature and extent of the loss within the time limit stated in the Proof of Loss section.

#### **Proof of Loss**

Due written proof of loss must be given to the insurer within 90 days after such loss. Failure to furnish the proof within that time shall not invalidate or reduce the claim if the proof is given as soon as reasonably possible. But, unless delayed by the claimant's legal incapacity, the required proof must be furnished within 2 years of the specified time.

#### **Filing Claim Forms**

The proof of loss "claim forms" contain instructions as to how they should be completed and where they should be sent. Be sure to fully complete your portion of the forms. Unanswered questions may delay the processing of your claim.

#### **Payment of Claims**

Upon receiving the required due proof of loss, the insurer will pay any disability income benefits due at least as often as once a month; any balance remaining unpaid at the end of the period for which the insurer is liable will be paid at that time.

**Physical Examinations**

The insurer has the right to have a doctor it chooses examine the person whose injury or illness is the basis of a claim. This may be required at reasonable intervals until the claim is paid. If the person has died, the insurer may require an autopsy, unless it is prohibited by law. Such an exam or autopsy will be at the insurer's expense.

**Legal Actions**

There are time limits as to when legal action can be taken to obtain group insurance policy benefits. No legal action can be taken until 60 days after written proof of loss has been given as discussed above. No legal action can be taken more than 2 years after written proof of loss was required by the above terms. Legal action with respect to a claim that has been denied, in whole or in part, shall be contingent upon having obtained the insurer's reconsideration of that claim as explained next in this section.

**Reconsideration Of A Denied Claim**

If you are a plan member or a member's beneficiary, and your benefit claim is totally or partially denied, the insurer will give you a written notice. The notice will give the reasons for denial. If you do not agree with the reasons given, you may request reconsideration of your claim.

To do so, you should write to the insurer within the 60 days after you received the notice of denial. The insurer's name and address appear in Claim and Plan Member Rights section of this summary. They will also be on the notice of denial. You should say why you believe the claim was not properly denied. Include any data, questions or comments that you think are appropriate. Unless the insurer requests additional material in a timely fashion, you will be advised of their decision within 60 days after your letter is received.

**In accordance with state insurance law, this booklet is composed of the following forms on file with the State Insurance Department.**

CERTIFICATE: GCR 100

SCHEDULE OF BENEFITS: GCR 132

BASIC TERMS: GCR 2243, GCR 2244, GCR 2245, GCR 2246-1, GCR 2247, GCR 11174, GCR 11175, GCR 11177, GCR 22134

ELIGIBILITY: GCR 120

EFFECTIVE DATE: GCR 12605, GCR 12606

DISCONTINUANCE OF INSURANCE: GCR 124

COVERAGE PROVISIONS: GCR 140, GCR 2249, GCR 2251, GCR 2252, GCR 2263, GCR 22131, GCR 22132, GCR 22133, GCR 22135

EXCLUSIONS: GCR 2261-2, GCR 2264, GCR 22138

CLAIMS: GCR 170, GCR 1721