

Mitchell School District 17-2

Group Long Term Disability Insurance

Superintendent, Administrators, Teachers



How much coverage is available?	Optional Employee-Paid Long-Term Disability You can purchase coverage now (cost is deducted from your paycheck) which will: <ul style="list-style-type: none"> • Pay 66 2/3% of your salary which includes: Base Pay, Extracurricular Activities, and Health Insurance Premiums up to \$165,000 • Maximum monthly benefit up to \$9,167 														
Who is eligible for this coverage?	You are eligible to enroll in this plan if you are an active Superintendent, Administrator, or Teacher working at least 20 hours per week.														
Are there any medical questions or tests needed to qualify for the plan?	If you enroll late (after 31 days from your hire date, or eligibility date), or if less than 70% of eligible employees have enrolled, you will need to complete the medical questionnaire. Please note that coverage may be denied based upon your answers to the medical questions.														
What is an "Elimination Period"?	An Elimination Period is the time between when your disability begins and the time you are eligible to receive benefits. No benefits are paid during the Elimination Period. Your Elimination Period is 90 days.														
When will benefits end?	The duration of benefits depends upon your age at disablement: <table border="1"> <thead> <tr> <th>Age at Disablement</th><th>Benefit Duration</th></tr> </thead> <tbody> <tr> <td>Before Age 60</td><td>The day before attaining the Social Security Normal Retirement Age as stated in the 1983 Revision or any later revision of the United States Social Security Act</td></tr> <tr> <td>60-64</td><td>To the later of the above or 36 months</td></tr> <tr> <td>65-67</td><td>24 months</td></tr> <tr> <td>68-69</td><td>18 months</td></tr> <tr> <td>70-71</td><td>15 months</td></tr> <tr> <td>72 and Over</td><td>12 months</td></tr> </tbody> </table> <p>Lifetime Accident Provision: For Disabilities due to Injury, coverage may be extended for your lifetime, if Injury is sustained prior to attaining age 55 and the Injury causes the Insured to become Disabled within 60 days from the date of such Injury.</p>	Age at Disablement	Benefit Duration	Before Age 60	The day before attaining the Social Security Normal Retirement Age as stated in the 1983 Revision or any later revision of the United States Social Security Act	60-64	To the later of the above or 36 months	65-67	24 months	68-69	18 months	70-71	15 months	72 and Over	12 months
Age at Disablement	Benefit Duration														
Before Age 60	The day before attaining the Social Security Normal Retirement Age as stated in the 1983 Revision or any later revision of the United States Social Security Act														
60-64	To the later of the above or 36 months														
65-67	24 months														
68-69	18 months														
70-71	15 months														
72 and Over	12 months														
What if I earn income while I'm disabled such as Social Security income?	As with most Disability Insurance plans, benefits are reduced by other income you may receive during a disability, including employer-sponsored sick leave pay, Social Security or a State Retirement Disability benefit plan. Please refer to your insurance certificate, for more information.														

Definition of Disability	<p>Disability or Disabled means that during the Elimination Period and for 60 months, once benefits are paid, you are as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse or Pregnancy, unable to perform one or more of the Material Duties of your Own Occupation.</p> <p>After 60 months, Disability and Disabled mean you are, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse or Pregnancy, unable perform one or more of the Material Duties of Any Occupation.</p> <p><i>For complete definition, please refer to certificate of coverage.</i></p>
Are there any exclusions or limitations?	<p>Exclusions:</p> <ul style="list-style-type: none"> • War. You are not covered for a Disability caused or contributed to by War or any act of War. War means a state or period of declared or undeclared war whether civil or international, any substantial armed conflict with organized forces of a military nature between nations, states or parties, or acts of terrorism. • Criminal Conduct. You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault, battery, or any other crime. You are not covered for a Disability caused as a result of your engaging in an illegal activity, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties. • Military Leave. You are not covered for a Disability that occurs during any military leave for active duty, including training duty, the National Guard and Coast Guard, or any active or reserve component of the military forces of any state or country. • Imprisonment. No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest. • Intentionally Self-Inflicted Injury-Suicide. You are not covered for a Disability caused or contributed to by an intentionally self-inflicted injury or attempted suicide, while sane or insane. • Failure to be Under the Regular Care of a Physician. <ul style="list-style-type: none"> • You are not covered for a Disability when you are not under the Regular Care of a Physician in the appropriate specialty as determined by us, providing appropriate treatment in accordance with the Physical Disease, Injury, Pregnancy, Substance Abuse or Mental Disorder that caused the Disability. • You are not covered for a Disability that has not been diagnosed by your attending Physician. Subjective complaints alone will not be considered conclusive evidence of a Disability. The attending Physician must be able to provide objective medical evidence to support his or her opinion as to why you are not able to perform the Material Duties of your occupation. <p>Limitations:</p> <ul style="list-style-type: none"> • Mental Disorders and Substance Abuse. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 24 months during your lifetime. • If your Disability is cause by Substance Abuse, you must be participating in an available rehabilitative program recommended by a Physician. • Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada. • Payment Limit. In no event will the LTD Benefit plus Deductible Income, plus Work Earnings, exceed 100% of Pre-disability Earnings. In the event your LTD Benefit plus Deductible Income, plus Work Earnings exceeds 100% of Pre-disability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Pre-disability Earnings.

Who do I contact with questions?	Questions may be directed to Megan McKown , Account Representative or Tammie Matti , Client Relations by calling the number for National Insurance Services below or via email at mmcko@nisbenefits.com or tmatti@nisbenefits.com .
---	--

Administered by:

NATIONAL  INSURANCE
SERVICES
Corporate Headquarters
 250 South Executive Drive, Suite 300
 Brookfield, WI 53005
Offices Nationwide
 800.627.3660

Underwritten by:

 **Madison National**
Life Insurance Company
 A Member of The IHC Group

PO Box 5008, Madison, WI 53705

This is a brief description of disability insurance. For complete details including all benefits, exclusions and limitations, refer to Certificate form number GLDI-C200-(12/06)-NT as issued to your employer.

Madison National Life Insurance Company, Inc. is a Wisconsin Insurance company and a Member of the IHC Group. The IHC Group is an insurance organization composed of Independence Holding Company (NYSE: IHC) and its operating subsidiaries. The IHC Group has been providing life, health and stop loss insurance solutions for over 30 years. For information on the IHC Group, see www.ihcgroup.com.

CERTIFICATE OF INSURANCE

GROUP LONG TERM DISABILITY INSURANCE

MITCHELL SCHOOL DISTRICT 17-2
MITCHELL, SOUTH DAKOTA

SUPERINTENDENT, ADMINISTRATORS AND TEACHERS

Administered by:
NATIONAL  INSURANCE
SERVICES
of Wisconsin, Inc.

Madison National Life Insurance Company

Madison National Life Insurance Company certifies that it has issued the Group Policy listed below to the Policyholder. All benefits are controlled by the terms and conditions of the Group Policy.

The Group Policy is on file in the Policyholder's office. You may look at the Group Policy there.

Group Policy Number
LTD-7

Policyholder
Mitchell School District 17-2

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

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

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

President

TABLE OF CONTENTS

<u>Provisions</u>	<u>Page(s)</u>
Schedule of Benefits	SB
Certification Page	CP
Definitions	2-3
Eligibility and Effective Dates	3-4
Basic Benefits	4-5
Exclusions and Limitations	5
Individual Termination	6
General Policy Provisions	6-8
Continuity of Coverage Upon Transfer of Insurance Carriers	A
Recurrent Disability	A
Rehabilitation	A
Other Income Benefits	B(1), B(2), B(3) or B(4)
Mental Illness Coverage and Limitations	G(1), G(2), G(3), G(4) or G(5), G(6)
Calculation of Periodic Benefits	U(1) or U(2)
All Sources Maximum/Sum Sources Calculation *	C(1) or C(2)
Cumulative Elimination Period *	D, D(1)
Cost of Living Adjustment *	E(1) or E(2)
Pre-Existing Condition Exclusion *	F
Partial Disability *	H
Subjective Conditions Limitation *	I
Presumptive Disability *	J
Residual Disability *	K
Short Term Disability Benefit *	L
Survivor Benefit *	M
Daily Indemnity Benefit for Injuries *	N
Specific Loss Benefit *	P
Social Security Qualified Option *	Q
Step Up to 85% Insurance *	R
Lifestyle LTD *	R(1)
Medical Premium Expense Benefit *	S
Supplemental Long Term Disability Insurance	T(1) or T(2)

TABLE OF CONTENTS (Continued)

<u>Provisions</u>	<u>Page(s)</u>
Disability Plus *	V
Spouse Rehabilitation Benefit *	W
Conversion Right *	X
Non Disabling Injury *	Y

* These are optional provisions which may or may not be part of your group plan. You will not have Certificate pages for those which are not part of your group plan.

SCHEDULE OF BENEFITS
FOR
SUPERINTENDENT, ADMINISTRATORS AND TEACHERS
MITCHELL SCHOOL DISTRICT 17-2
MITCHELL, SOUTH DAKOTA

Carrier Number: 4600

Group Effective Date: September 1, 2004
Benefits Revised Date: August 1, 2016

Benefit Percentage	Maximum Benefit Period		Elimination Period
66-2/3% of Basic earnings Some Sources Maximum Applies	<u>Age At Disablement</u> Before Age 60	<u>Duration of Benefits</u> The day before attaining the Social Security Normal retirement Age as stated in the 1983 Revision or any later revision of the United States Social Security Act	90 Consecutive Calendar Days
	Age 60 through Age 64	To the later of the above or 36 Months	
	Age 65 through Age 67	24 months	
	Age 68 through Age 69	18 months	
	Age 70 through Age 71	15 months	
	Age 72 and Over	12 months	

Maximum Annual Covered Salary: \$165,000
Maximum Monthly Benefit: \$9,167
Minimum Monthly Benefit: See Special Provisions

SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

Conversion:

If coverage under this Policy ends and you have been Insured under the Policy for at least one year; then, without evidence of insurability, the benefits offered for conversion at that time will be available based upon the rates in effect for the conversion provision at that time. You must apply for the conversion provision within 31 days following the termination of your benefits under this Policy.

Minimum Hour Requirement For Active Service:

20 hours per week

Definition of Total Disability:

Under 'SECTION I – DEFINITIONS' of the Certificate of Insurance, item '2.' of the definition of "Total Disability" and "totally disabled" is hereby deleted in its entirety and replaced with:

'2. after benefits have been paid for 60 months, you cannot perform each of the substantial and material duties of any gainful occupation for which you are reasonably fitted by training, education or experience; and'

Eligibility Date: Under 'SECTION II – ELIGIBILITY AND EFFECTIVE DATES', under subsection 'B. ELIGIBILITY DATE', item '2.' is hereby deleted in its entirety and replaced with:

'2. the first of the month after you complete the Probationary Period'.

Probationary Period:

None

Cumulative Elimination Period:

If you have been Totally Disabled during the Elimination Period, then return to Active Work and again become Totally Disabled from the same or a related cause while the Policy is in force, the Elimination Period will be affected as follows:

- If your return to Active Work is for a total of 15 consecutive days or less, the Company will count the Elimination Period from the first day of the original period of Total Disability. The Elimination Period will be increased by the number of days of return to Active Work.
- If your return to Active Work is for a total of 16 or more calendar days, the Elimination Period will start over and apply to the new period of Total Disability.

Any part of a calendar day on which there has been a return to Active Work shall count as a whole day. Fractions of days shall not be added together for credit under this provision.

Minimum Monthly Benefit:

Greater of \$100 or 10% of Gross Monthly Benefit. (Applies only to Eligible Employees working at least 30 hours per week) Your Gross Monthly Benefit is the Monthly Benefit before Other Income Benefits are deducted. Not payable to Eligible Employees who are paid on less than a 12-month basis during the summer recess in which the Eligible Employee became disabled or that immediately follows the school year in which the loss occurred.

PAGE TWO - SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

Basic Earnings:

Under 'SECTION I – DEFINITIONS' of the Certificate of Insurance, the 'Basic earnings' definition applies, however, is hereby amended to include 'basic earnings will include base earnings plus earnings for extracurricular activities, and district paid premiums for health insurance agreed to as part of your employment contract.'

Monthly Benefit:

Under 'SECTION III – BENEFITS' of the Certificate of Insurance, subsection 'B. MONTHLY BENEFIT' is deleted in its entirety and replaced with the following:

To figure the amount of Monthly Benefit, follow these steps:

1. Multiply your monthly Basic earnings by the Benefit Percentage shown on the Schedule of Benefits.
2. Take the lesser of:
 - a. the amount determined in step (1) above; or
 - b. the Maximum Monthly Benefit shown on the Schedule of Benefits.
3. Deduct items '(1)' through '(5)' under insert page 'B(2)', and the following, from the amount determined in step (2):

any salary, wages, partnership or proprietorship draw, commissions, or similar pay that you receive, or are entitled to receive, from any gainful employment in which you actually engage. However, such amounts will not be considered for the 12 consecutive months beginning with the day you become entitled to such amounts, as long as the sum of:

 - a. the income described above,
 - b. the amount determined in step (2) above, and
 - c. benefits from any other source described in Other Sources,

is not more than 100% of your Basic earnings. Any amount over 100% will be subtracted from the amount determined in step (2) above when determining the benefit under this plan. After this 12 month period, the Company will consider 70% of the amount determined after reducing any salary, wages, partnership or proprietorship draw, commissions or similar pay that you receive, or are entitled to receive, from any gainful employment in which you actually engage, by any Family Care Expense.

"Family Care Expense" means the expense incurred for the care of one or more dependent family members to allow you to be gainfully employed. The family member must be under age 13, or be physically or mentally incapable of caring for him or herself, and be chiefly dependent upon you for support and maintenance. To qualify the care must be provided by someone other than a relative of you. The allowable Family Care Expense will not exceed \$350 per eligible family member per month. A pro-rated amount will apply to any period shorter than a month.
4. However, if the amount determined in step (2) above plus the amount of benefits and payments from Other Sources is more than 70% of your monthly Basic earnings, the Monthly Benefit will be further reduced by the excess.

The Monthly Benefit payable will never be less than the Minimum Monthly Benefit shown in the Schedule of Benefits.

"Other Sources" include:

1. Item '(7)' listed in insert page 'B(2)';
2. Any amount you or your dependents receives, or are eligible to receive, because of your disability, under a group, franchise, association or wholesale policy (this does not include credit or mortgage disability insurance).

PAGE THREE - SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

Coordination With Other Income Benefits:

The Company will NOT count as Other Income Benefits any automatic or other general cost of living increases in the amounts of benefits payable by any of the sources described in benefit 'B(2)' of this Certificate.

Rehabilitation:

Benefit 'A' shall apply. However, the paragraph entitled 'Rehabilitation' is hereby deleted in its entirety and replaced with the following:

'Rehabilitation for the Insured

You may be eligible to receive vocational rehabilitation services. In order to be eligible for such services, you must have the functional capability to successfully complete a rehabilitation plan.

Vocational rehabilitation services will include the preparation of a rehabilitation plan for you with your and your doctor's input. The Company, you, and your doctor, or your Employer can begin the process of developing a rehabilitation plan. Vocational rehabilitation services may include, at the sole discretion of the Company, payment of your medical expense, education expense, moving expense, accommodation expense or family care expense.

While you are participating with full cooperation in a rehabilitation plan, the Monthly Benefit will be increased by 5% of your monthly pay or \$1,000, whichever is less. During this period, the Monthly Benefit may exceed the Maximum Monthly Benefit as stated in the Schedule of Benefits.

If you return to work as part of a rehabilitation plan while you are disabled, the Company will pay the Employer:

- * 50% of your salary, wages, partnership or proprietorship draw, commissions, or similar pay; or
- * the Monthly Benefit, if less,

for the first month after you return to work, or the remaining period of disability, if less.

If the disability ends while you are participating with full cooperation in a rehabilitation plan, and you are not able to find gainful work, the Company will:

- * pay you the amount of benefit, other than rehabilitation benefits, that would have been payable if you had remained disabled until:
 - three months after the disability ends, or
 - the date you are able to find gainful work, if earlier; and
- * provide or pay for reasonable job placement services for a period of up to three months after the disability ends.

Failure to participate with full cooperation in the rehabilitation plan, without good cause, will result in the reduction or the termination of your long term disability insurance benefits. If benefits terminate, your long term disability coverage under the Policy will end.

Reduction of benefits will be based on your projected income if you had met the goals of the rehabilitation plan. Benefits will be figured as though you were:

- * Actually working in the occupation contemplated in the rehabilitation plan; and
- * Earning the projected income amount.

PAGE FOUR - SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

If such work at the projected income amount would have resulted in the termination of your long term disability insurance benefits, your benefits will terminate as of the expected completion of the rehabilitation plan.

"Good Cause" means a medical reason preventing implementation of the rehabilitation plan.

The Company will make the final determination of any vocational rehabilitation services provided, of the Insured's eligibility for participation, and of any continued benefit payments.

Rehabilitation for Your Spouse

You and your spouse may ask to participate in a rehabilitation plan for your spouse while you are disabled if:

- * you are receiving disability benefits from a social security plan, and
- * your spouse's earnings in the six calendar months prior to your disability averaged less than 60% of your monthly pay.

The Company has the sole discretion to approve or deny the request. The terms and conditions of the rehabilitation plan must be mutually agreed to by you, your spouse and the Company.

The rehabilitation plan for your spouse may include, at our discretion payment of your Spouse's education expense, reasonable job placement expenses, and the family's moving expense, if any. It may also include the family care expense incurred by your Spouse, necessary in order for your Spouse to be retrained under the Rehabilitation Plan.

The Monthly Benefit payable will be reduced by 50% of any salary, wages, partnership or proprietorship draw, commissions, or similar pay from and work your spouse does as a result of participating in your Spouse's rehabilitation plan. If your spouse is working when the rehabilitation plan begins, the Company will only reduce the benefit by 50% of the increase in income that results from participation in this rehabilitation plan.'

Survivor Benefit:

Benefit 'M', entitled 'Survivor Benefit' shall apply. However, the fourth and fifth paragraphs are deleted in their entirety and replaced with:

'The Company will pay a benefit to your Eligible Survivor when proof is received that you died while receiving a Monthly Benefit.

The benefit will be an amount equal to three times your last monthly benefit.'

Residual Disability (Zero Day Residual Disability):

If you are working, and are not disabled under the definition of Total Disability, you will be considered "Totally Disabled" during any month when you are not able, because of Injury, Sickness or pregnancy, to earn more than 80% of your Basic earnings in that month in any occupation for which your education, training or experience qualifies you. In determining how much you are earning the following will be considered: wages, salary, commissions and similar pay from any gainful work (including partnership profits, where applicable), whether the compensation is paid in regular installments or in a lump sum, and any other income you receive or are eligible to receive. Sick pay and salary continuance for periods not at work will not be included. Any lump sum payment will be pro-rated over the period of time for which the payment accrued.

PAGE FIVE - SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND
TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

The Basic earnings figure as used in accordance with the preceding paragraph, in order to determine if you are "Totally Disabled", will be increased by 7.5% on each anniversary of the date Total Disability began. This increase will not affect the amount of benefit we pay.

If any pro-rated payment plus other earnings received during any month is more than 80% of Basic earnings (including the 7.5% increase), you will not be considered Totally Disabled for that month.

Full Maternity Coverage:

Pregnancy, childbirth and related medical conditions shall be regarded as a Sickness and shall be subject to all the provisions of the Policy relating to Sickness. However, your inability to engage in your own or any occupation shall not be due to lack of presentability or childrearing.

Mental Illness Limitation:

Payment of Monthly Benefits is limited to a total of 24 months during your entire lifetime for Total Disability caused or contributed to by a mental or emotional illness.

If you are confined as an in-patient to a Hospital for such condition, this 24 month limitation will not apply while you remain continuously confined and for up to 60 days following the end of your confinement. If you are confined again during the 60 day period for at least 10 consecutive days, benefits will be payable for the length of the second confinement and for up to 60 days following the end of the second confinement.

"Mental or emotional illness" means any neurosis, psychoneurosis, psychopathy, psychosis and all other mental or emotional illness of any type including, but not limited to, substance abuse or addiction and the use of any hallucinogen. "Substance abuse" includes alcoholism and the taking of a prescription or controlled drug in a manner not prescribed or recommended by a physician.

Cost of Living Adjustment:

On each anniversary of the day after the Elimination Period ends, any benefit payable will be multiplied by Cost of Living Adjustment Factor of 1.00 plus the lesser of:

- 3%; or
- the most recent cost of living increase in the level of United States Social Security disability payments, expressed as a decimal, occurring on or before the Cost of Living Adjustment Determination Date (including an increase of zero, if applicable).

The **Cost of Living Adjustment Determination Date** means the anniversary of the first day after the Elimination Period ends and the anniversaries of that date.

On each anniversary of the Cost of Living Adjustment Determination Date, an annual Cost of Living Adjustment factor will be calculated as above. Each new annual Cost of Living Adjustment Factor will be multiplied by all previous annual Cost of Living Adjustment Factors for this claim. The result will be carried out to four decimal places and rounded to the nearest ten-thousandth. The maximum number of adjustments for one period of continuous disability will be ten.

This Cost of Living Adjustment will not apply to the Minimum Monthly Benefit, the Rehabilitation provision or Conversion.

PAGE SIX - SPECIAL PROVISIONS FOR THE SUPERINTENDENT, ADMINISTRATORS AND
TEACHERS OF MITCHELL SCHOOL DISTRICT 17-2:

Pre-Existing Condition Exclusion on an Increased Maximum Monthly Benefit:

This policy will not cover any amount of Monthly Benefit which exceeds the former Maximum Monthly Benefit that was in-force immediately before the effective date of this amendment that is payable due to a Total Disability that:

1. Is caused by, contributed to by, or resulting from a Pre-Existing Condition; and
2. Begins in the first 12 months after the effective date of this amendment.

Pre-Existing Condition means a sickness or injury for which the Insured had received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines in the three months prior to the effective date of this amendment.

If the Insured is:

1. Totally Disabled due to a Pre-Existing Condition on the day that is 12 months after the effective date of this amendment; and
2. After that day, returns to active service for at least five days in a row; and
3. Again becomes Disabled due to the same Pre-Existing Condition; then
4. This Pre-Existing Condition exclusion on the increased Maximum Monthly Benefit shall not apply to the new period of Total Disability.'

TC/AB2/M/U2

SECTION I -- DEFINITIONS

"Active service" means you must work:

1. For the employer on a permanent full-time basis and be paid regular earnings.
2. At least 600 hours per year unless otherwise specified in the Schedule of Benefits; and either -
 - At the employer's usual place of business, or
 - At a location to which the employer's business requires you to travel.

If you are not disabled, and were active on the last preceding working day, active service includes:

- Each day of a regular paid vacation.
- A regular non-working day.

"Basic earnings" means your base wage or earnings received from the employer immediately prior to the date total disability starts. Basic earnings are based on your normal work week, to a maximum of 40 hours. Basic earnings do not include bonus, overtime, or any plan of deferred or extra income. Basic earnings may include earnings for extracurricular activities agreed to as part of your employment contract, if this is stated in the Schedule of Benefits.

"Company" means Madison National Life Insurance Company.

"Contract day employee" means an employee who agrees to work on, and is paid on the basis of, a specified number of contract working days per school year. The employing district's school calendar or the employee's contract will state the number of such days. Contract working days include school attendance days, in-service days, and certain paid legal holidays.

"Eligibility date" means the date you become eligible for insurance under this policy. Classes eligible are shown in the Schedule of Benefits.

"Elimination period" means a period of consecutive dates of total disability for which no benefit is payable. The Schedule of Benefits shows the elimination period. This period begins on the first day of total disability.

"Employee" is defined in the Schedule of Benefits.

"Employer" means any employer who does the following:
Executes a Joinder Agreement with the Company.

"Injury" means bodily injury resulting directly from an accident and independently of all other causes. The injury must occur and total disability must begin while you are insured under this policy.

"Insured" means an employee insured under this policy.

"Joinder Agreement" means an agreement made between an employer and the Company.

"Monthly benefit" means the amount the Company pays to you if and when you are a disabled insured.

"Non-contract day employee" means an employee who is not a contract day employee. A non-contract day employee includes an employee who is paid on an hourly, weekly, monthly, annual, or other periodic basis. He or she is not paid on the basis of contract working days set forth in the employer's district school calendar or the employee's contract.

"Physician" means a person who is operating within the scope of his or her license, and is one of the

following:

- Licensed to practice medicine and prescribe and administer drugs or to perform surgery.
- Legally qualified as a medical practitioner and required to be recognized under this policy for insurance purposes. This is determined according to the insurance statutes or the insurance regulations of the governing jurisdiction.

It will not include you or your spouse, daughter, son, father, mother, sister or brother.

"Policy" means the Group Long Term Disability Insurance Policy under which your Certificate is issued.

"Policyholder" means the policyholder named in this Certificate.

"Probationary period," as shown in the Schedule of Benefits, means the continuous length of time you must serve in an eligible class to reach your eligibility date.

"Retirement date" means the earlier of these dates:

- The first date you apply for and receive retirement benefits under any pension plan to which the employer contributes.
- The first date you apply for and receive retirement benefits under any state or federal government retirement plan or social security law. This does not include benefits payable solely for disability or solely because of employment or service with a state or federal government unit.

You must apply for any retirement benefits for which you are eligible no later than your 65th birthday. If you have not applied at that time, your benefits will be reduced by the estimated amount of benefits for which you are eligible.

"Sickness" means illness or disease that causes total disability. The total disability must begin while you are insured under this policy.

"Total disability" and "totally disabled" (unless otherwise specified) mean that because of injury or sickness:

1. You cannot perform each of the substantial and material duties of your regular occupation.
2. After benefits have been paid for 24 months, you cannot perform each of the substantial and material duties of any gainful occupation for which you are reasonably fitted by training, education or experience.
3. You are under the regular care and attendance of a physician. "Regular care and attendance" means observation and treatment by a physician. Such care and attendance are as required by current standards of medicine for the injury or sickness causing total disability.

"You" and "your" mean the person named in this Certificate.

SECTION II -- ELIGIBILITY AND EFFECTIVE DATES

A. ELIGIBLE CLASSES

The Schedule of Benefits shows the classes eligible for insurance.

B. ELIGIBILITY DATE

If you are in an eligible class, you will be eligible for insurance on the later of the following dates:

- The Group Effective Date shown in the Schedule of Benefits.
- The day after you complete the probationary period.

C. EFFECTIVE DATE OF INSURANCE

Insurance will be effective at 12:01 a.m. on the day determined as follows, but only if your written application for insurance is both of the following:

1. Made with the Company through your employer.
2. On a form satisfactory to the Company.

You will be insured on your eligibility date if you are not required to contribute to the cost of your coverage under this policy.

If you are required to contribute to the cost of your coverage under this policy, you will be insured on the latest of these dates:

- Your eligibility date, if you have made written application for insurance on or before this date.
- The date you make written application for insurance, if you do it on or before the 31st day after your eligibility date.
- The date the Company gives its approval, if one of the following is true -
 - You make written application for insurance more than 31 days after your eligibility date.
 - You terminated your insurance while continuing to be eligible.

In either case, you must submit an application and evidence of insurability to the company for approval. This will be at your expense.

If you are not in active service because of a disability, the effective date of any initial, increased or additional insurance will be delayed for you. The initial, increased or additional insurance will start on the date you return to active service.

SECTION III -- BENEFITS

A. TOTAL DISABILITY

When the Company receives proof that you are totally disabled due to sickness or injury, the Company will pay you a monthly benefit. This payment begins after the end of the elimination period. The benefit will be paid for the period of total disability if you give the Company proof of continued total disability.

The proof must be given upon request and at your expense.

The monthly benefit will not exceed your amount of insurance. It will also not be paid for longer than the maximum benefit period.

The Schedule of Benefits shows the amount of insurance and the maximum benefit period.

B. MONTHLY BENEFIT

To figure the amount of monthly benefit, follow these steps:

1. Multiply your basic earnings by the benefit percentage shown in the Schedule of Benefits.
2. Take the lesser of the amount -
 - determined in the first step above, or
 - the maximum monthly benefit shown in the Schedule of Benefits.
3. Deduct other income benefits from this amount. Other income benefits are shown in the "Other Income Benefits" provision of this Certificate.

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

C. PRESUMPTION OF CERTAIN COVERAGES

It is presumed that all of the following are true:

1. You are covered under the Federal Social Security Act, and a state teachers retirement fund or a state retirement fund.
2. You agree to apply for those benefits and/or any income benefit to which you may be entitled.
3. You are getting periodic cash payments under such programs in an amount equal to the amount you or your dependents would receive were they receiving such payments.

If for any reason you are not eligible for Social Security, state teachers, or state retirement benefits, you must give notice with evidence of this at the time you file a claim.

D. LUMP SUM PAYMENTS

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

E. TERMINATION OF THE MONTHLY BENEFIT

The monthly benefit will cease on the earliest of these dates:

- The date you cease to be totally disabled.
- The date you die.
- The end of the maximum benefit period.

F. WAIVER OF PREMIUM

Premium payments for you will be waived during any period for which benefits are payable.

Premium payments may be resumed following a period during which they are waived.

SECTION IV -- EXCLUSIONS AND LIMITATIONS

A. GENERAL EXCLUSIONS

This policy does not cover any total disability directly or indirectly caused by any of the following:

- War, declared or undeclared, or any act of war.
- Any act of international armed conflict or conflict involving the armed forces of any country.
- Injury suffered while you are in the armed forces of any country or government.
- Suicide or attempted suicide while sane or insane.
- Intentionally self-inflicted injuries, while sane or insane.
- Injury that occurs when you commit or attempt to commit a felony.
- Participation in a riot.
- Engaging in an illegal occupation.

B. PRE-EXISTING CONDITION EXCLUSION

Page F of your Certificate contains a pre-existing condition exclusion, if any.

C. MENTAL ILLNESS COVERAGE AND LIMITATIONS

Your Certificate will contain one of the following pages regarding mental illness coverage and limitations: G(1); G(2); G(3); G(4); G(5) or G(6). Please read this page carefully.

SECTION V -- INDIVIDUAL TERMINATION

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

1. The date this policy terminates.
2. The date the employer's Joinder Agreement terminates.
3. The date you are no longer in an eligible class.
4. The date your class is no longer included for insurance.
5. The last day for which you made any required contribution.
6. The date your employment terminates. Cessation of your active employment is considered termination of employment, except in any of the following circumstances:
 - The insurance will be continued for you if you are absent due to total disability during both of these times –
 - The elimination period.
 - The period during which premium is being waived.
 - For paid sabbatical leaves, if you are a professional employee, subject to the following -
 - Premium and benefit payments are based upon your last active salary.
 - 100% of the employees on paid sabbatical leave must be covered.
 - This coverage is limited to a period of not more than one year.
 - For unpaid sabbatical leaves, if you are a professional employee, subject to the following -
 - Coverage exists, but no benefits will be paid during the year of unpaid leave.
 - Unpaid leave is limited to one year; and either a signed contract or some written agreement that you would be returning to work the following year must exist.
 - The elimination period begins with the beginning of the school year when you would have returned to work.
 - Premium and benefit payments are based upon your last active salary.
 - 100% of the employees on unpaid sabbatical leave must participate in this coverage.
 - If you are a contract day employee, your active service will continue until the first required working day of the next contract year. You must not have terminated your employment prior to the end of the required working days as stated in your contract.
7. Your retirement date.

SECTION VI -- GENERAL POLICY PROVISIONS

A. STATEMENTS

In the absence of fraud, all statements made in any application are considered representations and not warranties (absolute guarantees).

No representation by the policyholder in applying for this policy will make it void unless the representation is contained in the application.

No representation made by you in applying for insurance under this policy will be used to reduce or deny a claim unless a copy of the signed application for insurance has been given to you.

After the policy has been in force for two years, no statement of the policyholder, except a fraudulent misstatement, will be used to void the policy. After your insurance has been in effect for two years, no statement of yours, except a fraudulent misstatement, will be used in defense to a claim for benefits.

B. COMPLETE CONTRACT - POLICY CHANGES

The policy is the complete contract. It includes both of the following:

1. The application of the policyholder.

2. Each employee's application for insurance.

The policy may be changed in whole or in part. Only an officer of the Company can approve a change. The approval must be in writing and endorsed on or attached to the policy. No other person, including an agent, may change the policy or waive any part of it. Any rider, endorsement or application which modifies, limits, or excludes coverage under this policy must be signed by you to be valid.

C. GRACE PERIOD

If the policyholder does not pay in full any renewal premium on or before its due date, the policyholder will have a grace period in which to pay that renewal premium. The policy will remain in force during the grace period. If the premium is not paid in full before the grace period ends, the policy will end on the last day of the grace period.

The grace period will end 31 days after the premium due date. The policyholder may give written notice to the Company at its Home Office, before or during the grace period, that it desires to end the policy before the end of the grace period. If this happens, the policy will end on the later of the following dates:

- The date the notice is received by the Company at its Home Office.
- The date stated in the notice.

D. CLERICAL ERROR

- Clerical error or omission will not do any of the following:
- Deprive you of insurance.
- Affect your amount of insurance.
- Effect or continue your insurance that otherwise would not be in force.

E. MISSTATEMENT OF FACTS

If relevant facts about you were not accurate, both of the following will occur:

1. A fair adjustment of premium will be made.
2. The true facts will decide if and in what amount insurance is valid under the policy.

F. NOTICE OF CLAIM

Written notice of claim must be given to the Company within 60 days of the date total disability starts, if that is possible. If that is not possible, the Company must be notified as soon as reasonably possible.

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

G. PROOF OF LOSS

Proof of loss must be given to the Company. This must be done no later than 90 days after the end of the period for which the Company is liable.

If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. However, proof of loss may not be given later than one year after the time proof is otherwise required, except in the absence of legal capacity.

7

H. PHYSICAL EXAMINATION AND AUTOPSY

The Company will have the right and opportunity to have you examined by a physician or vocational expert of its choice, if your injury or sickness is the basis of a claim. This exam will be at the Company's expense. This right may be used as often as reasonably required. The Company may also have an autopsy made when it is not forbidden by law.

I. LEGAL ACTIONS

You or your authorized representative cannot start any legal action in either of these circumstances:

- Within 60 days after proof of loss has been given.
- More than three years after the time proof of loss is required.

J. SUBROGATION AND REIMBURSEMENT

If the Company pays Disability Income benefits for sickness or injury caused by the act or omission of another, the Company will have the right of subrogation against any person, any insurer, you or any insurer of you, should you receive, or have a right to receive, any damages or payments. The Company's subrogation rights under this provision will be valid only if you are fully compensated for your loss.

You must reimburse the Company for the benefits the Company paid if you recover damages for lost income by settlement, court order, judgment, or otherwise. The Company has the right to take any legal action necessary to protect its rights of subrogation and reimbursement.

K. TIME OF PAYMENT OF CLAIMS

When the Company receives proof of loss, the Company will pay monthly benefits. This payment will be for any period during which the Company is liable.

L. PAYMENT OF CLAIMS

Benefits will be paid to you. The survivor benefit will be paid to the survivor, if any, as described in the provision "Survivor Benefit." If there is no survivor, the benefits are payable in accordance with your current beneficiary designation. If none is then in effect, the benefits will be paid to your estate. Any other benefits unpaid at death may be paid, at the Company's option, either to your beneficiary or estate.

If benefits are payable to your estate or to a beneficiary who cannot execute a valid release, the Company can pay benefits up to \$1,000.00 to another party. This other party must be related to you or your beneficiary by blood or marriage. The Company must consider this party to be entitled to the benefits. The Company will be discharged to the extent of any such payment made in good faith.

M. WORKER'S COMPENSATION

This policy is not a replacement for, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

N. AGENCY

For all purposes of the policy, the policyholder acts on its own behalf or as agent of the employee. Under no circumstances is the Policyholder considered the agent of the Company without a written authorization.

O. EMPLOYER'S GROUP NUMBER

Each employer will have its own group number. This number is shown on the Schedule of Benefits.

CONTINUITY OF COVERAGE UPON TRANSFER OF INSURANCE CARRIERS

In order to prevent loss of coverage for an employee because of a transfer of insurance carriers, this policy will provide coverage for certain employees as outlined below.

Failure to be in Active Service Due to Injury or Sickness

This policy will cover those employees, subject to premium payments, who meet both of the following

conditions:

1. Those insured with the prior carrier at the time of transfer.
2. Those not in active service due to injury or sickness.

The Company will pay the benefit that would have been paid by the prior carrier had coverage remained in force, less any benefit for which the prior carrier is liable.

Disability Due to a Pre-existing Condition

Benefits may be payable for a total disability due to a pre-existing condition for employees who meet both of the following conditions:

1. Those insured by the prior carrier at the time of transfer.
2. Those in active service and insured under this policy on its effective date.

The benefit will be determined according to the Schedule of Benefits if the employee satisfies the pre-existing condition exclusion under one of the following:

- This policy.
- The prior carrier's policy, giving consideration towards continuous time insured under both policies.

No benefit will be paid if the employee cannot satisfy the pre-existing condition exclusion under one of the two policies.

RECURRENT DISABILITY

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

A recurrent disability will be treated as part of the prior total disability if, after receiving total disability benefits under this policy, you do both of the following:

1. Resume your regular occupation on a full-time basis for less than six months.
2. Perform all the material duties of your occupation.

Benefit payments will be subject to the terms of this policy for the prior total disability.

If you return to your occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of total disability. You must complete another elimination period.

Successive disability that results from (an) unrelated cause(s) will be considered a continuation of the first disability unless separated by your return to active service for at least one full day.

REHABILITATION

If you are receiving a benefit under this policy, you may enter a rehabilitation program. This program must be supervised by a physician and approved by the Company. While in such a program, you will be considered totally disabled. The monthly benefit payable, while under such a program, will be reduced by 50 percent of any income earned by you for work done under the program.

At no time will the monthly benefit be paid beyond the maximum benefit period. The monthly benefit will in no event be less than the minimum monthly benefit.

--A--

OTHER INCOME BENEFITS

"Other income benefits" means those benefits shown below which are paid or would be paid if the proper claim were filed.

- (1) The amount for which you are eligible under any of the following:
 - Workers' Compensation Law.
 - Occupational disease law.
 - Other act or law of like intent.

- (2) The amount of any disability income benefits for which you are eligible under any

- compulsory benefit act or law.
- (3) The amount of any disability income benefits for which you are eligible under:
- Any other group insurance plan of the employer.
 - Any state or federal government disability or retirement plan.
 - Any individual policy for which the employer pays some or all of the premiums.
- (4) Retirement benefits for which you are eligible under any state or federal government pension or retirement plan.
- (5) The amount of disability or retirement benefits under the United States Social Security Act, as follows:
- (a) Disability or unreduced retirement benefits for which you are eligible.
 - (b) Reduced retirement benefits received by you.
- Benefits payable under (a) will be estimated if such benefits -
- Have not been awarded and have not been denied, or
 - Have been denied, until such time as the denial is appealed through the final administrative appeals level, or
 - Were at one time awarded but are now being denied, until such time as the denial is appealed through the final administrative appeals level.
- If benefits have been estimated, the monthly benefit will be adjusted when the Company receives one of the following -
- Proof of the amount awarded.
 - Proof that benefits have been denied at the final administrative appeals level and the denial is not being appealed to the courts. In this case, a lump sum refund of the estimated amounts will be made.
- After the first deduction for Social Security benefits, the Company will not further reduce the monthly benefit due to any cost of living increases payable under Social Security.
- (6) Any earnings that you are eligible to receive from the employer, any other employer or self-employment for the following:
- Salary
 - Any salary continuation plan.
 - Commission.
 - Vacation pay.
 - Bonus pay.
 - Any other type of extra pay.
- (7) Auto insurance based on the principle of "no fault" coverage.

These other income benefits, except retirement benefits, must be payable as a result of the same total disability for which this policy pays a benefit.

SURVIVOR BENEFIT

"Eligible survivor" means your spouse, if living, otherwise your children under age 25.

"Children" includes legally adopted children and step-children who live with you in a parent-child relationship.

"Last monthly benefit" means the monthly benefit paid to you immediately prior to your death. This does not include any reduction for wages earned while in rehabilitative employment.

The Company will pay a benefit to the eligible survivor when proof is received that you died while receiving a monthly benefit. Total disability must have continued for 180 or more days in a row.

The benefit will be an amount equal to three times your last monthly benefit, or as otherwise stated in the Schedule of Benefits.

If payment becomes due to your children, payment will be made to one of the following:

- The children.
- A person named by the Company to receive payments on the children's behalf. This payment will be valid and effective against all claims by others representing or claiming to represent the children.

**CALCULATION OF PERIODIC BENEFITS
CLAIM BENEFIT METHOD " B "**

After serving the elimination period, the Monthly Benefit will be determined by dividing your yearly pay by twelve.

Basis of Monthly Benefit:

The amount of your Monthly Benefit is determined by your contract pay of basic earnings on the day you become disabled.

Amount of Benefit for Part of a Month

A Monthly Benefit may be payable for less than a full month. If so, the amount of Monthly Benefit for such time will be proportionally reduced.

Adjustments in Amount of Monthly Benefit

The amount of benefit otherwise payable for any month may be reduced. It will be reduced by the amount of "Other Income Benefits," if any, as defined in the Certificate.