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GROUP BOOKLET-CERTIFICATE FOR MEMBERS OF

**IOWA STATE UNIVERSITY OF
SCIENCE AND TECHNOLOGY**

ALL MEMBERS

Group Long Term Disability Insurance

Print Date: 04/12/2021

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Your Group Long Term Disability Insurance has been designed to provide financial help for you when a covered loss occurs. This plan has chosen benefits provided by a Group Policy issued by Us, Principal Life Insurance Company. To the extent that benefits are provided by the Group Policy, the administration and payment of claims will be done by Us as an insurer.

Members rights and benefits are determined by the provisions of the Group Policy. This booklet briefly describes those rights and benefits. It outlines what you must do to be insured. It explains how to file claims. It is your certificate while you are insured.

The effective date of your insurance is as shown on your enrollment form.

THIS BOOKLET REPLACES ANY PRIOR BOOKLET THAT YOU MAY HAVE RECEIVED. If you have any questions about this new booklet, please contact your employer. In the event of future plan changes, you will be provided with a new booklet-certificate or a booklet-certificate rider.

If you have an electronic booklet, paper copies of this booklet-certificate are also available. Please contact your employer if you would like to request a paper copy.

PLEASE READ YOUR BOOKLET CAREFULLY. We suggest that you start with a review of the terms listed in the DEFINITIONS Section (at the back of the booklet). The meanings of these terms will help you understand the insurance.

The group insurance policy and your coverage under the Group Policy may be discontinued or altered by the Policyholder or Us at any time without your consent.

In administering the benefits provided under the Group Policy, all Predisability Earnings and Current Earnings will be expressed in U.S. dollars and all premium and benefit amounts must be paid in U.S. dollars.

We reserve discretion to construe or interpret the provisions of the Group Policy, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. Our decisions in such matters will be controlling, binding, and final as between Us and persons covered by this group insurance, subject to the Claim Procedures shown on page GH 823 of this booklet.

The insurance provided in this booklet is subject to the laws of the state of IOWA.

PRINCIPAL LIFE
INSURANCE COMPANY
Des Moines, IA 50392-0002

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LONG TERM DISABILITY INSURANCE SUMMARY

Who Pays for Coverage	You are not required to pay a part of the premium for insurance under the Group Policy.	
Elimination Period	The later of 90 working days or the date accumulated sick pay benefits expire.	
Own Job Period	two year(s)	
Primary Monthly Benefit	63% of your Predisability Earnings.	
Maximum Monthly Benefit	\$10,000	
Minimum Monthly Benefit	\$50	
Maximum Benefit Payment Period	Member's Age on The Date Disability <u>Begins</u> Before age 61	Months of the Benefit Payment <u>Period</u> greater of 5 Years or the June 30 th following the date you attain age 65
	61-68	Lesser of 5 Years or the June 30 th following the date you attain age 70
	69 and over	12 months
Rehabilitation Services and Benefits		
Rehabilitation Services	Included	
Predisability Intervention Services	Included	
Other Coverage Features		
Work Incentive Benefit	12 months	
Cost of Living Adjustment	Included	
NOTE:		
No premiums are required during a Long Term Disability Benefit Payment Period.		
Benefits may be reduced by other sources of income and disability earnings.		
Some disabilities may not be covered or may be limited under this insurance.		

This summary provides only highlights of the Group Policy. The entire Group Policy determines all rights, benefits, exclusions and limitations of the insurance described above.

**HOW TO BE INSURED
LONG TERM DISABILITY INSURANCE**

Eligibility and Individual Incontestability

Eligibility

You will be eligible for insurance on the first of the Insurance Month next following the date you complete one year of employment with the Policyholder as a Member.

Note: Insurance is available during the first year subject to approval of the Proof of Good Health requirements.

Individual Incontestability

All statements made by any person insured will be representations and not warranties. In the absence of fraud, these statements may not be used to contest the insured person's coverage unless:

- a. the insurance has been in force for less than two years during the insured person's lifetime; and
- b. the statement is in Written form Signed by the insured person; and
- c. a copy of the form which contains the statement is given to the insured person or the insured person's beneficiary at the time insurance is contested.

However, the above will not preclude the assertion at any time of defenses based upon the person's not being eligible for insurance under the Group Policy or upon other provisions of the Group Policy.

In addition, if a person's age is misstated, We may, at any time, adjust premiums and benefits to reflect the correct age.

We may, at any time, terminate a Member's eligibility under the Group Policy in Writing and with 31 day notice:

- a. if the individual submits any claim that contains false or fraudulent elements under state or federal law;
- b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;
- c. when a Member has submitted a claim which, in good faith judgment and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

**HOW TO BE INSURED
LONG TERM DISABILITY INSURANCE**

Effective Dates

Actively at Work

Your effective date for Long Term Disability Insurance will be as explained in this booklet, if you are Actively at Work on that date. If you are not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

Effective Date for Noncontributory Insurance

Unless Proof of Good Health is required, insurance for which you contribute no part of premium will be in force on the date you are eligible.

Effective Date for Contributory Insurance

If you are to contribute a part of premium, insurance must be requested in a form provided by Us. Unless Proof of Good Health is required, the requested insurance will be in force on:

- a. the date you are eligible, if the request is made on or before that date; or
- b. the first of the Insurance Month next following the date of your request, if the request is made within 31 days after the date you are eligible.

If the request is made more than 31 days after the date you are eligible, Proof of Good Health will be required before insurance can be in force.

Effective Date When Proof of Good Health is Required

Insurance for which Proof of Good Health is required will be in force on the later of:

- a. the date insurance would have been effective if Proof of Good Health had not been required; or
- b. the first of the Insurance Month next following the date Proof of Good Health is approved by Us.

Proof of Good Health Requirements

The type and form of required Proof of Good Health will be determined by Us. You must submit Proof of Good Health:

- a. If insurance for which you contribute a part of premium is requested more than 31 days after the date you are eligible.
- b. If you have failed to provide required Proof of Good Health or have been refused insurance under the Group Policy at any prior time.
- c. If you elect to terminate insurance and, more than 31 days later, request to be insured again.

Effective Date for Benefit Changes Due to a Change in Monthly Earnings

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your Monthly Earnings will normally be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes Due to a Change in Insurance Class

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your insurance class will normally be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes - Change by Policy Amendment

Unless Proof of Good Health is required (see above), a change in amount of your Benefit Payable because of a change in the Benefit Payable by amendment to the Group Policy will be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

**HOW TO BE INSURED
LONG TERM DISABILITY INSURANCE**

Termination, Continuation, and Reinstatement

Termination of Insurance

Your insurance will terminate on the earliest of:

- a. the date the Group Policy is terminated; or
- b. the end of the Insurance Month for which the last premium is paid for your insurance; or
- c. for contributory insurance, the end of any Insurance Month if requested by you before that date; or
- d. the end of the Insurance Month in which you cease to be a Member as defined; or
- e. the end of the Insurance Month in which you cease to be in a class for which Member Insurance is provided; or
- f. the end of the Insurance Month in which you cease Active Work except as provided below.

Termination of insurance for any reason described above will not affect your rights to benefits, if any, for a Disability that begins while your insurance is in force under the Group Policy. You are considered to be continuously Disabled if you are Disabled from one condition and, while still Disabled from that condition, incur another condition that causes Disability.

Continuation

You may qualify to have your insurance continued under one or more of the continuation provisions below. If you qualify for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

Continuation and Reinstatement - Sickness, Injury, Pregnancy, Layoff or Approved Temporary Leave of Absence

If you cease Active Work due to sickness, injury, pregnancy, layoff or approved temporary leave of absence (such as a vacation), your insurance can be continued subject to payment of premium, until the earliest of:

- a. the date insurance would otherwise terminate as provided in items a. through e. above; or
- b. the end of the Insurance Month in which you recover; or
- c. the date you establish a Benefit Payment Period.

If a Benefit Payment Period is established, your insurance will be reinstated if you return to Active Work for the Policyholder within three months of the date the Benefit Payment Period ends. Your reinstated insurance will be in force on the date of return to Active Work.

If you do not qualify to have a Benefit Payment Period begin, insurance will be reinstated if you return to Active Work for the Policyholder within three months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.

Continuation and Reinstatement - Approved Leave of Absence Without Pay (Other Than Leave of Absence to Enter Military Service)

If you cease Active Work due to an approved leave of absence, without pay, which is authorized by the Policyholder or the Iowa State Board of Regents, and such authorization specifically states that insurance is to be continued during such leave of absence, your insurance can be continued, subject to premium payment specified by such authorization, until the earliest of:

- a. the date insurance would otherwise terminate as provided in items a. through e. above; or
- b. the end of the Insurance Month in which the approved leave of absence without pay ends; or
- c. the date you fail to pay any required premium; or
- d. the date you request that insurance be terminated; or
- e. the you become eligible for any other group long term disability coverage.

Your insurance will be reinstated if you return to Active Work for the Policyholder within three months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

If you arrange to take an approved leave of absence without pay, you will be eligible to keep your insurance in force during such leave of absence provided you pay all required premiums to continue the insurance. Arrangements for paying the premiums should be made in the Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall, Iowa State University.

If you elect to discontinue your insurance while you are on an approved leave of absence, you may re-enroll by completing a Proof of Good Health questionnaire within 31 days after the date of expiration of the leave of absence. Re-enrollment is subject to approval by Principal Life Insurance Company, or you will automatically be re-enrolled on the first of the Insurance Month next following the date you complete one year of Active Work.

A longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA).

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.

Continuation and Reinstatement - Family and Medical Leave Act (FMLA)

If you cease Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue your insurance, subject to premium payment, until the date either 12 weeks or 26 weeks, as determined by law, after the end of the Insurance Month in which Active Work ends.

Your terminated insurance may be reinstated in accordance with the provisions of FMLA.

DESCRIPTION OF BENEFITS

Benefit Qualification

You will qualify for Disability benefits, if all of the following apply:

- a. You are Disabled under the terms of the Group Policy.
- b. Your Disability begins while you are insured under the Group Policy.
- c. You are not receiving sick pay benefits from the Policyholder except as provided under Sick Pay Benefits in this booklet.
- c. Your Disability is not subject to any of the Limitations listed in this booklet.
- d. An Elimination Period of 90 working days is completed.
- e. A Benefit Payment Period is established.
- f. You are under the Regular and Appropriate Care of a Physician.
- g. The claim requirements listed in the CLAIM PROCEDURES Section are satisfied.

A Benefit Payment Period will be established on the latest of:

- a. the date you complete an Elimination Period; or
- b. the date your accumulated sick pay benefits expire; or
- c. the date six months before We receive Written proof of your Disability.

NOTE: No premiums are required during a Long Term Disability Benefit Payment Period.

DESCRIPTION OF BENEFITS

Benefits Payable

If you are not working during a period of Disability

Your Benefit Payable for each full month of a Benefit Payment Period will be your Primary Monthly Benefit less Other Income Sources.

If you are working during a period of Disability

Your work incentive Benefit Payable for each full month of a Benefit Payment Period will be:

- a. For the first 12 months, the lesser of:
 - (1) 100% of Indexed Predisability Earnings less Other Income Sources, less Current Earnings from your Own Job or any occupation; or
 - (2) the Primary Monthly Benefit less Other Income Sources; and
- b. Thereafter, your Primary Monthly Benefit less Other Income Sources, multiplied by your Income Loss Percentage.

On each March 1, following the date you become Disabled, your Predisability Earnings will be increased by the average rate of increase in the Consumer Price Index during the preceding calendar year, subject to an annual maximum of 10%.

If you have been Disabled for less than one year as of March 1, the amount of the increase will be multiplied by the ratio of:

- a. the number of completed months of Disability as of March 1;
- b. divided by 12 months.

Consumer Price Index means the U.S. City Average for Urban Consumers, All Items, as published in the Consumer Price Index by the United States Department of Labor for the preceding calendar year.

Minimum Monthly Benefit

In no event will the Monthly Benefit Payable (after application of any annual Cost of Living Adjustment) be less than \$50 for each full month of a Benefit Payment Period, except that We will have the right to reduce the Minimum Monthly Benefit by any prior benefit overpayment. The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full month will be the monthly benefit divided by 30.

DESCRIPTION OF BENEFITS

Rehabilitation Services and Benefits

Rehabilitation Services and Benefits

While you are Disabled and covered under the Group Policy, you may qualify to participate in a rehabilitation plan and receive Rehabilitation Services and Benefits. We will work with you and others as appropriate, to develop an individualized rehabilitation plan intended to assist you in returning to work.

Rehabilitation Services

While you are Disabled under the terms of the Group Policy, you may qualify for Rehabilitation Services. If you, the Policyholder, and We agree in Writing on a rehabilitation plan in advance, We may pay a portion of reasonable expenses. The goal of the plan will be to return you to work.

Any rehabilitation assistance must be approved in advance by Us and outlined in a rehabilitation plan. The Benefit Payable as described in the booklet (subject to the terms and conditions of the Group Policy) will continue, unless modified by the rehabilitation plan. Rehabilitation assistance may include, but is not limited to:

- a. coordination of medical services;
- b. vocational and employment assessment;
- c. purchasing adaptive equipment;
- d. business/financial planning;
- e. retraining for a new occupation;
- f. education expenses.

We will periodically review the rehabilitation plan and your progress and We will continue to pay for the agreed upon expenses as long as We determine that the rehabilitation plan is providing the necessary action to return you to work.

Predisability Intervention Services

Rehabilitation Services may be offered if you have not yet become Disabled under the terms of the Group Policy, provided you have a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of your Own Job.

DESCRIPTION OF BENEFITS

Cost of Living Adjustment

The Cost of Living Adjustment applies to you if you are Disabled and will be applied each year on the July 1 following completion of one year of continuous Disability. The Cost of Living Adjustment will be compounded annually and will be administered as follows.

If you are not working during a period of Disability, the Cost of Living Adjustment will be applied to the monthly Benefit Payable.

If you are working during a period of Disability, the Cost of Living Adjustment will be applied as follows:

- a. during the first 12 months to the monthly work incentive Benefit Payable; and
- b. thereafter, to the monthly Benefit Payable, before multiplying by the Income Loss Percentage.

The Cost of Living Adjustment will be 100% of the average rate of increase in the Consumer Price Index during the preceding calendar year, subject to an annual maximum of 5%.

In those years when the Cost of Living Adjustment is less than 5%, the difference between the amount actually paid and 5% may be carried over and applied in future years in addition to the normal 5% increase. However, in no year may the increase exceed 10% regardless of the amount carried over. The increase, if any, will be effective on July 1 of each year.

Consumer Price Index means the U.S. City Average for Urban Consumers, All Items, as published in the Consumer Price Index by the United States Department of Labor for the preceding calendar year. The Consumer Price Index adjustment factor will be determined on each March 1.

DESCRIPTION OF BENEFITS

Monthly Payment Limit

In no event will the sum of amounts payable for:

- a. Benefits Payable as described in this booklet;
- b. income from Other Income Sources;
- c. Current Earnings from your Own Job or any occupation;

exceed 100% of Predisability Earnings. If you are eligible for a work incentive Benefit Payable, the Monthly Payment Limit will be increased to 100% of Indexed Predisability Earnings for the first 12 months.

In the event your total income from all sources listed above exceeds 100% of Predisability Earnings, the benefits as described in this booklet will be reduced by the amount in excess of 100% of Predisability Earnings.

DESCRIPTION OF BENEFITS

Benefit Payment Period, Recurring Disability, and Sick Pay Benefits

Benefit Payment Period

Benefits are payable:

- a. if your Disability begins before age 61, until the later of the date five years after the Benefit Payment Period begins, or the June 30th following the date you attain age 65; or
- b. if your Disability begins on or after age 61, and before the date you attain age 69, until the earlier of the date five years after the Benefit Payment Period begins, or the June 30th following the date you attain age 70 (except the Benefit Payment Period will not be less than 12 months); or
- c. if your Disability begins at or after age 69, until the date 12 months after the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

- a. the date of your death; or
- b. the day before the date of your retirement; or
- c. the date your Disability ends, unless a Recurring Disability exists as explained in this booklet; or
- d. the date you fail to provide any required proof of Disability; or
- e. the date you fail to submit to any required medical examination or evaluation; or
- f. the date you fail to report any required Current Earnings information; or
- g. the date you fail to report income from Other Income Sources; or
- h. the date ten days after receipt of notice from Us if you fail to pursue Social Security Benefits or benefits under a Workers' Compensation Act or similar law as described in this booklet; or
- i. the date you cease to be under the Regular and Appropriate Care of a Physician.

Recurring Disability

A Recurring Disability will exist under the Group Policy if:

- a. after you have completed an Elimination Period and during a Benefit Payment Period, you cease to be Disabled; and
- b. you then return to Active Work; and
- c. while insured under the Group Policy but before completing six continuous months of Active Work, you are again Disabled; and

- d. your current Disability and the Disability for which you completed the Elimination Period result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not be required to complete a new Elimination Period. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. The effective date of any salary increase received during your return to Active Work as stated in this booklet on GH 805 which would otherwise be effective, will not apply to any benefit payable under this Recurring Disability provision.

Sick Pay Benefits

If you are receiving a sick pay benefit from the Policyholder and the sick pay benefit is interrupted by a summer break, the Benefit Payable you would be eligible to receive under the Group Policy will be paid until the sick pay benefit resumes in the fall.

However, this extension will be subject to all of the other Benefit Qualifications shown on page GH 807 of this booklet and all of the other Benefit Payment Period provisions described above.

DESCRIPTION OF BENEFITS

Limitations

No benefits will be paid for any Disability that:

- a. results from willful self-injury or self-destruction, while sane or insane; or
- b. results from war or act of war; or
- c. results from voluntary participation in an assault, felony, criminal activity, insurrection, or riot; or
- d. is a new Disability that begins after a prior Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work; or
- e. is a continuation of a Disability for which a Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work (except as provided for a Recurring Disability in this booklet).

CLAIM PROCEDURES

Notice of Claim

Written notice of claim must be given to Us within 20 calendar days after the date of loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

Claim Forms

Claim forms and other information needed must be filed with Us in order to make a claim determination. The Policyholder will provide forms to assist you in filing claims. If notice is given and the completed forms are not provided within 15 days after We receive such notice, you will be considered to have complied with the requirements of the Group Policy upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character and extent of the loss.

Proof of Disability

Completed claim forms and other information needed to prove Disability should be filed promptly. Written proof that Disability exists and has been continuous should be sent to Us within six months after the date you complete an Elimination Period. Proof required includes the date, nature, and extent of the loss. Further proof that Disability has not ended must be sent when requested by Us. We may request additional information to substantiate your loss or require a Signed unaltered authorization to obtain that information from the provider, Internal Revenue Service, Social Security Administration or any other entity required for Proof of Disability or Earnings Documentation. We reserve the right to determine when these conditions are met. Your failure to comply with such request could result in declination of the claim. Receipt of claim will be considered met when the Elimination Period has been completed and the appropriate completed claim form is received by Us.

Documentation of Loss

We must receive satisfactory Written proof of loss. Until We receive the proof of loss requested, benefits will not be paid. Proof of loss may include:

- a. Any requested claim form including claim forms from you or your Physician.
- b. Documentation that you are under Regular and Appropriate Care by a Physician.
- c. Copies of medical records, test results and/or Physician's progress notes.
- d. Occupation information, such as documentation of work duties and activities. This may include your job description or appointment calendar from the Policyholder or your current employer.
- e. Independent medical examination(s) (see Examinations and Evaluations in this section).
- f. Any Written authorizations necessary, signed by you, on a form supplied by Us, to obtain medical and financial records and information needed to determine your eligibility for benefits.
- g. Earnings Documentation.
- h. Other proof of loss as required by Us.

Earnings Documentation

We may require proof to determine your Predisability Earnings and Current Earnings. A company representative has the right to examine your financial and business records, including your individual and business Federal income tax returns and supporting documentation, as often as We may require. In addition, We reserve the right to request such documentation to verify benefits were paid appropriately during the year. In the event benefits have not been paid appropriately, any overpayment of benefits determined would be recovered as outlined in Right to Recover Overpayments.

Investigation of Your Claim

We may conduct an investigation of your claim at any time, which may include a personal interview with a company representative and/or an examination under oath. Benefits may not be payable until We have had a reasonable time to conduct an investigation of your claim and determine that benefits are payable.

Any costs involved in submission of proof of loss or earnings documentation are your responsibility to pay, except for costs incurred by Us for copies of medical records, test results and/or Physician's progress notes and independent medical examination(s) as shown under Documentation of Loss above or personal interview or financial examination.

Once your claim is approved, no benefits will be continued beyond the end of the period for which you have provided Us with satisfactory proof of loss. We will require you to provide additional documentation of your claim, at your expense, at reasonable intervals while you are claiming Disability.

If you provide false, incomplete, or misleading information including omissions on any statement you make to obtain coverage, an increase in coverage, or when filing a claim, We will deny the claim. If you knowingly and with intent to injure, defraud, or deceive provided or omitted information, you will be subject to prosecution and punishment to the fullest extent under state and/or federal law.

Proof of Disability while outside the United States

If during a period of Disability, you are residing or staying outside the United States, the following will apply:

- a. You must provide proof that the Physician is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.
- b. You may be required to return to the United States at a frequency We deem necessary to substantiate your claim for Disability. All expenses incurred by you for returning to the United States will be your responsibility.
- c. You must notify Us in advance of any return to the United States and your change of address.

Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing timing requirements, receipt of claim will be considered met when the Elimination Period has been completed and the appropriate claim form is received by Us.

In administering the benefits provided under the Group Policy, all Predisability Earnings and Current Earnings will be expressed in U.S. dollars and all premium and benefit amounts must be paid in U.S. dollars.

Payment, Denial, and Review

Claims will normally be processed within 45 days from receipt of the claim. If a claim cannot be processed due to incomplete information, We will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed 45 days to provide all additional information requested. We are permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to the claimant regarding the extension.

In actual practice, benefits under the Group Policy will be payable sooner, provided We receive complete and proper proof of Disability. Further, if a claim is not payable or cannot be processed, We will submit a detailed explanation of the basis for the denial.

The claimant may request an appeal of a claim denial by Written request to Us within 180 days of receipt of notice of the denial. We will make a full and fair review of the claim. We may require additional information to make the review. We will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because We did not receive the requested additional information, We will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed 45 days to provide all additional information requested. We are permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension.

For purposes of this section, "claimant" means Member.

Proof of Payments from Other Income Sources

When asked, you must give Us:

- a. proof of all payments from Other Income Sources; and
- b. proof of application for all such income for which you and your Dependents are eligible; and
- c. proof that any application for such income has been rejected; and
- d. authorizations for any entity from which you may be receiving income.

Lump Sum Payments from Other Income Sources

If any income from Other Income Sources are payable in a lump sum (except as described below), the lump sum will be deemed to be paid in monthly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated monthly over the lesser of:

- a. 60 months; or
- b. the expected remaining number of months for which you would be entitled to benefits from the Group Policy based on the proof of loss submitted to Us.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the monthly amount which:
 - (1) is provided by the standard annuity option under the plan as identified by the Policyholder; or
 - (2) is prorated under a standard annuity table over the lesser of the Benefit Payment Period or your expected life span (if the plan does not have a standard annuity option);
- b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or a settlement) will be deemed to be paid monthly starting from the date of the last Workers' Compensation payment issued to you, or if no previous payments were issued, starting from the onset of the Benefit Payment Period:
 - (1) at the rate stated in the award or settlement; or
 - (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or
 - (3) at the maximum rate set by law (if no rate is stated and you did not receive a periodic award).

- c. salary continuance or sick leave program for Members whose annual contract salary is issued on a 12 month basis will be deemed to be paid in a monthly amount which is equal to 1/12 of your annual contract salary in effect prior to the date Disability begins.

Any lump sum payment for Other Income Sources due prior to the date of the award will be treated as an overpayment. See Right to Recover Overpayments section below.

Social Security Estimates

Until exact amounts are known, We may estimate the Social Security benefits for which you and your Dependents are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to disability benefits under the Federal Social Security Act, We will require that you:

- a. apply for disability benefits within 10 days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the 10-day period; and
- c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial or reconsideration if an appeal appears reasonable.

If you have reached Social Security Normal Retirement Age, We will:

- a. request that you apply for retirement benefits within 10 days after receipt of Written notice from Us; or
- b. if you prefer not to apply for retirement benefits, estimate the Social Security benefits for which you are eligible and include those estimates in your Other Income Sources.

Other Disability Coverage Estimates

Until exact amounts are known, We may estimate benefits from Workers' Compensation, any other occupational disease law or similar act, Canadian pension Plan, Quebec pension Plan, Railroad Retirement Act or other similar plan or act, Jones Act, or state compulsory/statutory benefit law for which you are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to benefits under the sources listed above, We will require that you:

- a. apply for benefits within 10 days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the 10-day period.

Payments for Less Than a Full Month

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full month will be the monthly benefit divided by 30.

Right to Recover Overpayments

If an overpayment of benefits occurs under the Group Policy, We will have the option to:

- a. reduce or withhold any future benefits We determine to be due, including the Minimum Monthly Benefit; or
- b. recover the overpayment directly from you; or
- c. take any other legal action.

Facility of Payment

Benefits under the Group Policy will be payable each month of a Benefit Payment Period, provided complete and proper proof of Disability has been received by Us.

We reserve the right to make a lump sum payment in lieu of continued monthly payments where liability has been established for a Benefit Payment Period.

Any unpaid balance that remains after a Benefit Payment Period ceases will be immediately payable.

We will normally pay benefits directly to you. However, in the special instances listed below, payment will be as indicated. All payments so made will discharge Us to the full extent of those payments.

- a. If payment amounts remain due upon your death, those amounts may, at Our option, be paid to your spouse, child, or parent.
- b. If We believe a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, We may, at Our discretion, pay whoever has assumed the care and support of the person.

If you have no eligible survivors, payment will be made to your estate, unless there is none. In this case, no benefit will be payable.

Examinations and Evaluations

We have the right to require you to undergo medical evaluations, including but not limited to, functional capacity evaluations, vocational evaluations, home visits, and/or psychiatric evaluations during the course of a claim or claim appeal. The examinations or evaluations will be performed by a Physician or evaluator We choose as appropriate for the condition and will be conducted at the time, place and frequency We reasonably requires. We will pay for these examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend and fully complete a medical examination or cooperate with the Physician may be cause for suspension or denial of your benefits. Failure to attend and fully complete an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of your benefits. If you fail to attend and fully complete an examination or an evaluation, any charges incurred for not attending an appointment as scheduled will be your responsibility and deducted from future benefits.

Legal Action

Legal action to recover benefits under the Group Policy may not be started earlier than 90 days after proof of Disability has been filed. Further, no legal action may be started later than three years after that proof is required to be filed.

Time Limits

Any time limits listed in this section will be adjusted as required by law.

DEFINITIONS

Several words and phrases used to describe your insurance are capitalized whenever they are used in this booklet. These words and phrases have special meanings as explained in this section.

Active Work; Actively at Work

You are considered Actively at Work if you are engaged in the active performance of all of your regular duties with the intent of continuing the active performance of all said duties on an ongoing basis. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off, or an approved FMLA leave of absence for the care of a qualified family member is considered Actively at Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

Affiliates

Companies who delegate their payroll administration to the Policyholder, which provides these companies with the opportunity to participate in the Policyholder's group benefit plans.

Annual Budgeted Salary

The current salary amount appearing opposite your name in the Policyholder's budget and/or on your official letter of intent. It is the salary amount for the academic year if payable during nine months or for the fiscal year if payable during 12 months. If you are paid on an hourly rate your Annual Budgeted Salary is determined by multiplying your budget hourly rate by your normal working hours in the fiscal year. Annual Budgeted Salary, for the purposes of this insurance, excludes:

- a. compensation for summer session, overtime, correspondence study, or other irregular service; and
- b. compensation in the form of non-cash items such as board, room, laundry, or premiums paid by the Policyholder for the benefit of any Member.

Benefit Payment Period

The period of time during which benefits are payable.

Current Earnings

Your Monthly Earnings for each month that you are Disabled. This includes all sources of income from the Policyholder that comprised earnings prior to Disability such as Personal Time Off (PTO), sick pay, vacation pay, and holiday pay. Earnings from Secondary Employment are not considered Current Earnings except as identified in Secondary Employment. While Disabled, your Monthly Earnings may result from working for the Policyholder or any other employer.

Dependent

Any person who qualifies for benefits as a dependent under the Federal Social Security Act as a result of your Disability or retirement, whether or not residing in your home.

Disability; Disabled

You will be considered Disabled if, solely and directly because of sickness, injury, or pregnancy:

During the Elimination Period and the Own Job Period, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of your Own Job.
- b. You are performing the duties of your Own Job on a Modified Basis or any occupation and are unable to earn more than 80% of your Indexed Predisability Earnings.

After completing the Elimination Period and the Own Job Period, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of any occupation for which you are or may reasonably become qualified based on education, training, or experience.
- b. You are performing the Substantial and Material Duties of your Own Job or any occupation on a Modified Basis and are unable to earn more than 63% of your Indexed Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.

Disability; Disabled (for Pilots)

You will be considered Disabled if, solely and directly because of sickness, injury, or pregnancy:

During the Elimination Period and the Benefit Payment Period, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of any occupation for which you are or may reasonably become qualified based on education, training, or experience.
- b. You are performing the Substantial and Material Duties of your Own Job or any occupation on a Modified Basis and are unable to earn more than 63% of your Indexed Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.

Elimination Period

The period of time you must be Disabled before benefits begin to accrue. An Elimination Period starts on the date you are Disabled and must be satisfied for each period of Disability. If you are in the process of satisfying the Elimination Period, you may recover from the Disability for a period of time and then again become Disabled from the same or a different cause. A recovery will not require you to start a new Elimination Period as long as the Elimination Period is satisfied by the required number of days of Disability during a period that is twice as long as the Elimination Period. The periods of Disability will be combined to satisfy the Elimination Period. You cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which We do not pay benefits.

Employee

A person who is employed by and receives a W-2 from the Policyholder or has a direct ownership interest in the Policyholder.

Generally Accepted

Treatment, service, or medication that:

- a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and

- b. is in general use in the medical community; and
- c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

Group Policy

The policy of group insurance issued to the Policyholder by Us which describes benefits and provisions for insured Members.

Hospital

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

Income Loss Percentage

Your Income Loss Percentage is equal to:

- a. your Indexed Predisability Earnings less any Current Earnings from your Own Job or any occupation; divided by
- b. your Indexed Predisability Earnings.

Indexed Predisability Earnings

Your Predisability Earnings adjusted for increases in the Consumer Price Index.

Insurance Month

Calendar month.

Maximum Monthly Benefit

\$10,000

Member

Any PERSON, residing in the United States, who is a U.S. citizen or is legally working in the United States, who is an Employee of the Policyholder and who is:

Prior to July 1, 2009, any faculty, administrative, professional and scientific, or supervisory merit system employee who is employed by the Policyholder and regularly scheduled to work for the Policyholder on a budgeted appointment of 1/3 time or more for at least nine months, or any employees of Policyholder Affiliates.

Effective July 1, 2009 and after:

- a. any faculty, administrative, professional and scientific, supervisory merit system or non-supervisory merit system employee who is employed by the Policyholder and regularly scheduled to work for the Policyholder on a budgeted appointment of 1/2 time, or any employees of Policyholder Affiliates; or

- b. a Staff Member of the Iowa Board of Regents Office whose appointment status is probationary, work test, permanent, project or provisional provided that such person is working at least half-time of the academic year, and has attained age 18.

For the Iowa Board of Regents Office: The word “Member” excludes students and staff members holding appointments of a temporary nature.

For all other Members: **Member** excludes students, graduate students, post doctoral associates, and members of the Armed Services assigned to the staff of the Policyholder.

A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.

Modified Basis

You will be considered working on a Modified Basis if you are working on either a part-time basis or performing some but not all of the Substantial and Material Duties of the occupation on a full-time basis.

Monthly Earnings

On any date 1/12 of your Annual Budgeted Salary.

Other Income Sources

- a. all disability payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- b. if you have reached Social Security Normal Retirement Age or older, all retirement payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- c. if you are less than Social Security Normal Retirement Age, all retirement payments for the month that you and your Dependents receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- d. all payments for the month that you receive from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and
- e. all payments for the month that you receive (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the Policyholder pays a part of the cost or makes payroll deductions for that coverage; and
- f. all payments for the month that you receive or are eligible to receive under another group disability insurance policy; and
- g. all payments for the month that you receive under any state disability plan; and

- h. all sick pay, salary continuance payments, personal time off, severance pay, for the month that you receive from the Policyholder; and
- i. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that you receive under a pension plan sponsored by the Policyholder. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a non-qualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and
- j. all payments for the month that you receive for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault law will not be counted; and
- k. all renewal commissions for the month that you receive from the Policyholder; and
- l. all payments for the month that you receive under state unemployment laws.

NOTE:

If any sick pay, salary continuance payments, personal time off, severance pay, or loss of time from work payments specified above are attributable to individual disability insurance policies, the payments will not be considered an Other Income Source.

Any retirement payments you receive under the Federal Social Security Act or a pension plan which you had been receiving in addition to your Monthly Earnings prior to a claim for Disability, will not be considered an Other Income Source.

Military or Veterans Administration disability or retirement payments will not be considered an Other Income Source.

After the initial deduction for each of the Other Income Sources, benefits will not be further reduced due to any cost of living increases payable under the above stated sources.

Withdrawal of pension plan benefits by you for the purpose of placing the benefits in a subsequent pension plan or a deferred compensation plan will not be considered an Other Income Source unless you withdraw pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement.

Any income you receive for services rendered prior to your date of Disability will not be considered Other Income Sources.

Own Job

The job you are routinely performing for the Policyholder when your Disability begins.

Own Job Period

The first two year(s) of the Benefit Payment Period.

Physician

- a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or

- b. any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Policy.

The term Physician does not include you, one of your employees, your business or professional partner or associate, any person who has a financial affiliation or business interest with you, anyone related to you by blood or marriage, or anyone living in your household.

Policyholder

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY and shall include any affiliate or subsidiary of the Policyholder participating under the Group Policy.

Predisability Earnings

Your Monthly Earnings in effect prior to the date Disability begins.

Primary Monthly Benefit

63% of your Predisability Earnings. The Primary Monthly Benefit will not exceed the Maximum Monthly Benefit of \$10,000.

Proof of Good Health

Written evidence that a person is insurable under Our underwriting standards. This proof must be provided in a form satisfactory to Us.

Regular and Appropriate Care

You will be considered to be receiving Regular and Appropriate Care if you:

- a. are evaluated in person by a Physician; and
- b. receive treatment appropriate for the condition causing the Disability; and
- c. undergo evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and
- d. undergo evaluations and treatment at a frequency intended to return you to full-time work; and
- e. pursue reasonable treatment options or recommendations to achieve maximum medical improvement.

We may require you to have your Physician provide Us with a Written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to Us.

We may waive in Writing to you, the Regular and Appropriate Care requirement if it is determined by Us that continued care would be of no benefit to you.

Secondary Employment

Employment you are engaged in with an employer, other than the Policyholder, prior to the date Disability begins. Earnings from Secondary Employment will be determined by using the average monthly earnings over the six calendar months just prior to the date of Disability. Any post disability increase above the average monthly earnings will be considered Current Earnings.

Signed or Signature

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by Us.

Social Security Normal Retirement Age (SSNRA)

Social Security Normal Retirement Age as defined by the Social Security Administration on the date Disabled.

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
After 1959	67

Staff Member (applicable to Iowa Board of Regents Office Members)

- a. Any employee who is working at least half-time.
- b. Any full-time employee whose employment with the Policyholder constitutes his principal occupation and who is regularly scheduled to work at such occupation.

Substantial and Material Duties

The essential tasks generally required by employers from those engaged in a particular occupation that cannot be modified or omitted.

We, Us, and Our

Principal Life Insurance Company, Des Moines, Iowa.

Written or Writing

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

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Principal Life Insurance Company
Des Moines, Iowa 50392-0002