

The Scripps Research Institute

Class II

Long Term Disability Coverage



Disclosure Notice

FOR FLORIDA RESIDENTS

The benefits of the policy providing your coverage are governed by the law of a state other than Florida.



Foreword

We are pleased to present you with this Booklet. It describes the Program of benefits we have arranged for you and what you have to do to be covered for these benefits.

We believe this Program provides worthwhile protection for you and your family.

Please read this Booklet carefully. If you have any questions about the Program, we will be happy to answer them.

IMPORTANT NOTICE: *This Booklet is an important document and should be kept in a safe place. This Booklet and the Certificate of Coverage made a part of this Booklet together form your Group Insurance Certificate. Sign your name in the space below when you receive this Booklet.*

Table of Contents

FOREWORD	1
SCHEDULE OF BENEFITS	3
Who is Covered?	3
Effective Date of These Benefits	3
You Should Know	3
Employee Long Term Disability Coverage	3
When Do Benefits Begin?; How Long Will Benefits Be Paid?;	
Amount of Insurance	
Other Information	6
Waiting Period Before You Become Eligible for Insurance;	
Cost of the Insurance; When You Have a Claim	
ELIGIBILITY AND BECOMING INSURED	7
Who is Eligible?	7
When You Become Insured	7
When Coverage Could Be Delayed	8
EMPLOYEE LONG TERM DISABILITY COVERAGE	9
Benefits for Total Disability; Benefits for Partial Disability; Separate	
Periods of Disability; Benefits for Expenses of Rehabilitation; Benefit	
Limitations; Disabilities Not Covered	
Schedule Supplement for Employee Long Term Disability Coverage	15
How Benefits From Other Sources Can Affect Your Long Term	
Disability Coverage	
CONVERSION PRIVILEGE UNDER LONG TERM DISABILITY COVERAGE	18
GENERAL INFORMATION	20
Assignment of Coverages to Others	20
Definitions	20
If You Need to Make a Claim	22
WHEN YOUR INSURANCE ENDS	24
CERTIFICATE OF COVERAGE	25
ERISA Statement	27

Schedule of Benefits

Covered Classes: The "Covered Classes" are these Employees of the Contract Holder: All Employees other than those classified by the Contract Holder as Officers, Vice Presidents and Full Professors of The Scripps Research Institute(as defined in the bylaws).

Program Date: January 1, 2005. This Booklet describes the benefits under the Group Program as of the Program Date.

You should know...

- The Coverages in this Booklet are available to you if you are included in the Covered Classes. Only those Coverages for which you become insured will apply to you. The rules for becoming insured are in this Booklet's When You Become Insured section.
- There is a Delay of Effective Date section. The rules of that section may delay the start of your insurance.
- The Delay of Effective Date section also applies to any change, including a change in class, unless otherwise stated.
- The Coverages are described more fully on later pages of this Booklet. Be sure to read these pages carefully. They show when benefits are or are not payable under the Group Contract. They also outline when your insurance ends and the conditions, limitations and exclusions that apply to the Coverages.
- A Definitions section is included in this Booklet. Many of the terms used in this Booklet, such as "Active Work Requirement", are defined in that section.
- This Booklet and the Certificate of Coverage together form your Group Insurance Certificate. The Coverages in this Booklet are insured under a Group Contract issued by Prudential. All benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate. It alone forms the agreement under which payment of insurance is made.

EMPLOYEE LONG TERM DISABILITY COVERAGE

- This Coverage pays benefits when you have a long period of Disability. Benefits start after the Elimination Period. There is a Maximum Benefit Duration for each period of Disability.

Calendar Month: One of the twelve months of a Calendar Year.

Initial Duration: The Elimination Period plus 2 years.

Elimination Period:

For each period of Disability due to Sickness or accidental Injury, the first 90 days of continuous Disability.

If you temporarily recover from your Disability for 30 days or less during the 90 day period, your Disability will be treated as continuous. But recovery days will not count toward the 90 day period.

Delay of Effective Date: The Delay of Effective Date section applies to determine your Scheduled Benefit. It does not apply to any other change in your insurance under this Coverage.

Assignments: The insurance is assignable only as a gift, except as follows: you may assign benefits for expenses of a rehabilitation program to a provider of service.

Maximum Benefit Duration for a period of your Disability:

Your Age on Date Disability Begins	Your Maximum Benefit Duration
Under age 61	To your normal retirement age,* but not less than 60 months
Age 61	To your normal retirement age,* but not less than 48 months
Age 62	To your normal retirement age,* but not less than 42 months
Age 63	To your normal retirement age,* but not less than 36 months
Age 64	To your normal retirement age,* but not less than 30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

***Your normal retirement age is your retirement age under the Social Security Act where retirement age depends on your year of birth, as follows:**

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

Adjusted Benefit:

When the Adjusted Benefit is payable for a full Calendar Month, it is equal to the lesser of (1) and (2):

- (1) Your Scheduled Benefit. 60% of your monthly Earnings, but not more than \$20,000.
- (2) An amount equal to (a) minus (b):
 - (a) 70% of your monthly Earnings.
 - (b) Your Offset Amount for that Calendar Month.

But your Adjusted Benefit for a full Calendar Month will not be less than of 10% of the Scheduled Benefit or, if greater \$100.00.

When the Adjusted Benefit is payable for only part of a Calendar Month, it is equal to the lesser of (3) and (4):

- (3) The number of days in that part of that Calendar Month times 1/30 of your Scheduled Benefit described above.
- (4) The number of days in that part of that Calendar Month times 1/30 of an amount equal to (a) minus (b):
 - (a) 70% of your monthly Earnings.
 - (b) Your Offset Amount for that Calendar Month.

But your Adjusted Benefit for part of a Calendar Month will not be less than 1/30 of the greater of these two amounts: (a) 10% of the Scheduled Benefit or, (b) \$100.00 for each day in that part of that Calendar Month.

Your Offset Amount is determined from the Schedule Supplement described on a later page.

Indexing of Pre-Disability Earnings

The amount considered to be your Pre-Disability Earnings under Benefits for Partial Disability may be increased as of July 1 of a Calendar Year:

- (1) if you are Partially Disabled on that date and you were Disabled throughout all of the 12 months before that date; and
- (2) Benefits for Partial Disability that would be payable after that July 1 are less than the Benefits for Total Disability.

The amount of the first such increase is determined by multiplying your Pre-Disability Earnings by the Index Factor. The amount of each subsequent increase is determined by multiplying your Pre-Disability Earnings, as adjusted after the last such increase, by the Index Factor.

The Index Factor is the lesser of:

- (1) the annual percentage increase in the Consumer Price Index for the preceding Calendar Year; and
- (2) 10%.

This provision will not apply in any year the Adjusted Benefit has been increased because of a change in the Consumer Price Index.

Survivor Benefit

A death benefit is payable to your surviving spouse, Registered Domestic Partner or children under age 25 if you die:

- (1) after your period of Disability had continued for at least six consecutive months; and
- (2) while you are receiving benefits under this Coverage.

The total benefit will be an amount equal to six times your last Scheduled Benefit for a full Calendar Month.

The benefit is payable to your spouse or Registered Domestic Partner, if living. Otherwise, it is payable in equal shares to your children under age 25. No benefit is payable if you are not survived by your spouse, Registered Domestic Partner or any children under age 25.

If a benefit is payable to a person who is a minor or not capable of giving a valid release for any payment due, Prudential may, at its option, pay the amount payable to that person or to any person or institution that appears to Prudential to have assumed the custody and main support of that person. If any amount is so paid, Prudential will not have to pay that amount again.

The Definitions section explains what "Earnings" and "Registered Domestic Partner" mean.

OTHER INFORMATION

Contract Holder: THE SCRIPPS RESEARCH INSTITUTE

Group Contract No.: DG-00179-CA

Employment Waiting Period: You may need to work for the Employer for a continuous full-time period before you become eligible for the Coverage. The period must be agreed upon by the Employer and Prudential.

Your Employer will inform you of any such Employment Waiting Period for your class.

Cost of the Insurance: The insurance in this Booklet is Contributory Insurance. You will be informed of the amount of your contribution when you enroll.

Prudential's Address:

The Prudential Insurance Company of America
290 West Mount Pleasant Avenue
Livingston, New Jersey 07039

WHEN YOU HAVE A CLAIM

Each time a claim is made, it should be made without delay. Use a claim form, and follow the instructions on the form.

If you do not have a claim form, contact your Employer.

Who is Eligible to Become Insured

FOR EMPLOYEE INSURANCE

You are eligible for Employee Insurance while:

- You are a full-time or part-time Employee of the Employer; and
- You have completed the Employment Waiting Period, if any.

You are full-time or part-time if you are regularly working for the Employer at least the number of hours in the Employer's normal work week for your class, but not less than 20 hours per week.

The rules for obtaining Employee Insurance are in the When You Become Insured section.

When You Become Insured

FOR EMPLOYEE INSURANCE

Prompt enrollment is important, so enroll within the time period allowed by your Employer. If you do so, your Employee Insurance under a Coverage will begin the first day on which you have enrolled, and:

- You are eligible for Employee Insurance; and
- You have met any evidence requirement for Employee Insurance; and
- Your insurance is not being delayed under the Delay of Effective Date section below; and
- That Coverage is part of the Group Contract.

You must enroll on a form approved by Prudential and agree to pay the required contributions.

At any time, the benefits for which you are insured are those for your class, unless otherwise stated.

When evidence is required: In any of these situations, you must provide evidence of insurability. This requirement will be met when Prudential decides the evidence of insurability is satisfactory.

- (1) You enroll more than 31 days after you could first be covered.
- (2) You enroll after any of your insurance under the Group Contract ends because you did not pay a required contribution.
- (3) You have not met a previous evidence requirement to become insured under any Prudential group contract covering Employees of the Employer.

Delay of Effective Date

FOR EMPLOYEE INSURANCE

Your Employee Insurance will be delayed if you do not meet the Active Work Requirement on the day your insurance would otherwise begin. Instead, it will begin on the first day you meet the Active Work Requirement and the other requirements for the insurance. The same delay rule will apply to any change in your insurance that is subject to this section. If you do not meet the Active Work Requirement on the day that change would take effect, it will take effect on the first day you meet that requirement.

Employee Long Term Disability Coverage

FOR YOU ONLY

This Coverage pays benefits when you have a long period of Disability. Those benefits start after an Elimination Period. The benefits of Sections A and B are subject to the provisions of Sections C, E, F and G.

Not all Disabilities are covered. See Sections F and G below.

"Total Disability" exists when Prudential determines that all of these conditions are met:

- (1) Due to Sickness or accidental Injury, both of these are true:
 - (a) You are not able to perform, for wage or profit, the material and substantial duties of your occupation.
 - (b) After the Initial Duration of a period of Total Disability, you are not able to perform for wage or profit the material and substantial duties of any job for which you are reasonably fitted by your education, training or experience. The Initial Duration is shown in the Schedule of Benefits.
- (2) You are not working at any job for wage or profit.
- (3) You are under the regular care of a Doctor.

"Partial Disability" exists when Prudential determines that all of these conditions are met:

- (1) Due to Sickness or accidental Injury you are not able to perform, for wage or profit, the material and substantial duties of your occupation on a full-time basis.
- (2) You are working for wage or profit:
 - (a) at your own occupation, but you are not able to perform your duties on a full-time basis; or
 - (b) at another occupation.

The amount of your monthly earnings is your Partial Disability Earnings.

- (3) Your Partial Disability Earnings are not more than 80% of your Pre-Disability Earnings. Your Pre-Disability Earnings are the amount of your monthly Earnings before your period of Disability began.
- (4) You are under the regular care of a Doctor.

"Disability" means either Total Disability or Partial Disability.

A. BENEFITS FOR TOTAL DISABILITY.

Benefits are payable under this Section for a period of your Total Disability. Those benefits start on the first day after the Elimination Period (in the Schedule of Benefits) if you are not then receiving benefits for Partial Disability. The Elimination Period does not apply to Total Disability that starts while you are receiving benefits under this Coverage for Partial Disability.

Periods of Disability that include times when you are Totally Disabled as well as times when you are Partially Disabled, including any part of the Elimination Period, are one period of Disability unless:

- they meet the conditions for separate periods of Disability in Section C; or
- the Disability is not treated as continuous under the Elimination Period in the Schedule of Benefits.

Benefits for one such period of Disability are not payable for more than the Maximum Benefit Duration (in the Schedule of Benefits).

The benefits are payable for your period of Total Disability only if the period of Disability began while you were a Covered Person.

Amount Payable: The Adjusted Benefit (shown in the Schedule of Benefits) is payable for each full Calendar Month of Total Disability. An Adjusted Benefit is also determined and payable for any part of a Calendar Month made up of a day or days of Total Disability. "Calendar Month" is defined in the Schedule of Benefits.

B. BENEFITS FOR PARTIAL DISABILITY.

Benefits are payable under this Section for a period of your Partial Disability. Benefits start on the first day after the Elimination Period (in the Schedule of Benefits) if you are not then receiving benefits for Total Disability. The Elimination Period does not apply to Partial Disability that starts while you are receiving benefits under this Coverage for Total Disability.

Periods of Disability that include times when you are Totally Disabled as well as when you are Partially Disabled, including any part of the Elimination Period, are one period of Disability unless:

- they meet the conditions for separate periods of Disability in Section C; or
- the Disability is not treated as continuous under the Elimination Period in the Schedule of Benefits.

Benefits for one such period of Disability are not payable for more than the Maximum Benefit Duration (in the Schedule of Benefits).

The benefits are payable for your period of Partial Disability only if the period of Disability began while you were a Covered Person.

Amount Payable: An amount equal to (1) or (2):

- (1) This applies if your Partial Disability Earnings are less than 20% of your Pre-Disability Earnings. Benefits will be the same as the benefits that would be payable under this Coverage for Total Disability had you not been working for wage or profit.

- (2) This applies if your Partial Disability Earnings are at least 20% but not more than 80% of your Pre-Disability Earnings. Benefits will be determined as follows:
- (a) During the first 24 months of a period for which Partial Disability benefits are payable, benefits will be the same as the benefits that would be payable under this Coverage for Total Disability had you not been working for wage or profit, until the sum of (i) those benefits and (ii) your Partial Disability Earnings exceed 100% of your Pre-Disability Earnings. In that case, your benefit will be reduced by that excess amount.
 - (b) After the first 24 months, benefits will be the portion of your Earnings lost times the benefits that would be payable under this Coverage for Total Disability had you not been working for wage or profit. But, benefits will not be less than the minimum Adjusted Benefit for Total Disability, if any, shown in the Schedule of Benefits.

The portion of your Earnings lost is the difference between your Pre-Disability Earnings and Partial Disability Earnings, divided by your Pre-Disability Earnings.

You must give Prudential any proof needed to confirm your Partial Disability Earnings.

C. SEPARATE PERIODS OF DISABILITY.

This Section applies if a period of your Disability starts after a prior period for which benefits were payable under this Coverage.

In that case, the later period will be treated as part of the prior period unless one of these conditions is met:

- (1) Between the periods, you have performed, for wage or profit, all the material and substantial duties of a job with the Employer on a full-time basis for at least 6 consecutive months.
- (2) The periods are due to wholly unrelated causes.
- (3) Between the periods, you became eligible for other long term disability coverage through the Employer or any other employer.

D. BENEFITS FOR EXPENSES OF REHABILITATION.

This Section applies if:

- (1) you are Disabled; and
- (2) you are, or may become, entitled to benefits under this Coverage for that Disability.

Prudential may determine, after consulting your Doctor, that:

- (1) you are able to be in a program of rehabilitation that may help you to be able to support yourself; and
- (2) you should cease to be Disabled and be able to support yourself after being in such program.

Prudential will determine the type of expenses that will be covered and when they may be incurred. Prudential will inform you of the terms under which payment will be made.

If you agree to be in that program, benefits will be payable for the covered expenses you are charged. Benefits will not be provided to the extent coverage for the expenses is required, or is available at no cost to you, under a law or governmental program which provides rehabilitation. Nor will benefits be provided to the extent that coverage for the expenses is provided by an insured or uninsured plan under which the Employer or any other employer has paid any of the cost or made payroll deductions.

E. BENEFIT LIMITATION.

This Section applies if your Disability, as determined by Prudential, is caused at least in part by a mental, psychoneurotic or personality disorder. In that case, benefits are not payable for your Disability for more than 24 months. There are these exceptions if you are Disabled at the end of the twenty-fourth month for which benefits are payable:

- (1) If you are Confined in a Hospital for one or more of the disorders above at the end of the twenty-fourth month, the following will apply. While you remain Disabled, benefits are payable for the duration of that Confinement and, unless (2) below applies, for up to three additional months after your Confinement ends.
- (2) If, after the twenty-fourth month, you become Confined in a Hospital for one or more of the disorders above for at least 14 consecutive days, the following will apply. While you remain Disabled, benefits are payable for the remaining duration of that Confinement and for up to three additional months after your Confinement ends.

But, benefits are not payable for more than the Maximum Benefit Duration.

"Confined" or "Confinement" as used in this Section means a Hospital stay of at least 8 hours per day.

"Hospital" means an institution that meets either of these two tests:

- (1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations.
- (2) It is legally operated, has 24 hour a day supervision by a staff of Doctors, has 24 hour a day nursing service by registered graduate nurses, and complies with (a) or (b):
 - (a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical, diagnostic and major surgical facilities. All such facilities are in it or under its control.
 - (b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including X-ray and laboratory). All such facilities are in it, under its control, or available to it under a written agreement with a Hospital (as defined above) or with a specialized provider of those facilities.

But Hospital does not include a nursing home. Neither does it include an institution, or part of one, which: (i) is used mainly as a place for convalescence, rest, nursing care or for the aged; or (ii) furnishes mainly homelike or custodial care, or training in the routines of daily living; or (iii) is mainly a school.

F. BENEFIT LIMITATIONS - For Disability due to a Pre-existing Sickness or Injury.

This section describes limitations on benefits for any Disability that is due to a Pre-existing Sickness or Injury. It applies when you first become covered and when an increase in your Scheduled Benefit would otherwise be available.

A Pre-existing Sickness or Injury is one which was diagnosed or for which any charges were incurred or treatment was rendered within 3 months before the date you become a Covered Person or the date an increase in your Scheduled Benefit would otherwise be available.

A charge is considered incurred on the date of the service or purchase for which the charge is made.

Not Covered: Any period of Disability that is due to a Pre-existing Sickness or Injury and starts within the Limited Time described below is not covered.

The Limited Time is 6 months starting with the date you become a Covered Person.

Benefit Limit: This benefit limit applies for any increase in the amount of your Scheduled Benefit that is:

- (a) Due to an amendment of the Group Contract; or
- (b) Due to your enrollment in another plan option.

For a period of Disability that is due to a Pre-existing Sickness or Injury and starts within the Benefit Limit Period described below, there is a limit to your Scheduled Benefit. Your Scheduled Benefit for that period of Disability will not increase. Instead it will be the amount that was in effect on the day before the plan change.

The Benefit Limit Period is 6 months, starting with the date the increase in your Scheduled Benefit would otherwise take effect.

Special Rules for Persons Covered by the Employer's Prior Plan.

Special Rules apply if:

- This Coverage replaces a prior group long term disability coverage of the Employer;
- You were covered by that coverage on the day before the effective date of this Coverage; and
- You become a Covered Person under this Coverage by the thirty-first day after the effective date of this Coverage.

If you meet those conditions when you become a Covered Person under this Coverage, the special rules are as follows:

- (a) **Not Covered:** If the Employer's prior coverage did not contain a pre-existing condition limitation, then the Not Covered provision above does not apply. If the Employer's prior coverage did contain a pre-existing condition limitation, then the Limited Time does not end on the date described under the Not Covered provision above. Instead it ends on the date any equivalent limit would have ended under the Employer's prior coverage.

- (b) **Benefit Limit:** In addition to the Benefit Limit described above, if the change from the Employer's prior coverage to this Coverage would result in an increase in the amount of your benefits, your Scheduled Benefit for a period of Disability that is due to a Pre-existing Sickness or Injury will not increase. Instead it is limited to the benefit amount that was in effect on the day before the plan change.

GRP 89235

G. NOT COVERED.

- (1) Any Disability caused, wholly or partly, by one or more of these:
 - (a) Intentionally self-inflicted injury or attempted suicide while sane or insane.
 - (b) War or any act of war. "War" means declared or undeclared war and includes resistance to armed aggression.
- (2) A period of Disability, or part of such period, while you are confined in a prison or other house of correction due to a conviction in a court of law.

The benefits of this Coverage are payable to you. Payment will be made monthly. The Claim Rules apply to payment of the benefits.

SCHEDULE SUPPLEMENT FOR EMPLOYEE LONG TERM DISABILITY COVERAGE

- The Adjusted Benefit under Employee Long Term Disability Coverage in the Schedule of Benefits refers to your Offset Amount. That Offset Amount is determined from this Schedule Supplement. It describes the Periodic Benefits from other sources that are used to calculate your Offset Amount and how those Periodic Benefits are computed. Your Offset Amount is used to determine your Adjusted Benefit under the Coverage, as outlined in the Schedule of Benefits.

Offset Amount: This is the amount used to determine your Adjusted Benefit under the Coverage for a full Calendar Month or part of a Calendar Month. It is equal to the total amount of payments or benefits which for that Calendar Month or part of a Calendar Month are Periodic Benefits (described below) payable to you or to your spouse or children based on your work and earnings, or would be so payable if timely claim for them were made.

In computing those Periodic Benefits for all or part of a Calendar Month, these rules apply:

- (1) If any Periodic Benefit is not payable on a full Calendar Month basis, it will be adjusted to that basis.
- (2) When any Periodic Benefit is payable or being determined for part of a Calendar Month, 1/30 of its full Calendar Month basis will be used for each day to which it applies in that part of the Calendar Month.

Periodic Benefits: These are all of the benefits listed in (A) through (E) below. As stated above, they will be used to find your Adjusted Benefit. A change in your Periodic Benefits under (A), (B)(2), (B)(3), (D) or (E) will not be considered in determining your Adjusted Benefit for all or part of a Calendar Month if the following are true:

- (1) It is not due to a change in your personal or family status.
- (2) It is effective after benefits of the Coverage begin for that period.

The Periodic Benefits are:

- (A) Loss of time benefits payable for disability, whether permanent or temporary, due to a Sickness or Injury arising out of work for wages or profit with the Employer if the benefits are payable under or by reason of the following:
 - (1) A workers' compensation law, occupational disease law or similar law. This includes the part of any damages or settlement for your loss of income made in place of such benefits, whether or not liability is admitted.
 - (2) The maritime doctrine of maintenance, wages and cure. This includes only the "wages" part of such benefits.
- (B) Loss of time disability benefits payable under or by reason of:
 - (1) Any insurance or a health or welfare plan or other employee benefit plan where the Employer, directly or indirectly, has paid all or part of the cost or made payroll deductions.
 - (2) The United States Social Security Act as amended from time to time. This does not include benefits paid to your former spouse or to your child living with such spouse.

- (3) A state, Provincial or other Federal law of the United States or Canada. This does not include a law providing benefits or payments due to military service or any benefits under a motor vehicle insurance contract.
- (C) Payments made to you by the Employer as, or in place of, all or part of your wage or salary.
- (D) Periodic benefits under the United States Social Security Act as amended from time to time for any month after you reach age 62. This does not include:
 - (1) benefits for any month before you reach normal retirement age*, unless you choose to receive benefits for that month; or
 - (2) benefits paid to your former spouse or to your children living with such spouse.
- (E) Retirement benefits to the extent they are funded by employer contributions if they are from an insurance, annuity or pension contract, or a welfare or other employee benefit plan.

However, this (E) does not include benefits for any month before you reach normal retirement age*, unless you choose to receive benefits for that month.

*Your normal retirement age is your retirement age under the Social Security Act where retirement age depends on your year of birth. A Table showing the retirement ages by year of birth appears under the heading Maximum Benefit Duration in the Schedule of Benefits.

Estimated Social Security Benefits: This section applies with respect to disability benefits under the United States Social Security Act. As stated above, Periodic Benefits include benefits that would be payable if timely claim for them is made. In the case of Social Security benefits, this includes timely and diligent application for and pursuit of benefits through each level of appeal up to and including the Administrative Law Judge level.

Until you give Prudential written proof that you have completed the application and appeal process through each level of appeal as noted above, and benefits are finally denied, Prudential may:

- (1) estimate your monthly Social Security benefit; and
- (2) use that amount to determine your Adjusted Benefit.

But, Prudential will not estimate Social Security benefits while your application and appeals are pending if you sign Prudential's Reimbursement Agreement.

If Prudential finds that the amount of benefits that should have been used to determine your Adjusted Benefit differs from the amount actually used, these rules apply:

- (1) If benefits have been underpaid, Prudential will make a lump sum payment to bring the total payments to the amount that should have been paid.
- (2) If benefits have been overpaid, Prudential may ask for a lump sum payment or, at its option, reduce or eliminate future payments. If Prudential reduces or eliminates future payments, the minimum Adjusted Benefit, if any, will not apply.

Lump Sum Benefits: If benefits payable under a workers' compensation law, occupational disease law or similar law (including the part of any damages or settlement made in place of such benefits) are paid in a lump sum, that sum will be treated as loss of time disability benefits unless otherwise stated in the award. The amount deemed to be paid monthly will be the amount:

- (1) stated in the award, settlement or agreement as a periodic monthly benefit; or
- (2) set by the law as the maximum periodic monthly benefit if the sum is not paid for a specific time period.

If benefits from any other sources included in Periodic Benefits above are paid in a lump sum:

- (1) the sum will be prorated on a monthly basis over the time period for which the sum is paid; or
 - (2) the sum will be prorated on a monthly basis over a 60 month period starting with the date benefits are first payable under this Coverage if the sum is not paid for a specific time period.
-

Conversion Privilege Under Long Term Disability Coverage

This Conversion Privilege applies only to the Long Term Disability Coverage under the Group Contract.

It describes when and how you may become insured under a long term disability plan (called the Conversion Plan below) issued to the Trustee of The Prudential Group Long Term Disability Conversion Insurance Trust A or its successor trust(s), if any, when your Long Term Disability Coverage ends.

Right to Convert

A right under this section is subject to the rest of this Conversion Privilege.

You are eligible for coverage under the Conversion Plan if both of these are met:

- (1) Your employment ends (other than retirement).
- (2) On the date your Long Term Disability Coverage ends, you have been covered for at least twelve consecutive months, for the Long Term Disability Coverage under the Group Contract (or for it and for similar benefits under any group contract that it replaced).

But, these persons are not eligible for coverage under the Conversion Plan:

- (a) A person who is Disabled under the terms of the Long Term Disability Coverage.
- (b) A person whose Long Term Disability Coverage ends due to retirement.
- (c) A person who is age 70 or more when employment ends.
- (d) A person whose Long Term Disability Coverage ends by reason of (i) such person transferring out of a Covered Class or (ii) the end of such coverage for a class, by amendment or otherwise.
- (e) A person whose Long Term Disability Coverage ends by reason of the end of the Group Contract.
- (f) A person who is or becomes eligible for long term disability coverage under another group plan within 31 days after their employment ends.

Application and First Premium Payment

You must apply for coverage under the Conversion Plan and pay the first premium to Prudential within 31 days after you cease to be insured for the Long Term Disability Coverage. Evidence of insurability will be required for certain higher amounts of Scheduled Benefit.

Effective Date

The Conversion Plan will take effect on the day after your Long Term Disability Coverage ends.

Conversion Plan

The Conversion Plan's form, amount and premiums will be as stated below. Your occupation with the Employer when this Coverage ends will be used to determine your Total Disability under the Conversion Plan.

Form: Any form of Conversion Plan that Prudential then makes available. The benefits will comply with any state laws or regulations that may apply.

Amount: Not more than the amount of your Scheduled Benefit under the Long Term Disability Coverage when your insurance ends. The Scheduled Benefit under the Conversion Plan may be lower than that of the Long Term Disability Coverage.

Premium: For the Conversion Plan, this will be based on Prudential's rate as it applies to the form and amount of insurance it provides, the premium period and the attained age of the person covered. Premiums will not be due less often than quarterly unless the insured agrees.

General Information

LIMITS ON ASSIGNMENTS

You may assign your insurance under a Coverage. Unless the Schedule of Benefits states otherwise, the following rules apply to assignments: (1) Insurance under any Coverage providing periodic benefits on account of disability may be assigned only as a gift assignment; (2) Insurance under any other Coverage may be assigned without restriction. Any rights, benefits or privileges that you have as an Employee may be assigned. Prudential will not decide if an assignment does what it is intended to do. Prudential will not be held to know that one has been made unless it or a copy is filed with Prudential through the Contract Holder.

DEFINITIONS

Active Work Requirement: A requirement that you be actively at work at the Employer's place of business, or at any other place that the Employer's business requires you to go.

Calendar Year: A year starting January 1.

Contributory Insurance, Non-contributory Insurance: Contributory Insurance is insurance for which the Contract Holder has the right to require your contributions. Non-contributory Insurance is insurance for which the Contract Holder does not have the right to require your contributions. The Schedule of Benefits shows whether insurance under a Coverage is Contributory Insurance or Non-contributory Insurance.

Coverage: A part of the Booklet consisting of:

- (1) A benefit page labeled as a Coverage in its title.
- (2) Any page or pages that continue the same kind of benefits.
- (3) A Schedule of Benefits entry and other benefit pages or forms that by their terms apply to that kind of benefits.

Covered Person under a Coverage: An Employee who is insured for Employee Insurance under that Coverage; a Qualified Dependent for whom an Employee is insured for Dependents Insurance, if any, under that Coverage.

Dependents Insurance: Insurance on the person of a dependent.

Doctor: A licensed practitioner of the healing arts acting within the scope of the license.

Earnings: This is the gross amount of money paid to you by the Employer in cash for performing the duties required of your job. Bonuses, overtime pay, Earnings for more than 40 hours per week, and all other benefits are not included.

Employee: A person employed by the Employer; a proprietor or partner of the Employer. The term also applies to that person for any rights after insurance ends.

Employee Insurance: Insurance on the person of an Employee.

The Employer: Collectively, all employers included under the Group Contract.

Injury: Injury to the body of a Covered Person.

Prudential: The Prudential Insurance Company of America.

Registered Domestic Partner: A person:

- (a) who meets the definition of domestic partner as that term is used in the California Family Code; and
- (b) with whom you have established a domestic partnership in California; and
- (c) whose domestic partnership with you has been registered by the California Secretary of State.

Sickness: Any disorder of the body or mind of a Covered Person, but not an Injury; pregnancy of a Covered Person, including abortion, miscarriage or childbirth.

You: An Employee.

CLAIM RULES

These rules apply to payment of benefits under a Coverage when the Coverage states that they do.

Notice of Claim: This paragraph applies only to Employee Long Term Disability Coverage. Prudential must be given written notice that a claim will be made. The notice must be given to Prudential within 30 days after the end of the Elimination Period (defined in the Coverage). But, failure to meet that time limit will not make the claim invalid if the notice is given as soon as reasonably possible. The notice may be given by you or for you. It must show your name, the Employer's name and the Group Contract Number.

Proof of Loss: Prudential must be given written proof of the loss for which claim is made under the Coverage. This proof must cover the occurrence, character and extent of that loss. It must be furnished within 90 days after the date of the loss, except that :

- (1) If the Coverage is Employee Long Term Disability Coverage, both of these time limits must be met:
 - (a) Initial proof of loss must be furnished within 90 days after the end of the first month following the Elimination Period.
 - (b) Proof for each later month of continuing loss must be furnished within 90 days after the end of that month.
- (2) If any other Coverage provides for periodic payment of benefits at monthly or shorter intervals, the proof of loss for each such period must be furnished within 90 days after its end.
- (3) If payment under a Coverage is to be made for charges incurred during a Calendar Year, the proof for that Calendar Year must be furnished within 90 days after its end.

A claim will not be considered valid unless the proof is furnished within these time limits. However, it may not be reasonably possible to do so. In that case, the claim will still be considered valid if the proof is furnished as soon as reasonably possible.

When Benefits are Paid: Benefits are paid when Prudential receives written proof of the loss. But, if a Coverage provides that benefits are payable at equal intervals of a month or less, Prudential will not have to pay those benefits more often.

A benefit unpaid at your death will be paid to your estate. But this does not apply if the Coverage or the Limits on Assignments section on an earlier page states otherwise.

Physical Exam: Prudential, at its own expense, has the right to examine the person whose loss is the basis of claim. Prudential may do this when and as often as is reasonable while the claim is pending.

Legal Action: No action at law or in equity shall be brought to recover on the Group Contract until 60 days after the written proof described above is furnished. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

INCONTESTABILITY OF INSURANCE TO WHICH THE CLAIM RULES APPLY

This limits Prudential's use of your statements in contesting an amount of that insurance for which you are insured. These are statements made to persuade Prudential to effect an amount of that insurance. They will be considered to be made to the best of your knowledge and belief. These rules apply to each statement:

- (1) It will not be used in a contest to avoid or reduce that amount of insurance unless:
 - (a) It is in a written application signed by you; and
 - (b) A copy of that application is or has been furnished to you.
- (2) It will not be used in the contest after that amount of insurance has been in force, before the contest, for at least two years during your lifetime.

NOT IN PLACE OF WORKERS' COMPENSATION INSURANCE

The Group Contract is not in place of and does not affect any requirement for coverage by Workers' Compensation Insurance.

When Your Insurance Ends

EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will end when the first of these occurs:

- Your membership in the Covered Classes for the insurance ends because your employment ends (see below) or for any other reason.
- The part of the Group Contract providing the insurance ends.
- You fail to pay, when due, any contribution required for an insurance of the Group Contract.

End of Employment: For insurance purposes, your employment will end when you are no longer a full-time or part-time Employee actively at work for the Employer. But, under the terms of the Group Contract, the Contract Holder may consider you as still employed in the Covered Classes during certain types of absences from full-time or part-time work. This is subject to any time limits or other conditions stated in the Group Contract.

If you stop active full-time or part-time work for any reason, you should contact the Employer at once to determine what arrangements, if any, have been made to continue any of your insurance.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Certificate of Coverage

Prudential certifies that insurance is provided according to the Group Contract(s) for each Insured Employee. Your Booklet's Schedule of Benefits shows the Contract Holder and the Group Contract Number(s).

Insured Employee: You are eligible to become insured under the Group Contract if you are in the Covered Classes of the Booklet's Schedule of Benefits and meet the requirements in the Booklet's Who is Eligible section. The When You Become Insured section of the Booklet states how and when you may become insured for each Coverage. Your insurance will end when the rules in the When Your Insurance Ends section so provide. Your Booklet and this Certificate of Coverage together form your Group Insurance Certificate.

Coverages and Amounts: The available Coverages and the amounts of insurance are described in the Booklet.

If you are insured, your Booklet and this Certificate of Coverage form your Group Insurance Certificate. Together they replace any older booklets and certificates issued to you for the Coverages in the Booklet's Schedule of Benefits. All Benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate.

The Prudential Insurance Company of America

**This ERISA Statement
is not part of the
Group Insurance Certificate.**

ERISA STATEMENT

Plan Benefits Provided by

The Prudential Insurance Company of America
751 Broad Street
Newark, New Jersey 07102

This Group Contract underwritten by The Prudential Insurance Company of America provides insured benefits under your Employer's ERISA plan(s). For all purposes of this Group Contract, the Employer/Policyholder acts on its own behalf or as an agent of its employees. Under no circumstances will the Employer/Policyholder be deemed the agent of The Prudential Insurance Company of America, absent a written authorization of such status executed between the Employer/Policyholder and The Prudential Insurance Company of America. Nothing in these documents shall, of themselves, be deemed to be such written execution.

The Prudential Insurance Company of America as Claims Administrator has the sole discretion to interpret the terms of the Group Contract, to make factual findings, and to determine eligibility for benefits. The decision of the Claims Administrator shall not be overturned unless arbitrary and capricious.

Loss of Benefits

You must continue to be a member of the class to which this plan pertains and continue to make any of the contributions agreed to when you enroll. Failure to do so may result in partial or total loss of your benefits. It is intended that this plan will be continued for an indefinite period of time. But, the employer reserves the right to change or terminate the plan. This booklet describes your rights upon termination of the plan.

Claim Procedures

1. Determination of Benefits

Prudential shall notify you of the claim determination within 45 days of the receipt of your claim. This period may be extended by 30 days if such an extension is necessary due to matters beyond the control of the plan. A written notice of the extension, the reason for the extension and the date by which the plan expects to decide your claim, shall be furnished to you within the initial 45-day period. This period may be extended for an additional 30 days beyond the original 30-day extension if necessary due to matters beyond the control of the plan. A written notice of the additional extension, the reason for the additional extension and the date by which the plan expects to decide on your claim, shall be furnished to you within the first 30-day extension period if an additional extension of time is needed. However, if a period of time is extended due to your failure to submit information necessary to decide the claim, the period for making the benefit determination by Prudential will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If your claim for benefits is denied, in whole or in part, you or your authorized representative will receive a written notice from Prudential of your denial. The notice will be written in a manner calculated to be understood by you and shall include:

- (a) the specific reason(s) for the denial,

- (b) references to the specific plan provisions on which the benefit determination was based,
- (c) a description of any additional material or information necessary for you to perfect a claim and an explanation of why such information is necessary,
- (d) a description of Prudential's appeals procedures and applicable time limits, including a statement of your right to bring a civil action under section 502(a) of ERISA following your appeals, and
- (e) if an adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.

2. Appeals of Adverse Determination

If your claim for benefits is denied or if you do not receive a response to your claim within the appropriate time frame (in which case the claim for benefits is deemed to have been denied), you or your representative may appeal your denied claim in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

A full review of the information in the claim file and any new information submitted to support the appeal will be conducted by Prudential, utilizing individuals not involved in the initial benefit determination. This review will not afford any deference to the initial benefit determination.

Prudential shall make a determination on your claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date that Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If the claim on appeal is denied in whole or in part, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include:

- (a) the specific reason(s) for the adverse determination,
- (b) references to the specific plan provisions on which the determination was based,
- (c) a statement that you are entitled to receive upon request and free of charge reasonable access to, and make copies of, all records, documents and other information relevant to your benefit claim upon request,
- (d) a description of Prudential's review procedures and applicable time limits,
- (e) a statement that you have the right to obtain upon request and free of charge, a copy of internal rules or guidelines relied upon in making this determination, and

- (f) a statement describing any appeals procedures offered by the plan, and your right to bring a civil suit under ERISA.

If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

If the appeal of your benefit claim is denied or if you do not receive a response to your appeal within the appropriate time frame (in which case the appeal is deemed to have been denied), you or your representative may make a second, voluntary appeal of your denial in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your second appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

Prudential shall make a determination on your second claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date by which Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Your decision to submit a benefit dispute to this voluntary second level of appeal has no effect on your right to any other benefits under this plan. If you elect to initiate a lawsuit without submitting to a second level of appeal, the plan waives any right to assert that you failed to exhaust administrative remedies. If you elect to submit the dispute to the second level of appeal, the plan agrees that any statute of limitations or other defense based on timeliness is tolled during the time that the appeal is pending.

If the claim on appeal is denied in whole or in part for a second time, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include the same information that was included in the first adverse determination letter. If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

Rights and Protections

As a participant in this plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

