

*10.19.15, 1.53 p.m.*

**COLLECTIVE BARGAINING AGREEMENT**  
**BETWEEN**  
**SOLEBURY TOWNSHIP**  
**AND**  
**SOLEBURY TOWNSHIP POLICE BENEVOLENT ASSOCIATION**

**TERM: January 1, 2016 through December 31, 2018**

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## ***AGREEMENT***

This Consolidated Agreement is made by and between the ***TOWNSHIP OF SOLEBURY***, hereinafter referred to as "Township" and the ***SOLEBURY TOWNSHIP POLICE BENEVOLENT ASSOCIATION***, hereinafter referred to as "PBA", the representative agent for the bargaining unit of Police Officers of Solebury Township, hereinafter referred to as "Officers." This Consolidated Agreement consists of the Act 111 Agreement of August, 2015 combined with the unchanged terms and provisions from the Collective Bargaining Agreement for years 2012 through 2015. It is the intent of this document to incorporate into this Consolidated Agreement all of the terms, conditions and changes mandated by the Parties' Agreement.

### ***WITNESSETH:***

***WHEREAS***, the parties have negotiated a collective bargaining agreement, the terms and provisions of which are contained within this document.

***NOW THEREFORE***, in consideration of the mutual promises contained herein and intending to be legally bound thereby, the parties hereto hereby specifically agree as follows:

1. ***TERM:*** This Agreement shall be effective as of January 1, 2016 and will continue through December 31, 2018 and thereafter, except as later modified by a negotiated agreement or by an award of arbitrators entered pursuant to the collective bargaining act for police officers, Act of June 24, 1968, P. L. 237, No. 111, 43 P.S. " 217.1 - 217.10.

2. ***PURPOSE:*** It is the intent and purpose for this Agreement to assure sound and mutually beneficial working and economic relationships between the parties hereto, to wit, the Township of Solebury and the Solebury Township Police Benevolent Association and to set forth herein the basic and full agreement by and between the parties concerning wages, hours and conditions of employment.



3. ***BARGAINING UNIT:*** The Township of Solebury recognizes that all full-time officers employed by the Solebury Township Police Department, holding the rank of patrolman or above (the "Officers") exclusive of the Chief of Police, part-time officers and non-uniformed employees of the department, constitute an appropriate unit for purposes of collective bargaining with the Township, and agrees to recognize, negotiate and deal with the Solebury Township Police Benevolent Association ("PBA") for the term of this Agreement, for purposes of collective bargaining with the Township of Solebury on matters pertaining to wages, hours and conditions of employment.

4. **SALARIES:** Effective January 1, 2016, the officers shall receive salary increases of the following, to their base annual wage on January 1<sup>st</sup> of each year of the contract:

- A. Four percent (4%) for 2016
- B. Three and one quarter percent (3 ¼ %) for 2017
- C. Three and one quarter percent (3 ¼ %) for 2018

- 1. The salary schedule for all current and future officers shall be:

## **SALARY SCHEDULE <sup>1</sup>**

	2016	2017	2018
Probationary Officer 0-12 Months of Service	\$51,420.16	\$53,091.30	\$54,816.76
Second Year Patrolman 13-24 Months of Service	\$55,705.16	\$57,515.57	\$59,384.82
Third Year Patrolman 25-36 Months of Service	\$64,275.19	\$66,364.13	\$68,520.96
Fourth Year Patrolman 37-48 Months of Service	\$72,845.21	\$75,212.67	\$77,657.08
Full Patrolman 49+ Months	\$85,700.26	\$88,485.51	\$91,361.28

D. If a police officer is hired and the Chief of Police/Township Administration determines that he/she has qualified police experience, then the Chief of Police/Township Administration may credit the police officer with months of service solely for the purpose of determining his/her annual base pay on the salary scale. The number of credit months will then be added to the service month amount to determine the annual base salary. The maximum number of credit months that a police officer can qualify for is thirty-seven (37) months. Any credit months granted to a police officer shall be used only for the purposes of calculating annual base pay and shall not be used in calculating any other benefit determined by a police officer's length of service.

E. All salaries shall be based on the anniversary date of the particular

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<sup>1</sup> These numerical dollar amount calculations below are for convenience purposes only and do not control what the actual wages are. The wages for all officers are determined by the actual percentage increase for each year which should be, if calculated correctly, reflected in the number dollar amounts stated. However, in the event of an error in the stated numerical amount, the percentage increase for the new year, applied to the base annual wages for the prior years, controls.

Officer, as opposed to on a calendar year.

1. An Officer who is appointed to the rank of Corporal, he or she will receive a rank differential of \$3,500.00 per year above the base salary of the Officer payable bi-weekly.

2. An Officer who is appointed to the rank of Sergeant, he or she will receive a rank differential of \$4,000.00 per year above the base salary of the Officer.

3. An Officer who is appointed to the rank of Detective, he or she will receive a rank differential of \$3,500.00 per year above the base salary of the Officer payable bi-weekly.

5. ***FAIR SHARE:*** All personnel covered under the provisions of this Agreement shall, as a condition of continued employment, pay monthly to the Police Benevolent Association a fee equal to the dues paid by its members for the costs of negotiating and administering the parties' Collective Bargaining Agreement. The Police Benevolent Association shall indemnify and save the Township harmless against any and all claims, demands, suits or other liability arising due to acts or omissions with respect to the Township's withholding the fee required herein from an employee's pay.

6. ***PERSONNEL FILES:*** Officers covered under this Agreement are entitled to review the contents of their permanent personnel files. They shall be afforded an opportunity to append their response, and/or any exculpatory evidence, to any item contained therein.

Additionally, whether or not it is to be placed in their permanent personnel file, upon request they shall receive, without cost, a copy of any transcript, or written/mechanical recording of their interrogation by the Township, as well as a copy of any document they are required to sign.

7. ***LONGEVITY PAY:***

A. All Officers employed by Solebury Township Police Department shall

be paid the following amounts:

Completed Years of Service	Longevity Pay Per Annum
0 – 5	\$ 0
6 - 10	\$1,250.00
11 - 15	\$1,500.00
16 – 20	\$1,875.00
21 – 25	\$2,000.00
26+	\$2,250.00

B. Said amount is to be paid to each Officer in a lump sum on the anniversary date relative to each Officer's employment as a Police Officer within the Township of Solebury. Further, the Township shall withhold taxes, etc., (but not PBA dues and 457 contributions) as with ordinary pay and the longevity will be paid as a separate check from the Officer's paycheck. No employee shall suffer a reduction of their longevity pay when this Agreement takes effect.

8. ***WORKING HOURS:***

A. The normal workday for those officers on a twelve (12) hour shift will be from 06:00 a.m. to 06:00 p.m., 12:00 p.m. to 12:00 a.m., 02:00 p.m. to 02:00a.m., or 06:00 p.m. to 06:00 a.m., to make the pay consistent with the shift assignment. Those on an eight (8) hour shift shall work either 8:00 a.m. to 4:00 p.m. or 9:00 a.m. to 5:00 p.m., 03:00 p.m. to 11:00 p.m. or 11:00 p.m. to 07:00 a.m.

B. All Officers working an eight (8) hour schedule will receive additional compensation at one and one-half (1-1/2) times their regular hourly rate (computed by dividing 2080 into the Officer's annual salary) for all hours worked over eight (8) during any one day and all hours worked over forty (40) in one calendar week (Monday through Sunday).

C. The overtime entitlement for those officers working the twelve (12) hour schedule (See Appendix "1" attached hereto) shall be determined by the Agreement For Twelve (12) Hour Schedule executed by the parties in November, 2009 which is incorporated herein by reference and made a part of this Consolidated Collective Bargaining Agreement. A copy of the 12 Hour Schedule Agreement is attached hereto as Appendix-1.

D. The Agreement for 12 Hour Schedule is hereby amended to provide for the increase in Holiday Pay and Personal Time as provided herein at Articles 11 and 12 respectively.

E. In addition, Officers shall be allowed to take Kelly Time in one (1) hour periods of time. Officers shall also have until March 31<sup>st</sup> to use Kelly Time earned in the month of December before it is lost.

F. Except for the specific changes identified in this paragraph, all other terms and conditions set forth in the Agreement for 12 Hour Schedule shall remain in full force and effect for the term of this Consolidated Agreement.

G. All extra shifts to be worked shall be offered to the Officers in a descending order, based upon seniority with the most senior Officers first. Officers who take the overtime shall have their names placed at the bottom of the list and the next senior man shall be offered the next overtime position. This is to give all Officers a fair chance at the overtime available.

9. **CLOTHING ALLOWANCE:** All Uniformed Officers shall receive Eight Hundred (\$800.00) Dollars in each year of the contract as a clothing allowance. Detective(s) shall receive \$1,000.00 in each year of the contract as a clothing allowance. Such clothing allowance will be paid by the Township to the Police Officers on or before June 1st of each contract year. In addition, the Township will issue each Officer his / her uniform and a

bulletproof vest, ammunition and leather gear in accordance with the rules and regulations of the police department.

10. **VACATION:**

A. The Police Officers shall be entitled to paid vacations as follows:

After one (1) year of service:	80 hours
After four (4) years of service:	120 hours
After ten (10) years of service:	160 hours
After fifteen (15) years of service:	200 hours
After twenty (20) years of service:	240 hours
After twenty-five (25) years of service:	280 hours
After thirty (30) years of service:	Eight additional hours of vacation for each additional year of service up to a maximum of 40 additional hours of vacation.

B. Officers may use vacation time in increments of one hour or more. Officers shall not take more than 80 hours of vacation time at once, unless a greater amount is specifically authorized by the Chief of Police of the Solebury Township Police Department.

C. All requests for the utilization of vacation time must be submitted to the Chief of Police, in writing, at least twenty (20) days prior to the start of the proposed vacation. Approval for requests made less than twenty (20) days prior to the start of the proposed vacation shall be at the sole discretion of the Chief of Police.

D. Each Police Officer shall take at least eighty (80) hours of vacation per year; provided, however, that an Officer may, on or before November 30 of any given year, declare that they wish to be paid their current salary for their allowable carryover, which shall in no event exceed eighty (80) hours.

1. Officers may also declare that they wish to carryover up to eighty

(80) hours of any remaining vacation time into the following year provided that the vacation time must be taken on or before June 30<sup>th</sup> of the following year, if carried over.

2. If the carried over vacation time is not taken on or before June 30 of the following year, the time shall be considered lost and the Officer will not be compensated for any portion of the carried over vacation unless this provision is waived in writing/email by the Township Manager on the basis that an Officer could not take the carried over vacation because of an emergency or other extraordinary reason or circumstance.

E. Should an Officer be recalled to work from an approved vacation, the Officer shall be paid the appropriate overtime rate and a replacement vacation day shall be granted.

#### 11. **HOLIDAYS:**

A. All Police Officers will be entitled to eleven (11) paid holidays during the calendar year as follows: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, General Election Day, Thanksgiving Day, Christmas Day and the Officer's birthday.

B. Officers who work an eight hour shift schedule shall receive 88 hours of holiday pay. Officers who work the twelve hour shift schedule shall receive 132 hours of holiday pay. The 132 hours paid to the officers who work the 12 hour shift schedule shall be paid each year of this Agreement even if the 12 hour schedule is changed.

C. Holiday Pay shall be calculated and paid in one lump sum by January 15th of each calendar year for that year. Should an officer be discharged for just cause by Township prior to any of the above listed holidays, said officer shall reimburse the Township the holiday pay he or she received for any and all holidays which occurred after the discharge.

D. All Officers working on a holiday will be compensated at a rate of two (2)

times their regular hourly rate and all Officers placed on call by the Chief of Police for any shift will be compensated at a rate of two (2) times their regular hourly rate of pay for all time logged on a call-out.

E. As provided above, the Township will pay Officers holiday pay in a lump sum in lieu of providing time off with pay. Accordingly, an Officer's rate of pay for working on a holiday shall be his / her regular hourly rate up to eight or twelve hours depending on their regular schedule. The Officer's regular hourly rate and his/her holiday pay shall constitute the double rate of pay he/she is entitled to receive for working a holiday. Any hours worked in excess of twelve on a holiday shall be paid at two (2) times the Officer's regular hourly rate because Officers receive only twelve hours of holiday pay. If an officer who works an eight (8) hour shift is scheduled to work a holiday, or is otherwise called into work on a holiday, the officer shall be paid two times his/her base hourly wage rate for all hours worked in excess of eight (8) hours on the holiday.

12. ***PERSONAL TIME:***

A. Each Officer shall be allowed to take off from work, with pay, for personal reasons up to thirty-six (36) hours during each of the three (3) years of this Agreement. The determination of when an Officer takes a personal day shall be the sole discretion of the Officer.

B. An Officer may accumulate a maximum of seventy-two (72) hours from year to year. The Township will pay any personal days unused at the time of an Officer's death to their estate, at a rate equal to the Officer's final base pay.

13. ***MEAL TIMES:*** Officers may take a forty-five (45) minute meal period during each shift. In addition, two (2) fifteen (15) minute breaks may be taken during each shift.



14. ***SICK LEAVE:***

A. Sick leave shall be permitted on the basis of one hundred thirty six (136) hours per year. Unused sick leave may be accumulated from year to year, up to one thousand nine hundred twenty (1920) hours.

B. A doctor's certificate of illness is required to be produced by an Officer taking time off for illness when an officer calls out sick on three (3) consecutive shifts. The doctor's certificate will be required on the third call out. The Chief of Police may require an officer to produce a doctor's certificate of illness after using one sick leave day if there appears to be a pattern of abuse.

C. Moreover, it is expressly understood that sick leave is available and maybe used only for illness or injury which renders the Police Officer unable to properly perform his or her duties, and is not available for vacation or pay purposes when neither illness nor injury is involved. The Township reserves the right to require an Officer whose sick leave or disability has extended for more than thirty (30) consecutive days to have a medical examination by a physician chosen by the Township at the Township's sole cost.

D. Upon any retirement from the Township Police Department after vesting, including retirement for a service related disability, the Township shall purchase the unused sick leave up to a maximum of nine hundred sixty (960) hours at fifty percent (50%) of the Officer's hourly rate (computed by dividing the number 2080 into the Officer's annual salary).

E. Additionally, the eligible dependents of an Officer who is killed in the line of duty shall be paid their unused sick leave at fifty percent (50%) of the employee's final salary.

F. Except for the purchase of unused sick leave at the time of retirement, or death in the line of duty, Solebury Township shall be under no obligation to purchase unused

sick leave.

15. ***COURT TIME:***

A. All Officers attending Court proceedings in connection with Township police matters, which time is not part of the Officer's regularly scheduled working hours, will be compensated at the rate of one and one-half (1-1/2) times their regular hourly rate, unless such Court proceeding falls on a holiday (as listed in paragraph 11), in which case, compensation shall be at the rate of two (2) times the Officer's regular hourly rate.

B. If an Officer attends *County or Federal* Court proceedings in connection with Township police matters at a time which is not part of the Officer's regularly scheduled working hours, then the Officer shall be compensated at a rate in accordance with the above four (4) hours or the actual time spent, whichever is greater.

C. If an Officer attends Magisterial District Court in connection with Township police matters at a time which is not part of the Officer's regularly scheduled working hours, then the Officer shall be compensated two (2) hours at the overtime rate or the actual time spent, whichever is greater.

D. No Officer will be paid for attending Court proceedings in connection with off-duty arrests made outside of Solebury Township, unless such Court attendance is approved by the Chief of Police.

E. In calculating Court payment under this paragraph 15, the provisions provided in paragraph 8 for working hours and overtime shall not be considered and compensation under this paragraph shall be calculated separately.

F. In addition thereto, the Officers shall receive a mileage allowance based on the IRS guideline then in effect for mileage reimbursement to and from his/her home to the scheduled place of the hearing or trial if he/she uses his/her personal car for transportation to and

from the hearing.

G. The Officer's personal automobile liability insurance policy will be the primary source of coverage when an Officer is involved in an accident while using his/her car to drive to and from hearings. The Township will be liable and hold the Officer harmless for any liability which is incurred by the Officer in excess of his/her insurance protection while driving to and from Court and will be liable and hold the Officer harmless for any liability resulting from the use of the Township's vehicle. The Police Officers agree to maintain a personal liability insurance policy that provides the minimum coverage required by the Township's insurance policy(ies).

16. ***JURY DUTY:***

A. All Officers who are selected for jury duty, state or federal, shall receive their regular salary for the days that they actually report to the courthouse for jury duty. If the Officer is off duty and placed on stand-by jury duty but is not actually summoned to court for jury duty, the officer shall not be entitled to receive his or her base salary during the days that the Officer is on call.

B. No Officer shall receive pay for serving on jury duty on his or her scheduled day off. In calculating the payment for jury duty under this paragraph 16, the provisions provided in paragraph 8 for working hours and overtime shall not be considered and compensation for jury duty under this paragraph shall be calculated separately.

C. The Officer will be permitted to retain any fee which he or she receives for jury duty that is paid through the court.

17. ***POLICE PROBATIONARY PERIOD:***

A. All Officers shall be on probation for a period of one (1) year from the date of their initial hiring as set forth in the Police Tenure Act 53 P.S. §811 et. seq.

B. Before any Officer is hired, he/she shall be required to have a physical examination and psychological examination, the results of which must indicate the candidate is fit

for police duty.

18. ***LEAVE OF ABSENCE:***

A. An Officer may be granted a leave of absence without pay or benefits in the sole discretion of the Township for a period not to exceed one (1) year. The Officer must demonstrate that the leave of absence will enhance their job performance or is necessary for humanitarian reasons.

B. Upon return to duty following a leave of absence, the Officer will return to their prior rank, seniority, and salary. Any Officer who fails to return at the conclusion of the leave of absence shall be considered to have resigned effective the last day of the leave of absence unless the leave of absence is extended by the Board of Supervisors in its sole discretion.

19. ***FUNERAL BENEFITS:***

A. For the death of a mother, father, mother-in-law, father-in-law, sister, brother, wife, husband, child and grandchild, an Officer shall receive time off with full pay for five (5) consecutive working days inclusive of and next succeeding the date of death.

B. For the death of a brother-in-law, sister-in-law, or grandparent, an Officer shall receive time off with pay for up to two (2) consecutive working days.

C. Time shall be used in "consecutive" scheduled days and/or shifts, not piecemeal.

D. Line of Duty Funeral Benefit: In the event an Officer is killed in the line of duty, the Township will pay for funeral expenses up to ten thousand dollars (\$10,000). This will be paid after submission of appropriate documentation, for the reasonable and necessary funeral expenses.

20. ***GEOGRAPHIC LOCATION:*** All Officers must live within twelve (12) miles

of the Solebury Township building. It is understood, however, that this distance may be extended with approval from the Board of Supervisors.

21. **OFFICERS USE OF PERSONAL VEHICLES:** Officers shall not use their personal vehicles on Township business other than for transportation to and from hearings or when necessary to approved training.

22. **GRIEVANCE PROCEDURE:** Any grievance arising between the parties to this Agreement involving the interpretation or application of this Agreement shall be taken up in accordance with the procedure outlined below:

A. No later than seven (7) calendar days following the event causing the grievance, the bargaining representative or the grievant shall take the matter up with the Chief of Police.

B. In the event the matter is not settled by the Chief of Police within seven (7) calendar days, the grievance shall be presented in writing to the Board of Supervisors. A decision shall be rendered in writing within seven (7) calendar days after the next regularly scheduled meeting of the Board of Supervisors following the submission of the grievance. If no such written reply is given, the grievance shall be deemed "denied".

C. The grievant shall be required to meet personally with the Chief of Police and the Board of Supervisors in steps "A" and "B" of the grievance procedure. Failure to attend a scheduled grievance meeting with the Chief of Police or Board of Supervisors shall be considered a waiver of the grievance. The grievant may request a member of the PBA to attend the grievance meeting with him /her. The representative of the PBA may participate in the meeting if requested by the grievant. All discussions which occur during the grievance meetings shall be confidential and may not be presented as evidence in the event that the grievance is ultimately referred to arbitration.

D. In the event the decision is unsatisfactory to the grievant, the grievance may be submitted to the American Arbitration Association within thirty (30) calendar days. The award of the Arbitrator shall be final and binding and shall be rendered within thirty (30) calendar days of the close of hearing. The cost of arbitration shall be borne equally by the parties and the arbitration proceedings shall be conducted in accordance with the rules of the American Arbitration Association.

E. The grievance procedure provided by this Agreement shall not be available to any Officer during the officer's Probationary Period defined in paragraph 17 hereof.

23. **HEALTH INSURANCE:** The medical plan offered to Police Officers shall be Aetna HMO primary (or another provider where there will be substantially equivalent benefits), with buy up to Aetna PPO at the expense of the Officers. The summary plan description is attached as Appendix-2.

A. **Premium Contributions.** Police Officers shall contribute, per pay period, to the Township provided health insurance in accordance with the following schedule:

<u>Calendar Year</u>	<u>Contribution Amount</u>
2016	Thirty-five dollars (\$35)
2017	Thirty-five dollars (\$35)
2018	Thirty-five dollars (\$35)

B. **Medical Reimbursement Plan:** This Medical Reimbursement Plan is established to reimburse eligible Police Officers and dependents for the hospitalization co-pay of One Hundred Fifty Dollars (\$150) per day up to five (5) days maximum.

1. **Procedures For Reimbursement:** Requests for reimbursement of the hospitalization co-payment paragraph B above under the terms of this plan shall be made by completing the attached Medical Reimbursement Form and submitting it to the Finance Officer with supporting documentation. See Appendix-3. Each reimbursement request must be

supported by evidence of the amount of the hospitalization co-pay and name of eligible covered employee or dependent as applicable. Evidence of payment shall be in the form of a paid receipt from a provider, cancelled check, or debit or credit card receipt.

a. In the event that an Officer or covered party incurs expense from a provider for which Township payment is requested, and is directly billed, the Officer shall provide a copy of the invoice as evidence of costs incurred.

b. All payments made under this plan shall be made directly to the Officer requesting reimbursement. It is the Officer's responsibility to make all required hospitalization co-pays to the provider and then seek reimbursement. The Township will not make direct payments to any provider.

c. Completed Reimbursement Request Forms (See a copy attached as Appendix-3) shall be submitted to the Finance Officer for payment no later than the 23rd of each month. Completed reimbursement request forms shall be submitted not more than once (1) per week, and not later than thirty (30) days after expense is incurred. If an employee is unable to, he shall submit the receipt no later than the 23<sup>rd</sup> of the following month. Requests which are approved by the Township Manager will be submitted to the Board of Supervisors ("Board") for approval of payment at the first regularly scheduled meeting of the Board each month.

C. *Killed-In-Service Medical Benefits.* The Township shall provide the surviving spouse and eligible dependents of any police officer who is killed in the line of duty with the same medical benefits that are provided to active police officers. Eligible dependents shall be

defined as the children of the deceased police officer under the age of eighteen (18) or age twenty-three (23) if attending college, as per the Township's insurance policy.

1. The killed in duty survivor medical benefits shall terminate when a surviving spouse remarries or becomes eligible for Medicare benefits. A surviving spouse and eligible dependents shall not receive the Killed-In-Duty medical benefits if he/she has medical insurance available through employment or some other source.

24. **DENTAL AND ORTHODONTIC INSURANCE:** The dental and orthodontic insurance contract on behalf of the Officers in effect for the calendar year 2015 shall be continued by Solebury Township without reduction of coverage for the entire period of this Agreement. See Appendix "4" [The schedule of Dental benefits].

25. **VISION INSURANCE PLAN:** The Township will reimburse an employee up to a maximum of \$400.00 per year for vision care including examination by a licensed ophthalmologist or optometrist, prescription glasses, frames, and contact lenses for each employee and his/her dependents. Eligible dependents are the employee's spouse and unmarried children to twenty six (26) years of age provided they are not eligible as employees, except that if a child over 19 years of age, he or she must be a full-time day student in actual attendance at an accredited school or college.

26. **LONG-TERM DISABILITY INSURANCE:**

A. The Township shall furnish long-term disability insurance to all Officers as set forth in the proposal attached hereto as Appendix 5, Exhibit "A" and incorporated herein by reference.

B. During the Officer's long-term disability, the Township shall continue an Officer's health insurance benefits at the terms in force for one (1) year. Health insurance benefits are available under COBRA for an additional eighteen (18) months following the one



(1) year period for which the Township maintains the Officer's health insurance.

**27. *LIFE INSURANCE:***

A. The Township of Solebury shall carry double indemnity life insurance in the amount of Seventy-Five Thousand (\$75,000.00) Dollars, providing a benefit of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) if the Officer is killed in the line of duty.

B. If an Officer becomes uninsurable at regular and normal rates, the annual premium amount applicable to said Officer, at regular and normal rates, shall be utilized to purchase continuing insurance in lesser amounts to the extent of said premium value.

**28. *POLICE PROFESSIONAL LIABILITY INSURANCE:***

A. For the term of this contract, the Township will provide Police Professional Liability Insurance in an amount of at least One Million Dollars (\$1,000,000), which is equivalent or equal to present coverage.

B. Upon each renewal of the Police Professional Liability Insurance Policy, a copy of the policy shall be placed on file with the Solebury Township Police Department for the Officers' review. The Police Benevolent Association shall be entitled to a copy of the policy.

**29. *PENSION PLAN:*** The Solebury Township Police Pension Ordinance (Ordinance No.58 2004-219) shall be effective during the term of this agreement.

A. The pension plan shall be revised from time-to-time as required by the requirements of the Municipal Police Pension Law Act of May 29, 1956, P.L. 1804, as amended, provided that in no event shall the benefits provided under the revised pension plan be less than the benefits provided under the plan, as amended, presently in effect as of the date of the signing of this contract.

B. The Pension Plan shall be amended to provide for a service increment

benefit as provided in Act 600. Officers shall receive a service increment benefit of \$100 for each additional year of service completed in excess of twenty-five (25) years up to a maximum of Five Hundred Dollars (\$500) a month. The benefit shall be as follows:

After 26 years of service	\$100
After 27 years of service	\$200
After 28 years of service	\$300
After 29 years of service	\$400
After 30 years of service	\$500 (max)
After 31 years of service	\$500

C. The Board of Supervisors shall appoint a three (3) person Police Pension Fund Board to be comprised of a representative of the Police Benevolent Association, who is a full-time Police Officer, a representative of the Board of Supervisors and a resident of Solebury Township appointed by the Board of Supervisors who is knowledgeable in investments or the funding of pension plans.

30. **DEFERRED RETIREMENT OPTION PLAN ("DROP"):** The Township will maintain a DROP program as provided in Ordinance No. 2004-219 for the duration of this Agreement.

The Officers waive any claim that their pension benefit must be increased as the result of their participation in the DROP Plan (with back pay) because Act 600 requires payments based on final average salary.

31. **457 PLAN DEFERRED COMPENSATION:** Unless specified by the Internal Revenue Service (IRS), contributions made by employees to their individual 457 deferred compensation plans shall be tax free, to the extent of IRS rulings.

**32. TUITION REIMBURSEMENT:**

A. Tuition, books and college fees will be reimbursed by the Township, upon successful completion of a course leading to a degree in law enforcement or any other degree approved in advance by the Solebury Township Manager; provided the employee is matriculating in an accredited college, approved in advance by the Township Manager.

B. The reimbursement will be as follows:

1. Attainment of an "A" grade - 100%
2. Attainment of a "B" grade - 90%
3. Attainment of a "C" grade - 80%

**33. IN-SERVICE TRAINING:**

A. In addition to educational reimbursement as provided for by paragraph 32 of this Agreement, each Officer shall be entitled to attend up to forty (40) hours per year of additional educational and training courses related to his or her employment as a law enforcement officer. Said forty (40) hours of training shall be at the sole cost of the Township, provided, however, that all requests for training, other than training which is available at no cost to the Officer and the Township, must be approved in advance by the Chief of Police.

B. Officers shall be entitled to reimbursement for any amounts of monies expended for tuition, supplies, travel, room and other expenses that are directly related to in-service training and/or educational courses only if they are approved by the Chief of Police in advance.

C. Officers attending training shall receive the meal allowance as provided in paragraph 39 below.

D. The Chief of Police of Solebury Township shall maintain and post in a place observable to all Officers a list of approved courses from which the Officers may request

training courses. A request for attendance and participation in a training course, whether or not on the aforementioned list, must be made at least thirty (30) days prior to the course commencement date unless the Chief of Police otherwise determines that the request is nonetheless reasonable and, therefore, determines that he / she will honor the request.

1. Such a request for attendance at and participation in a training course shall be acted upon within ten (10) days of the date it is received by the Chief of Police.

2. If attendance at any such course or training seminar is denied by the Chief of Police, the parties hereto agree that an informal procedure to challenge this denial shall be hereby established. This appeal procedure shall be separate and apart from the grievance procedure as delineated in paragraph 22 of this Agreement. The informal appeal procedure shall allow the requesting Officer to schedule a meeting with the Chief of Police and the Township Manager within ten (10) days of a written request for such a meeting. Approval of the course at such a meeting shall not excuse the Officer from securing approval of the expenses of the course in advance from the Township Manager as heretofore referenced. If the Officer's request is nonetheless denied, the Officer reserves the right to file a grievance under paragraph 22 of this Agreement.

E. The aforementioned forty (40) hours of training shall be in addition to any state mandated training as currently required by law or as required by any amended law or statute which takes effect during the course of this Agreement. By way of example, said forty (40) hours of training shall be in addition to state required training relative to firearms expertise, cardiopulmonary resuscitation, first responder's first aid training, etc.

34. ***EDUCATIONAL INCENTIVE PAY:***

- A. Each officer shall receive the following educational incentive pay:

1. A one percent (1%) salary increase for an associate's degree from an

accredited institution in police science or police administration.

2. A two percent (2%) salary increase for a bachelor's degree from an accredited institution in police science or police administration.

3. A two and a half percent (2.5%) salary increase for a Master's degree from an accredited institution in police science or police administration.

B. In addition to degrees in police science or police administration, an Officer will be entitled to educational incentive pay for a degree from an accredited institution which will enhance the Officer's job performance which is approved by the Board of Supervisors, in their sole discretion in advance of the Officer beginning the degree program. This clause applies to an already earned or new degree program.

35. **WORKERS' COMPENSATION:** The Township will continue to maintain workmen's compensation insurance in accordance with the requirements of the law for the entire contract period.

36. **REPRIMANDS:** Complaints against an Officer or an official reprimand by the department shall be removed from the Officer's personal file after two (2) years from the date of the complaint or reprimand provided that the Officer has received no additional complaint or reprimand during the two (2) year period.

37. **TERMINATION:** In the event that an Officer resigns or is discharged for cause pursuant to the procedures set forth under this contract or in the Police Tenure Act, this contract will terminate as to the Officer and the Officer shall be entitled to no benefits other than those received and utilized by the Officer prior to his or her resignation or removal.

38. **MANAGEMENT RIGHTS:** The management of the Police Department and the direction of its work force shall be vested exclusively in the Township; provided that such rights shall not be exercised in a fashion that is discriminatory, arbitrary, capricious or contrary to law. These rights

shall include but are not limited to: the right to hire, discipline for proper cause, promote, lay off, assign and transfer Officers, and the right to schedule hours of work.

39. ***MEAL ALLOWANCE:***

A. Effective January 1, 2009, meal allowances shall be as follows:

1. If the Officer is out of the county for Township related police work or training, but not required to stay overnight, he/she shall receive \$20 for lunch.

2. If the Officer is out of the county for Township related police work or training and is required to stay overnight, he/she shall receive \$15 for breakfast, \$20 for lunch and \$30 for dinner.


40. ***AS IS CLAUSE:*** All existing benefits shall remain “as is” unless changed in a future agreement or arbitration award.

41. ***HEADINGS NOT PART OF THE AGREEMENT:*** Any headings preceding the text of the several paragraphs and subparagraphs hereof are inserted solely for the convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

42. ***LEGAL CONSTRUCTION:*** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have hereunto set their hands and seals the date first above written.


**SOLEBURY TOWNSHIP BOARD OF SUPERVISORS:**

  
PAUL COSDON,  
Chairman

Date

  
JAMES SEARING,  
Vice Chairman

10/20/15  
Date

  
ROBERT HEATH, JR.

Date

  
EDWARD MCGAHAN, JR.

Date

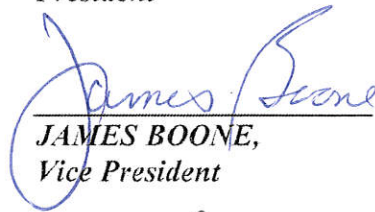
  
HELEN TAI

10/20/15  
Date


**SOLEBURY TOWNSHIP POLICE BENEVOLENT ASSOCIATION:**

  
JONATHAN KORETZKY,  
President

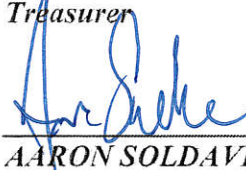
10-6-15  
Date

  
JAMES BOONE,  
Vice President

10-6-15  
Date

  
DANIEL MARASCIO,  
Treasurer

10-6-15  
Date

  
AARON SOLDAVIN,  
Secretary

10/6/15  
Date

## APPENDIX - 1



## *AGREEMENT FOR 12 HOUR SCHEDULE*

This Agreement is made by and between Solebury Township ("Township") and the Solebury Township Police Benevolent Association ("PBA"). It is the intention of the parties to implement, on a trial/non precedential basis, a 12 hour shift schedule for the patrol division of the Police Department. The parties hereto, intending to be legally bound under and pursuant to the *Uniform Written Obligations Act*, 33 P.S. § 6-8, do covenant and agree as follows:

### *I. TRIAL PERIOD*

1. The patrol division of the Solebury Township Police Department consists of the ranks of sergeant, corporal and patrol officer.
2. A twelve (12) hour shift schedule will be implemented for an initial two year trial period for the patrol division to commence the first available pay period of January, 2010. The parties shall meet every three months during the trial period to review the effectiveness and impact of the schedule on both the officers and the administration of the Police Department. Should either the Chief of Police or the PBA find the twelve (12) hour schedule unacceptable, for any reason whatsoever, the parties agree to return to the eight (8) hour schedule previously utilized.
  - a. It is understood and acknowledged by the parties that the issues to be considered by the Chief of Police, upon his quarterly review of the twelve (12) hour schedule, will be sick time usage, officer productivity and the need to pay overtime for coverage. The PBA understands that an increase in sick time usage or of overtime or a decrease in productivity will cause the Chief of Police to change the schedule back to an eight (8) hour schedule. Also, the Chief or the PBA can either jointly or unilaterally decide, for any other reason, to change back to the eight (8) hour schedule.

3. If the twelve (12) hour schedule is found acceptable by both parties at the end of the initial trial period, the trial period will be extended for an additional one year. If either party wants to discontinue the twelve (12) hour schedule after the third year, the parties will be required to negotiate a new schedule. However, before the completion of the three year trial period, either party can unilaterally demand, and compel that for any reason, that the schedule be returned to the eight (8) hour schedule.

4. If the Parties return to the eight (8) hour schedule, the return shall be made as soon as reasonably possible, but in no event shall the return to the eight (8) hour schedule be more than thirty (30) days from when notice to return is given to the other party.

## ***II. HOURS OF WORK***

5. The twelve (12) hour schedule will consist of a twelve (12) hour work shift during a fourteen (14) day work cycle or pay period. The normal work cycle or pay period shall consist of eighty-four (84) hours. This period will consist of fourteen (14) consecutive days beginning Monday 0600 hours and ending on the second consecutive Monday at 0600.

6. The patrol division shall work the following four shifts:

Shift #1 1800 hrs. to 0600 hrs.

Shift #2 0600 hrs. to 1800 hrs.

Shift # 3 1500 hrs. to 0300 hrs.

Shift #4 1200 hrs to 2400 hrs

7. The Detective will continue to work his current eight (8) hour schedule.

8. Overtime shall be paid for all hours worked in excess of the normal twelve (12) hour work day, or any hours worked in excess of eighty-four (84) in the two week pay period.

### *III. CONDITIONS OF THE 12 HOUR SCHEDULE*

9. The right to accumulate and use compensatory time shall be eliminated for all members of the Police Department while officers in the patrol division work a twelve (12) hour schedule. In the event that officers in the patrol division work any schedule other than a twelve (12) hour schedule, the right to accumulate and use compensatory time will be reinstated as per the current collective bargaining agreement.

a. Officers with accumulated compensatory time at the beginning of the twelve (12) hour schedule will be paid by the Township for all time they have accumulated.

b. All officers understand and acknowledge that upon the execution of this agreement, they will not be allowed to accumulate or use compensatory time so long as the twelve hour schedule is in place.

10. Officers acknowledge and understand there may be times they will have to work solo during their patrol shift. If a decision is made that an officer will work solo, the PBA agrees not to file a grievance, unfair labor practice charge, any legal or administrative claim or otherwise challenge that decision.

11. The Chief of Police may utilize part-time officers to fill in vacancies in the patrol schedule. In other words, if a patrol shift needs to be filled because a full-time officer calls out of work for any reason, the PBA agrees that the Chief may utilize a part-time officer to fill the shift without first offering the vacant shift to a full-time officer. In addition, the Chief may have part-time officers work shifts vacated do to extended leaves of absences of full time patrol officers.

12. The only limitation on the use of part-time officers shall be the scheduling of overtime details. Overtime details are limited to seatbelt details, speed details, truck details,

motorcycle details and public event details. Whenever there is a need for an overtime detail, the Chief of Police shall first offer the overtime detail to the full-time officers before utilizing part-time officers.

#### *IV. KELLY TIME*

13. An Officer's annual salary is based on two thousand eighty (2,080) hours of work which is the equivalent of eighty (80) hours in a two week pay period. As the officers will be working eight-four (84) hours in a two week pay period, they shall receive four hours of Kelly Time for each fourteen (14) day pay period.

14. Kelly Time hours means time off at straight time and represents the hours an officer works beyond eighty (80) in the fourteen day pay period. Kelly Time is not compensatory time as defined by the *Fair Labor Standards Act*.

15. Officers must work the equivalent of eighty-four (84) hours during the fourteen (14) day pay period to earn Kelly Time. Kelly Time shall be prorated and adjusted for periods Officers are on suspension or on a leave of absence or on extended training i.e. 40 hrs. or more, which results in the officer being absent for a portion of their eighty-four (84) hours of scheduled time during any given fourteen (14) day pay period.

16. Kelly Time will be prorated based on the length of time that the officer actually works. It is understood that an officer who is out of work for a period of two weeks or greater will have their Kelly Time reduced in increments of two (2) hours per week. For example, an officer who is out of work IOD and remains on IOD status for several months will not receive Kelly Time because he is not actually working the extra four (4) hours in a pay period. Officers who do not actually work the extra hours are not entitled to Kelly Time.

17. Police officers may use Kelly Time as follows:

a. Officers may use Kelly Time in four (4), six (6) or twelve (12) hour periods to receive time off from duty. The use of Kelly Time must not create the need to incur overtime expenses to replace the officer using Kelly Time to maintain adequate manning of the shift. The request to use Kelly Time must be made to the Chief of Police in writing at least twenty-four (24) hours prior to its use. The Chief must approve the use of Kelly Time off, which approval shall not be unreasonably withheld.

b. An officer may use four (4) hours of Kelly Time at the beginning or end of a regularly scheduled shift. These hours of time must not create the need to incur overtime expenses to replace the officer to maintain adequate manning of the shift. These hours must be approved by the Chief of Police.

c. Kelly Time cannot be used on a Friday, Saturday or Sunday unless in conjunction with scheduled training on a Friday at which time (4) hours of Kelly time may be used.

18. Officers who do not work eight-four (84) hours during the pay period due to approved school or training will not earn the four (4) hours of Kelly Time for that pay period.

19. Officers who are in mandatory training and mandatory firearms training may choose to use four (4) hours of Kelly Time to complete their twelve (12) hour work day or report back to the police station and work four (4) hours of patrol to complete their twelve (12) hour day.

20. Kelly Time must be used in the calendar year it is earned. Kelly time earned in the month of December must be used by February of the following year. There will be no pay or

carry over of unused Kelly Time except for Kelly Time earned in December as stated above. If not used as noted, the Kelly Time is lost.

*V. OTHER TERMS AND CONDITIONS OF EMPLOYMENT*

21. This agreement does not change or effect how benefits are paid or calculated as provided by the Collective Bargaining Agreement. By way of example, vacation, sick and personal days are still eight (8) hours. However, if an officer is working the 12 hour schedule and takes a vacation day, sick day or personal day, that officer will be required to use 12 hours of vacation, sick or personal time for the day.

22. To avoid confusion, all leave benefits provided in the Collective Bargaining Agreement shall be converted to hours with a work day equaling eight (8) hours and a week equaling forty (40) hours. By way of further example, the Township will continue to pay officers a total of eighty-eight (88) hours of holiday pay which represents 11 paid holidays, as provided in the CBA.

23. In the event the twelve (12) hour schedule does not work between Solebury Township and Solebury Township PBA and the schedule is changed back to the current eight (8) hour schedule, all terms and conditions of employment in place prior to the implementation of the twelve (12) hour schedule will go back into effect.

24. The terms and conditions of employment contained in this Agreement shall supersede and take precedence over any conflicting terms or conditions contained in the Collective Bargaining Agreement and/or prior arbitration awards between the parties.

25. The representatives of the PBA acknowledge they have carefully read and fully understand the provisions of this Agreement, which sets forth the entire agreement between the Township and the PBA and that they have reviewed this with their counsel. The PBA

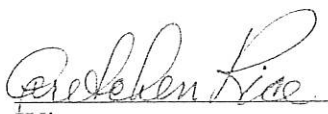
representatives further acknowledge they have not relied upon any representation or statement, written or oral, not set forth in this Agreement. The PBA representatives also acknowledge that the PBA is entering this Agreement voluntarily and that its acceptance of the terms of this Agreement are not the result of coercion by the Township.

*IN WITNESS WHEREOF*, the parties hereto set their hand and seal this day and year

first written below

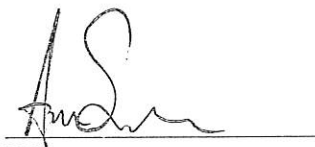
  
John Granger  
Township Manager

12.01.09  
th  
Date

  
Witness

12.01.09  
Date

Mark H. Chaikin 11-13-09  
Mark Chaikin, President  
Solebury Police Ass'n

  
Witness

11/13/09  
Date

## APPENDIX - 2



# Delaware Valley Health Trust

## Solebury Township

HMO \$15 primary, \$30 specialist, \$100 ER, Inpatient Hospitalization Copay, with a \$10 generic/\$20 brand/\$35 non-formulary pharmacy benefit

Benefits		In Network
Deductible		N/A
Out of Pocket Maximum		\$1,500 individual/\$3,000 family
Primary Care Physician		\$15 copay
Specialist Office Visit		\$30 copay
Routine GYN Exam		\$15 copay
Pediatric immunizations		\$15 copay
Mammography (age 40 and over)		100% no copay
Chiropractic Care		\$30 copay, 20 visits per calendar year.
Outpatient surgery		\$75 copay
Hospitalization		\$150 per day, maximum of 5 days per admission
Outpatient lab and pathology		100% no copay
Outpatient x-ray and radiology		\$30 copay
Complex imaging MRI/MRA, CT/CTA Scan, PET Scan		\$60 copay
Emergency Room Copay		\$100 copay. WAIVED if admitted.
Urgent Care		\$30 copay
Walk-in Clinic		\$30 copay
Maternity		\$15 copay, first visit only. Inpatient hospitalization copay applies.
Physical/Occupational/Speech Therapy		\$30 copay. Up to 60 visits per calendar year.
Home Health Care		\$30 copay
Hospice Care		100% no copay
Skilled Nursing Facility		\$75 per day, maximum of 5 days per admission. 120 days per calendar year.
Mental Health Services		Inpatient hospitalization copay applies. Outpatient \$30 copay.
Substance Abuse		Inpatient hospitalization copay applies. Outpatient \$30 copay.
Durable Medical Equipment		100%, no copay
Vision Exam Benefit		\$30 copay. One exam every 24 months.
Lens Reimbursement		Up to \$150 every 24 months
Prescription Drug Copay		\$10 generic/\$20 brand/\$35 non-formulary. Up to a 30 day supply.
Mail order copay		\$20 generic/\$40 brand/\$70 non-formulary. Up to a 90 day supply.
Oral contraceptive coverage		Covered

<p>Delaware Valley Health Trust</p> <p>Solebury Township</p>	
Value-Added Benefits	
<i>Health Club Membership Reimbursement - now Includes Race Reimbursement</i>	\$250 employee/\$250 spouse, 100 visits per rolling calendar yr. This includes race reimbursements. This is a benefit through the Trust office.
<i>Employee Assistance Program</i>	An employee Assistance Program offered through Human Management Services. This is a confidential, integrated counseling and referral service available to employees and eligible dependents.
<i>Health Advocate</i>	An innovative program designed to help employees and their families navigate the healthcare system. A Personal Health Advocate will assist with how to find the best doctors, getting help for elderly parents, obtain unbiased health information, and help with scheduling timely appointments.
<i>Member Wellness Program</i>	A voluntary, incentive paid, program sponsored by the Trust that focuses on 5 high-risk areas - high cholesterol, diabetes, hypertension, weight management, and smoking cessation.
<i>Weight Management Reimbursement Program</i>	Members and covered spouses are eligible to receive a reimbursement up to \$250, based on program fees, for attending a hospital based weight management program.
<i>Colonoscopy Incentive</i>	The Delaware Valley Health Insurance Trust will pay an incentive of \$150 to covered members age 50 years and over (or age 40 and older with a family history of colorectal cancer) for completing a preventative colonoscopy.
<i>Women's Health Initiative</i>	DVHIT provides cash incentives to eligible female participants who obtain preventative breast and cervical cancer screenings.

# Delaware Valley Health Trust

## Solebury Township

### Value-Added Benefits

	Confidential on-site medical screening designed to educate members on their personal health risk factors and to help them take the next step towards proactive health management. Participants receive a personal wellness profile, lab profile, blood chemistry, and confidential post-screen consultation by a program nurse. Upon completion, participants are eligible to receive a \$50 incentive. This program requires a minimum of 35 participants.
<i>On-Site Biometric Screening</i>	On-site weight education and management program offered during the lunch hour. Participants are reimbursed the registration fee after completing the 10-week program. This program requires a minimum of 20 participants.
<i>Weight Watchers At Work Program *</i>	As both a risk management and time-saving measure, the Trust contracts with CONEXIS for comprehensive COBRA administration services. CONEXIS monitors DOL regulatory requirements, handles all employee notifications, tracks elections, and processes premium billing for all subscribers electing to continue Trust medical or dental benefits.
<i>COBRA Administration</i>	

Plans are subject to change based on finalization of healthcare reform

\*Preventive services as defined by Federal Mandate and procedure code

\*Out of pocket maximum includes in-network medical and RX out of pocket costs per ACA Mandate

Plan designs subject to review by Actna's Standards Management Unit

## APPENDIX - 3

**MEDICAL PRESCRIPTION  
REIMBURSEMENT FORM**

DATE:

EMPLOYEE:

DEPENDENT:

Hospitalization reimbursement request

YES

NO

\*\*\*ATTACH COPIES OF PAID RECEIPTS\*\*\*

---

FOR OFFICE USE:

AETNA HMO/PPO PAYMENT \$ \_\_\_\_\_

REIMBURSEMENT AMOUNT \$ \_\_\_\_\_

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX #3

4844-8719-5942, v. 1

## APPENDIX - 4

## DELTA DENTAL

Client Name: SOLEBURY TOWNSHIP

Group No.: 06268

### BENEFIT HIGHLIGHTS FOR DELTA DENTAL PPO<sup>SM</sup>

Delta Dental offers you what no other dental plan can – The Delta Dental Difference<sup>®</sup>. Here's what makes us a leading provider of dental benefits:

- **Exceptional Cost Savings** – Our networks protect enrollees from balance billing and prevent dentists from charging more by "unbundling" services that should be billed as one service. Your costs are usually lowest when you visit a Delta Dental dentist.
- **Guaranteed Coinsurance/Copayment** – Delta Dental dentists agree to accept our determination of fees. They won't balance bill over Delta Dental's approved amount.
- **Professional Treatment Standards** – Delta Dental reviews utilization patterns and office practices to ensure that Delta Dental dentists meet professional standards for safety and quality of care.

The Delta Dental PPO program allows you the freedom to visit any licensed dentist, including a dentist from our Delta Dental Premier<sup>®</sup> indemnity network. However, there are advantages to visiting a Delta Dental PPO network dentist instead of a Premier or non-Delta Dental dentist. Consider the information below:

IN-PPO NETWORK	OUT-OF-PPO NETWORK
DELTA DENTAL PPO DENTISTS	DELTA DENTAL PREMIER DENTISTS & NON-DELTA DENTAL DENTISTS
You will usually pay the lowest amount for services when you visit a Delta Dental PPO dentist.  PPO dentists agree to accept a reduced fee for PPO patients.	You are responsible for the difference between the amount Delta Dental pays and the amount your non-Delta Dental dentist bills. You will usually have the highest out-of-pocket costs when you visit a non-Delta Dental dentist.  Premier dentists may not balance bill above Delta Dental's approved amount, so your out-of-pocket costs may be lower than with non-Delta Dental dentists' charges.
You are charged only the patient's share* at the time of treatment. Delta Dental pays its portion directly to the dentist.	Non-Delta Dental dentists may require you to pay the entire amount of the bill in advance and wait for reimbursement.  Premier dentists charge you only the patient's share* at the time of treatment.
PPO dentists will complete claim forms and submit them for you at no charge.	You may have to complete and submit your own claim forms, or pay your non-Delta Dental dentist a service fee to submit them for you.**  Premier dentists will complete claim forms and submit them for you at no charge.

### SAMPLE CLAIM SAVINGS

	IN-PPO NETWORK	OUT-OF-PPO NETWORK	
	DELTA DENTAL PPO DENTISTS	DELTA DENTAL PREMIER DENTISTS	NON-DELTA DENTAL DENTISTS
Dentist bills	\$180.00	\$180.00	\$180.00
Dentist accepts as payment in full	\$90.00 (Delta Dental's agreed-upon fee)	\$130.00 (Delta Dental's agreed-upon fee)	\$180.00 (No fee agreement with Delta Dental)
Delta Dental's payment 50%	\$45.00	\$65.00	\$75.00
Patient share*	\$45.00	\$65.00	\$105.00
Patient savings	\$60.00	\$40.00	\$0.00

\* Patient's share is the coinsurance/copayment, any remaining deductible, any amount over the annual maximum and any services your plan does not cover.

\*\* If you visit a non-network dentist, Delta Dental will send the benefit payment directly to you. You are responsible for paying the non-network dentist's total fee, which may include amounts in excess of your share of your plan's contract allowance.

The following information is not intended or designed to replace or serve as an Evidence of Coverage or Summary Plan Description for the program. If you have specific questions regarding benefit structure, limitations or exclusions, consult your company's benefits representative for the provisions specified in your Group Dental Contract.

## BENEFIT HIGHLIGHTS FOR DELTA DENTAL PPO

**Client Name: SOLEBURY TOWNSHIP**

**Group No.: 06268**

<b>WHO'S ELIGIBLE</b>	Primary enrollee, spouse and eligible dependent children to the end of the month that dependent turns 26 (includes domestic partner)
<b>DEDUCTIBLES</b>	\$50 per person, \$150 per family per calendar year
<b>DEDUCTIBLE WAIVED FOR DIAGNOSTIC, PREVENTIVE &amp; ORTHODONTICS?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>ANNUAL MAXIMUM</b>	The maximum benefit paid per calendar year is \$1500 per person

<b>BENEFITS AND COVERED SERVICES*</b>	<b>In-PPO Network**</b>	<b>Out-Of-PPO Network**</b>
<b>DIAGNOSTIC &amp; PREVENTIVE BENEFITS</b> – Oral examinations, routine cleanings, x-rays, fluoride treatment, space maintainers, sealants	100 %	100 %
<b>BASIC BENEFITS</b> – Fillings, denture repair and relining, bridge, crown, inlay and onlay repair, posterior composites	80 %	80 %
<b>MAJOR BENEFITS</b> – Crowns, inlays, onlays and cast restorations	50 %	50 %
<b>ENDODONTICS</b> – Root canals	80 %	80 %
<b>PERIODONTICS</b> – Gum treatment	80 %	80 %
<b>ORAL SURGERY</b> – Incisions, excisions, surgical removal of tooth including simple extractions	80 %	80 %
<b>PROSTHODONTICS</b> – Bridges, dentures	50 %	50 %
<b>ORTHODONTIC BENEFIT</b> children only to age 19	50 %	50 %
<b>ORTHODONTIC MAXIMUM</b>	\$ 1000 Lifetime	\$ 1000 Lifetime

\* Limitations or waiting periods may apply for some benefits; some services may be excluded. Please refer to your Evidence of Coverage or Summary Plan Description for waiting periods and a list of benefit limitations and exclusions.

\*\* Fees are based on PPO fees for In-PPO Network dentists and the group contract allowance for Out-Of-PPO Network dentists. Reimbursement is paid on Delta Dental contract allowances and not necessarily each dentist's actual fees.



Delta Dental of Pennsylvania

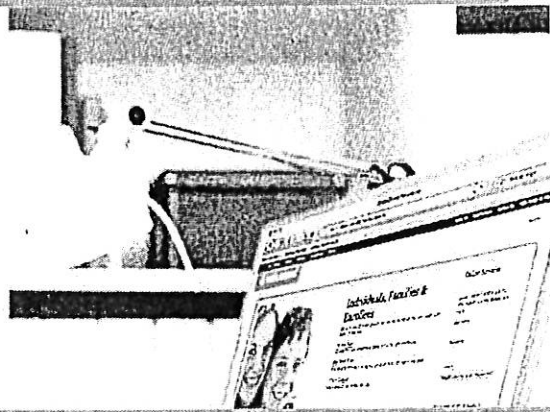
**Customer Service** [www.deltadentalins.com](http://www.deltadentalins.com)  
800-932-0783 (Business Hours: 8 am to 8 pm ET)

**Claims Address**  
P.O. Box 2105, Mechanicsburg, PA 17055-2105

6/10



## How to print an ID card



We'll do whatever it takes and then some.

### You don't need an ID card to receive services

When visiting your Delta Dental or DeltaCare® USA dentist, simply provide your name, date of birth and social security or enrollee identification number. The dental office can use that information to verify your eligibility and benefits.

1. Go to [www.deltadentalins.com](http://www.deltadentalins.com)
2. Log in to Online Services with your username and password. (If you don't already have a username or password, click the "Register Today" link to complete the quick registration process.)
3. Once you've logged in, click the "Eligibility & Benefits" tab.
4. Select "Print ID Card" on the left-hand side of the page. (If you do not see this option, in some instances you may also need to click on the "Eligibility & Benefits" link on the left-hand side of the page before you have the option to select "Print an ID Card.")
5. Click "Print."

### More ways to go paperless!

Help the environment and enjoy the convenience of accessing your dental benefits statements online anytime. Sign up to receive e-mail notification and discontinue your mailed statements.

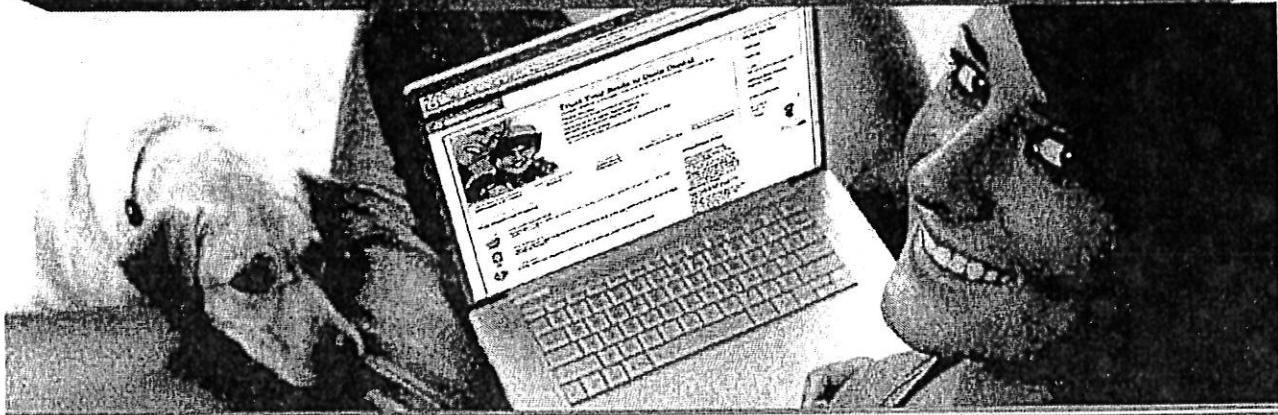
It's simple to sign up. Go to [www.deltadentalins.com](http://www.deltadentalins.com).

1. Sign in to Online Services with your username and password.
2. Click the **My Profile** link.
3. Go to the **Preferences** section and select the **Online with E-mail Alerts** button. Press **Submit**.



WE KEEP YOU SMILING®

Visit the Delta Dental website: [deltadentalins.com](http://deltadentalins.com)



We'll do whatever it takes and then some.

### Convenient services and information on our website

Our website\* makes it easy for you to manage your dental plan. Tools, services, information, forms – you'll find everything you need just a click away.

#### 1 Log in to:

- Check benefits, eligibility and claims status
- Print your ID card
- Find the average cost of a dental procedure in your area

#### 2 Find a dentist:

- Select your plan
- Enter options such as state and ZIP code
- Search for a dentist and link to a map with driving directions

#### 3 Oral health Information

Read articles, watch videos, find a glossary of dental terms and subscribe to *Dental Wire*, our free dental health newsletter

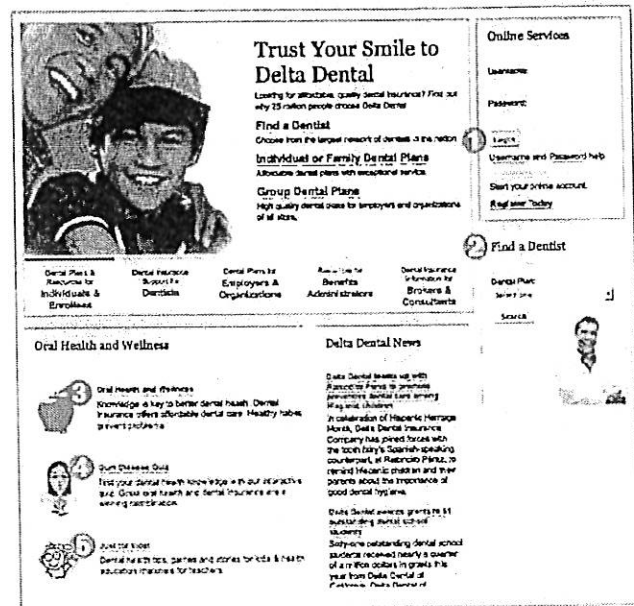
#### 4 Oral Health Quizzes

Assess your risk for cavities and gum disease and learn how to prevent them

#### 5 Just for kids

See our kids' website also available at [MySmileKids.com](http://MySmileKids.com)

\* The website [deltadentalins.com](http://deltadentalins.com) is the home of the Delta Dental companies listed on the reverse side and their subsidiaries and affiliates. For other Delta Dental companies, visit the Delta Dental Plans Association website at [deltadental.com](http://deltadental.com).



**DELTA DENTAL**

WE KEEP YOU SMILING®



# Predetermination

Delta Dental programs offer a service called *predetermination* to let you know in advance what services are covered and how much your plan will pay.

We advise you to take advantage of this service if your dentist recommends extensive treatment, such as crowns, bridges, dentures or any treatment expected to exceed \$300. It's easy.

Just have your dentist submit the claim prior to treatment, listing the procedures recommended but omitting the dates of service (because the treatment has not yet begun).

*Knowing your costs  
before treatment  
is to your advantage.*

Delta will review the claim and return a predetermination voucher to both you and your dentist identifying the covered benefits, Delta's portion of the charges and your portion.

If you choose not to have the treatment done, please advise Delta so that these funds are available for any other dental treatments for you.

With predetermination, both you and your dentist know how much of the proposed treatment will be paid by Delta and how much is your responsibility. This understanding can make it easier to plan an appropriate course of treatment.

While predetermination is generally recommended if a dental treatment is expected to exceed \$300, any claim may be predetermined if you would like an advance breakdown of the charges and coverages. If you have questions regarding predetermination, just call Delta at (800) 932-0783.



*We keep you smiling<sup>®</sup>*



## APPENDIX - 5

## NOTICE

If you have consulted a physician or other licensed medical professional, received medical treatment, services, or advice, or taken prescribed drugs or medications for a mental or physical condition, you will not be covered for such condition until you have been continuously insured under the Group Policy for at least twelve months. This exclusion only applies to a mental or physical condition for which you consulted a physician or other licensed medical professional, received medical treatment, services, or advice, or took prescribed drugs or medications during the 90 days before the most recent effective date of your group long term disability insurance.

# STANDARD INSURANCE COMPANY

A Stock Life Insurance Company  
P.O. Box 711  
Portland Oregon 97207  
(503) 321-7000

## CERTIFICATE

### GROUP LONG TERM DISABILITY INSURANCE

---

Policyholder:	Solebury Township
Policy Number:	147032-B
Effective Date:	January 1, 2009

---

The Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of your Employer's coverage under the Group Policy. If the terms of this Certificate differ from the terms of your Employer's coverage under the Group Policy, the latter will govern. If your coverage is changed by an amendment to the Group Policy, we will provide the Employer with a revised Certificate or other notice to be given to you.

Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate.

"You" and "your" mean the Member. "We", "us" and "our" mean Standard Insurance Company. Other defined terms appear with the initial letters capitalized. Section headings, and references to them, appear in boldface type.



President

(Police Officers)

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## COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. Other provisions, including exclusions, limitations, and Deductible Income, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

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### GENERAL POLICY INFORMATION

Group Policy Number:	147032-B
Policyholder:	Solebury Township
Employer(s):	Solebury Township
Group Policy Effective Date:	January 1, 2009
Policy Issued in:	Pennsylvania

---

#### Member means:

1. A regular employee of the Employer who is covered under the Employer-sponsored medical plan;
2. Actively At Work at least 30 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

Class Definition: Police Officers

**This Summary Plan Description applies to the class listed above. Other classes are also covered under the Plan. Contact your Plan Administrator for further information.**

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### SCHEDULE OF INSURANCE

Eligibility Waiting Period: You are eligible on one of the following dates:

If you are a Member on the Group Policy Effective Date, you are eligible on that date.

If you become a Member after the Group Policy Effective Date, you are eligible on the date you become a Member.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance.

Your Eligibility Waiting Period will be reduced by any continuous period as an employee of the Employer immediately prior to the date you become a Member.

---

Own Occupation Period:	The first 24 months for which LTD Benefits are paid.
Any Occupation Period:	From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

---

LTD Benefit:	60% of the first \$8,333 of your Predisability Earnings, reduced by Deductible Income.
Maximum:	\$5,000 before reduction by Deductible Income.
Minimum:	\$100
Benefit Waiting Period:	180 days.
Maximum Benefit Period:	Determined by your age when Disability begins, as follows:
Age	Maximum Benefit Period
61 or younger .....	To age 65, or 3 years 6 months, if longer.
62 .....	3 years 6 months
63 .....	3 years
64 .....	2 years 6 months
65 .....	2 years
66 .....	1 year 9 months
67 .....	1 year 6 months
68 .....	1 year 3 months
69 or older .....	1 year

---

## PREMIUM CONTRIBUTIONS

Insurance is: Noncontributory

## INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

LT.IC.OT.1

## BECOMING INSURED

To become insured you must be a Member, complete your Eligibility Waiting Period, and meet the requirements in **Active Work Provisions** and **When Your Insurance Becomes Effective**.

You are a Member if you are:

1. A regular employee of the Employer who is covered under the Employer-sponsored medical plan;
2. Actively At Work at least 30 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

You are not a Member if you are a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. Your Eligibility Waiting Period is shown in the **Coverage Features**.

(VAR MBR DEF) LT.BI.OT.1

## WHEN YOUR INSURANCE BECOMES EFFECTIVE

### A. When Insurance Becomes Effective

Subject to the **Active Work Provisions**, your insurance becomes effective as follows:

#### 1. Insurance Subject To Evidence Of Insurability

Insurance subject to Evidence Of Insurability becomes effective on the date we approve your Evidence Of Insurability.

#### 2. Insurance Not Subject To Evidence of Insurability

The **Coverage Features** states whether insurance is Contributory or Noncontributory.

##### a. Noncontributory Insurance

Noncontributory insurance not subject to Evidence Of Insurability becomes effective on the date you become eligible.

##### b. Contributory Insurance

You must apply in writing for Contributory insurance and agree to pay premiums. Contributory insurance not subject to Evidence Of Insurability becomes effective on:

- i. The date you become eligible if you apply on or before that date; or
- ii. The date you apply if you apply within 31 days after you become eligible.

Late application: Evidence Of Insurability is required if you apply more than 31 days after you become eligible.

## B. Takeover Provisions

1. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
2. You must submit satisfactory Evidence Of Insurability to become insured if you were eligible for insurance under the Prior Plan for more than 31 days but were not insured.

## C. Evidence Of Insurability Requirement

Evidence Of Insurability satisfactory to us is required:

- a. For late application for Contributory insurance.
- b. For Members eligible but not insured under the Prior Plan.
- c. For reinstatements if required.

Providing Evidence Of Insurability means you must:

1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about your health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. Provide any additional information about your insurability that we may reasonably require.

(VAR EOI) LT.EF.OT.1

## ACTIVE WORK PROVISIONS

### A. Active Work Requirement

You must be capable of Active Work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before the scheduled effective date of your insurance, your insurance will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing with reasonable continuity the Material Duties of your Own Occupation at your Employer's usual place of business.

### B. Changes In Insurance

This Active Work requirement also applies to any increase in your insurance.

LT.AW.OT.1

## CONTINUITY OF COVERAGE

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy;
2. You became insured under the Group Policy when your insurance under the Prior Plan ceased;
3. You were continuously insured under the Group Policy from the effective date of your insurance under the Group Policy through the date you became Disabled from the Preexisting Condition; and
4. Benefits would have been payable under the terms of the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

For such a Disability, the amount of your LTD Benefit will be the lesser of:

- a. The monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force; or
- b. The LTD Benefit payable under the terms of the Group Policy, but without application of the Preexisting Condition Exclusion.

Your LTD Benefits for such a Disability will end on the earlier of the following dates:

- a. The date benefits would have ended under the terms of the Prior Plan if it had remained in force; or
- b. The date LTD Benefits end under the terms of the Group Policy.

(PX) LT.CC.OT.1

### **WHEN YOUR INSURANCE ENDS**

Your insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium contribution was made for your insurance.
2. The date the Group Policy terminates.
3. The date your employment terminates.
4. The date you cease to be a Member. However, your insurance will be continued during the following periods when you are absent from Active Work, unless it ends under any of the above.
  - a. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence or sick leave, provided your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member. A period when you are absent from Active Work as part of a severance or other employment termination agreement is not a leave of absence, even if you are receiving the same Predisability Earnings.
  - b. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - c. During any other temporary leave of absence approved by your Employer in advance and in writing and scheduled to last 30 days or less. A period of Disability is not a leave of absence.
  - d. During the Benefit Waiting Period.

LT.EN.OT.1

### **WAIVER OF PREMIUM**

We will waive payment of premium for your insurance while LTD Benefits are payable.

LT.WP.OT.1

## REINSTATEMENT OF INSURANCE

If your insurance ends, you may become insured again as a new Member. However, the following will apply:

1. If you cease to be a Member because of a covered Disability, your insurance will end; however, if you become a Member again immediately after LTD Benefits end, the Eligibility Waiting Period will be waived and, with respect to the condition(s) for which LTD Benefits were payable, the Preexisting Condition Exclusion will be applied as if your insurance had remained in effect during that period of Disability.
2. If your insurance ends because you cease to be a Member for any reason other than a covered Disability, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
3. If your insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
4. If your insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.
5. The Preexisting Conditions Exclusion will be applied as if insurance had remained in effect in the following instances:
  - a. If you become insured again within 90 days.
  - b. If required by federal or state-mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.
6. In no event will insurance be retroactive.

LT.RE.OT.1

## DEFINITION OF DISABILITY

You are Disabled if you meet the following definitions during the periods they apply:

- A. Own Occupation Definition Of Disability.
- B. Any Occupation Definition Of Disability.

### A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder:

1. You are unable to perform with reasonable continuity the Material Duties of your Own Occupation; and
2. You suffer a loss of at least 20% in your Indexed Predisability Earnings when working in your Own Occupation.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

During the Own Occupation Period you may work in another occupation while you meet the Own Occupation Definition Of Disability. However, you will no longer be Disabled when your Work



Earnings from another occupation meet or exceed 80% of your Indexed Predisability Earnings. Your Work Earnings may be Deductible Income. See **Return To Work Provisions** and **Deductible Income**.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation involves the rendering of professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

#### B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of Any Occupation.

Any Occupation means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your Indexed Predisability Earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

Your Own Occupation Period and Any Occupation Period are shown in the **Coverage Features**.

(OWN\_ANY\_WITH 40) LT.DD.OT.1

## RETURN TO WORK PROVISIONS

#### A. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period no LTD Benefits will be paid for any period when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

#### B. Return To Work Incentive

You may serve your Benefit Waiting Period while working if you meet the Own Occupation Definition Of Disability.



You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined in a., b. and c:
  - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
  - b. Determine 100% of your Indexed Predisability Earnings.
  - c. If a. is greater than b., the difference will be Deductible Income.
2. After those first 12 months, 50% of your Work Earnings will be Deductible Income.

C. Work Earnings Definition

Work Earnings means your gross monthly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available:

- a. In your Own Occupation during the Own Occupation Period; and
- b. In Any Occupation during the Any Occupation Period.

Work Earnings includes earnings from your Employer, any other employer, or self-employment, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working.

Earnings from work you perform will be included in Work Earnings when you have the right to receive them. If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings we:

1. Will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis.
2. Will not be limited to the taxable income you report to the Internal Revenue Service.
3. May ignore expenses under section 179 of the IRC as a deduction from your gross earnings.
4. May ignore depreciation as a deduction from your gross earnings.
5. May adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine your Work Earnings by averaging your earnings over the most recent three-month period. During the Own Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 80% of your Indexed Predisability Earnings. During the Any Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 60% of your Indexed Predisability Earnings.

LT.RW.OT.1

## REASONABLE ACCOMMODATION EXPENSE BENEFIT

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit of up to \$25,000, but not to exceed the expenses incurred.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

LT.RA.OT.1

## REHABILITATION PLAN PROVISION

While you are Disabled you may qualify to participate in a Rehabilitation Plan. Rehabilitation Plan means a written plan, program or course of vocational training or education that is intended to prepare you to return to work.

To participate in a Rehabilitation Plan you must apply on our forms or in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to approve your Rehabilitation Plan.

An approved Rehabilitation Plan may include our payment of some or all of the expenses you incur in connection with the plan, including:

- a. Training and education expenses.
- b. Family care expenses.
- c. Job-related expenses.
- d. Job search expenses.

LT.RH.OT.1

## TEMPORARY RECOVERY

You may temporarily recover from your Disability and then become Disabled again from the same cause or causes without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable Allowable Period. See **Definition Of Disability**.

### A. Allowable Periods

1. During the Benefit Waiting Period: a total of 30 days of recovery.
2. During the Maximum Benefit Period: 180 days for each period of recovery.

### B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, the following will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of Temporary Recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other disability insurance plan under which you become insured during your period of Temporary Recovery.
5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

LT.TR.OT.1

## WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of:

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other LTD plan under which you become insured through employment during a period of Temporary Recovery.
5. The date you fail to provide proof of continued Disability and entitlement to LTD Benefits.

LT.BE.OT.1

## PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work. However, if you are a Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder, your Predisability Earnings will be based on your Employer's prior tax year or the Policyholder's prior tax year if you are a P.C. Partner. Any subsequent change in your earnings after that last day of Active Work will not affect your Predisability Earnings.

### A. Partners, P.C. Partners, L.L.C. Owner-Employees, Sole Proprietors and S-Corporation Shareholders

If you are a Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder, Predisability Earnings means your average monthly compensation from your Employer during the Employer's prior tax year. If you are a P.C. Partner, Predisability Earnings means the average monthly compensation received by your professional corporation from the Policyholder during the Policyholder's prior tax year. Your average monthly compensation is determined by adding the following amounts as reported on the applicable Schedule K-1, Schedule C, Form W-2 or S-Corporation federal income tax return, and dividing by 12 (or by the number of months you were a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder if less than 12):

1. Your ordinary income (loss) from trade or business activity(ies).
2. Your guaranteed payments, if you are a Partner.
3. Your net profit (loss) from business.
4. Your compensation (as an officer), salary, or wages, if you are an S-Corporation Shareholder.

If you were not a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder during the entire prior tax year, your Predisability Earnings will be your average monthly compensation for your period as a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder.

### B. All Other Members

Predisability Earnings means your monthly rate of earnings from your Employer, including:

1. Commissions averaged over the preceding 12 months or over the period of your employment if less than 12 months.
2. Shift differential pay.

Predisability Earnings does not include:

1. Bonuses.
2. Overtime pay.

3. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours. If you do not have regular work hours, your monthly rate of earnings is based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), but not more than 173 hours.

C. All Members

Predisability Earnings includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p), or 457 deferred compensation arrangement; or
  - b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Predisability Earnings does not include:

1. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan; or
2. Stock options or stock bonuses.

(K1\_REG WITH COM\_NO STOCK) LT.PD.OT.1

## DEDUCTIBLE INCOME

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, (but not vacation pay) payable to you by your Employer.
2. Your Work Earnings, as described in the **Return To Work Provisions**.
3. Any amount you receive or are eligible to receive because of your disability, including amounts for partial or total disability, whether permanent, temporary, or vocational, under any of the following:
  - a. A workers' compensation law;
  - b. The Jones Act;
  - c. Maritime Doctrine of Maintenance, Wages, or Cure;
  - d. Longshoremen's and Harbor Worker's Act; or
  - e. Any similar act or law.
4. Any amount you, your spouse, or your child under age 18 receive or are eligible to receive because of your disability or retirement under:
  - a. The Federal Social Security Act;
  - b. The Canada Pension Plan;
  - c. The Quebec Pension Plan;
  - d. The Railroad Retirement Act; or

e. Any similar plan or act.

Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefit are Deductible Income.

Benefits your spouse or a child receives or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence. The term "child" has the meaning given in the applicable plan or act.

5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage.
7. Any disability or retirement benefits you receive or are eligible to receive under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members. You and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan.

If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

8. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while LTD Benefits are payable.
9. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.
10. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgement, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
11. The amount of any disability benefits you receive under the Pennsylvania Motor Vehicle Financial Responsibility Act which, when added to the amount of your LTD Benefit before reduction by Deductible Income, exceeds 100% of your Indexed Predisability Earnings.
12. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

(NO CHOICE\_NO OTHR OFFST\_PUB\_WITH 3RD) LT.DI.PA.1

## EXCEPTIONS TO DEDUCTIBLE INCOME

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical, or surgical expense.
3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
4. Benefits from any individual disability insurance policy.
5. Early retirement benefits under the Federal Social Security Act which are not actually received.
6. Group credit or mortgage disability insurance benefits.
7. Accelerated death benefits paid under a life insurance policy.
8. Benefits from the following:
  - a. Profit sharing plan.
  - b. Thrift or savings plan.
  - c. Deferred compensation plan.
  - d. Plan under IRC Section 401(k), 408(k), 408(p), or 457.
  - e. Individual Retirement Account (IRA).
  - f. Tax Sheltered Annuity (TSA) under IRC Section 403(b).
  - g. Stock ownership plan.
  - h. Keogh (HR-10) plan.

(PUB\_NO OTHR OFFST) LT.ED.OT.1

## RULES FOR DEDUCTIBLE INCOME

### A. Monthly Equivalents

Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.

### B. Your Duty To Pursue Deductible Income

You must pursue Deductible Income for which you may be eligible. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

### C. Pending Deductible Income

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.



#### D. Overpayment Of Claim

We will notify you of the amount of any overpayment of your claim under any group disability insurance policy issued by us. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 60 days after we first mail you notice of the amount of the overpayment.

LT.RU.PA.1

### SUBROGATION

If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of LTD Benefits, and such notice shall constitute a lien on any judgement recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgement recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, shall be paid to you or as the court may direct.

LT.SG.OT.1

### SURVIVORS BENEFIT

If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivors Benefit according to 1 through 4 below.

1. The Survivors Benefit is a lump sum equal to 3 times your LTD Benefit without reduction by Deductible Income.
2. The Survivors Benefit will first be applied to reduce any overpayment of your claim.
3. The Survivors Benefit will be paid at our option to any one or more of the following:
  - a. Your surviving spouse;
  - b. Your surviving unmarried children, including adopted children, under age 25;
  - c. Your surviving spouse's unmarried children, including adopted children, under age 25; or
  - d. Any person providing the care and support of any person listed in a., b., or c. above.
4. No Survivors Benefit will be paid if you are not survived by any person listed in a., b., or c. above.

(MULTPL) LT.SB.OT.1

### BENEFITS AFTER INSURANCE ENDS OR IS CHANGED

During each period of continuous Disability, we will pay LTD Benefits according to the terms of the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:

1. Any amendment to the Group Policy that is effective after you become Disabled.
2. Termination of the Group Policy after you become Disabled.

LT.BA.OT.1

### EFFECT OF NEW DISABILITY

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1 and 2 apply.

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. The **Disabilities Excluded From Coverage, Disabilities Subject To Limited Pay Periods, and Limitations** sections will apply to the new cause of Disability.

LT.ND.OT.1

### DISABILITIES EXCLUDED FROM COVERAGE

#### A. War

You are not covered for a Disability caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

#### B. Intentionally Self-Inflicted Injury

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted Injury, while sane or insane.

#### C. Preexisting Condition

##### 1. Definition

Preexisting Condition means a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you have done any of the following:
  - i. Consulted a physician or other licensed medical professional;
  - ii. Received medical treatment, services or advice;
  - iii. Undergone diagnostic procedures, including self-administered procedures;
  - iv. Taken prescribed drugs or medications;
- b. Which, as a result of any medical examination, including routine examination, was discovered;

at any time during the 90-day period just before the date your insurance becomes effective.

##### 2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you have been continuously insured under the Group Policy for 12 months.

#### D. Loss Of License Or Certification

You are not covered for a Disability caused or contributed to by the loss of your professional license, occupational license or certification.



#### E. Violent Or Criminal Conduct

You are not covered for a Disability caused or contributed to by your committing or attempting to commit a felony, 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.

(NO PRUDNT\_NO AW) LT.XD.PA.1

### **DISABILITIES SUBJECT TO LIMITED PAY PERIODS**

#### A. Mental Disorders, Substance Abuse and Other Limited Conditions

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by any one or more of the following, or medical or surgical treatment of one or more of the following:

1. Mental Disorders;
2. Substance Abuse; or
3. Other Limited Conditions.

However, if you are confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, this limitation will not apply while you are continuously confined.

Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

Other Limited Conditions means chronic fatigue conditions (such as chronic fatigue syndrome, chronic fatigue immunodeficiency syndrome, post viral syndrome, limbic encephalopathy, Epstein-Barr virus infection, herpes virus type 6 infection, or myalgic encephalomyelitis), any allergy or sensitivity to chemicals or the environment (such as environmental allergies, sick building syndrome, multiple chemical sensitivity syndrome or chronic toxic encephalopathy), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy or myofascial pain), carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder, or craniomandibular joint disorder.

However, Other Limited Conditions does not include neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, or vascular malformations, demyelinating diseases, or lupus.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

#### B. Rules For Disabilities Subject To Limited Pay Periods

1. If you are Disabled as a result of a Mental Disorder or any Physical Disease or Injury for which payment of LTD Benefits is subject to a limited pay period, and at the same time are Disabled as a result of a Physical Disease, Injury, or Pregnancy that is not subject to such limitation, LTD Benefits will be payable first for conditions that are subject to the limitation.
2. No LTD Benefits will be payable after the end of the limited pay period, unless on that date you continue to be Disabled as a result of a Physical Disease, Injury, or Pregnancy for which payment of LTD Benefits is not limited.

## LIMITATIONS

### A. Care Of A Physician

You must be under the ongoing care of a Physician in the appropriate specialty as determined by us during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician in the appropriate specialty as determined by us.

### B. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but elect not to work.

### C. Rehabilitation Program

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating.

### D. Foreign Residency

Payment of LTD Benefits is limited to 12 months for each period of continuous Disability while you reside outside of the United States or Canada.

### E. Imprisonment

No LTD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.

LT.LM.OT.1

## CLAIMS

### A. Filing A Claim

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, you may submit your claim in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

### B. Time Limits On Filing Proof Of Loss

You must give us Proof Of Loss within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90-day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

### C. Proof Of Loss

Proof Of Loss means written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

#### D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 45 days after we mail our request, your claim may be denied.

#### E. Investigation Of Claim

We may investigate your claim at any time.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

#### F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss.

LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivors Benefit. If no Survivors Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

#### G. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 45 days after we receive your claim we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for 30 days. Before the end of this extension period we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for an additional 30 days. If an extension is due to your failure to provide information necessary to decide the claim, the extended time period for deciding your claim will not begin until you provide the information or otherwise respond.

If we extend the period to decide your claim, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may decide your claim based on the information we have received.

If we deny any part of your claim, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Group Policy on which our decision is based.
- c. A description of any additional information needed to support your claim.
- d. Information concerning your right to a review of our decision.

#### H. Review Procedure

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

You may send us written comments or other items to support your claim. You may review and receive copies of any non-privileged information that is relevant to your request for review. There will be no charge for such copies. You may request the names of medical or vocational experts who provided advice to us about your claim.

The person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to

the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. Our review will include any written comments or other items you submit to support your claim.

We will review your claim promptly after we receive your request. Within 45 days after we receive your request for review we will send you: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days. If the extension is due to your failure to provide information necessary to decide the claim on review, the extended time period for review of your claim will not begin until you provide the information or otherwise respond.

If we extend the review period, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim on review; and (c) any additional information we need to decide your claim.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may conclude our review of your claim based on the information we have received.

If we deny any part of your claim on review, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Group Policy on which our decision is based.
- c. Information concerning your right to receive, free of charge, copies of non-privileged documents and records relevant to your claim.

#### I. Assignment

The rights and benefits under the Group Policy are not assignable.

(REV PUB WRDG) LT.CL.OT.2

### **ALLOCATION OF AUTHORITY**

Except for those functions which the Group Policy specifically reserves to the Policyholder or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. The amount of benefits payable; and
  - d. The sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

LT.AL.OT.1



## **TIME LIMITS ON LEGAL ACTIONS**

No action at law or in equity may be brought until 60 days after you have given us Proof Of Loss. No such action may be brought more than three years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The time within which Proof Of Loss is required to be given.

LT.TL.OT.1

## **INCONTESTABILITY PROVISIONS**

### **A. Incontestability Of Insurance**

Any statement made to obtain insurance or to increase insurance is a representation and not a warranty.

No misrepresentation will be used to reduce or deny a claim or contest the validity of insurance unless:

1. The insurance would not have been approved if we had known the truth; and
2. We have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

After insurance has been in effect for two years during the lifetime of the insured, we will not use a misrepresentation to reduce or deny the claim, unless it was a fraudulent misrepresentation.

### **B. Incontestability Of The Group Policy**

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or your Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

LT.IN.OT.1

## **CLERICAL ERROR, AGENCY, AND MISSTATEMENT**

### **A. Clerical Error**

Clerical error by the Policyholder, your Employer, or their respective employees or representatives will not:

1. Cause a person to become insured.
2. Invalidate insurance under the Group Policy otherwise validly in force.
3. Continue insurance under the Group Policy otherwise validly terminated.

### **B. Agency**

The Policyholder and your Employer act on their own behalf as your agent, and not as our agent. The Policyholder and your Employer have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

### C. Misstatement Of Age

If a person's age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

1. The amount of insurance based on the correct age; and
2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

LT.CE.OT.1

## TERMINATION OR AMENDMENT OF THE GROUP POLICY

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium. The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

LT.TA.OT.1

## DEFINITIONS

Benefit Waiting Period means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

Contributory means insurance is elective and Members pay all or part of the premium for insurance.

CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

Employer means an employer (including approved affiliates and subsidiaries) for which coverage under the Group Policy is approved in writing by us.

Group Policy means the group LTD insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to the body.

L.L.C. Owner-Employee means an individual who owns an equity interest in an Employer and is actively employed in the conduct of the Employer's business.

LTD Benefit means the monthly benefit payable to you under the terms of the Group Policy.

Maximum Benefit Period means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See **Coverage Features**.

Noncontributory means (a) insurance is nonelective and the Policyholder or Employer pay the entire premium for insurance; or (b) the Policyholder or Employer require all eligible Members to have insurance and to pay all or part of the premium for insurance.

P.C. Partner means the sole active employee and majority shareholder of a professional corporation in partnership with the Policyholder.

Physical Disease means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician.

Physician means a licensed M.D. or D.O., acting within the scope of the license. Physician does not include you or your spouse, or the brother, sister, parent, or child of either you or your spouse.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

Prior Plan means your Employer's group long term disability insurance plan in effect on the day before the effective date of your Employer's participation under the Group Policy and which is replaced by coverage under the Group Policy.

LT.DF.OT.1

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