



**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

Certifies that it has issued and delivered a Group Policy numbered VD1E to:

FIFTH THIRD, INDIANA, TRUSTEE FOR
THE AMERICAN UNITED LIFE GROUP INSURANCE TRUST
FOR THE BUSINESS AND PROFESSIONAL SERVICE INDUSTRY
(Hereinafter called the Group Policyholder)

AND THAT *EDUCATOR BENEFITS CORPORATION, A WHOLLY OWNED SUBSIDIARY OF THE ALABAMA EDUCATION ASSOCIATION*, SHALL PARTICIPATE IN THE COVERAGE AS A PARTICIPATING UNIT.

PARTICIPATING UNIT NUMBER: G 00300000-0000-000 CLASS 02
CHANGE EFFECTIVE DATE: 04/01/2006 PLAN NUMBER: 3

American United Life Insurance Company® (AUL) certifies that the Person whose enrollment form is on file with the Participating Unit as being eligible for insurance and for whom the required premium has been paid is insured under the above numbered Group Policy for group insurance benefits as designated in the Schedule of Benefits. Benefits as described in this certificate are subject to change.

This certificate describes the coverage provided in the Group Policy. The Group Policy determines all rights and benefits in this certificate and may be amended, canceled or discontinued at any time by agreement between AUL, the Group Policyholder, and the Participating Units.

The Group Policy may be examined at the main office of AUL during regular office hours.

If an Employee is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date is the date the Employee returns to full-time Active Work.

Thomas Zurek
Secretary

Dayton Molendorp
President and Chief Executive Officer

**CERTIFICATE OF INSURANCE
GROUP VOLUNTARY DISABILITY INSURANCE**

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SECTION 1 - SCHEDULE OF BENEFITS

PLAN 3

ELIGIBLE CLASSES	All Active Eligible Employees of Sponsored Schools of the Alabama Education Association effective after 09/01/03.	
Requirement for full-time Employees	20 hours or more per week (15 hours or more per week for bus drivers)	
ELIMINATION PERIOD	90 days	
WAITING PERIOD		
Present Employees:	0 days	
New Employees:	30 days	
MONTHLY BENEFIT	60 % of the Covered Monthly Earnings not to exceed the Maximum Monthly Benefit of \$6,000 less Other Income Benefits.	
MINIMUM MONTHLY BENEFIT	\$100	
SOCIAL SECURITY INTEGRATION	Direct Family	
SURVIVOR BENEFIT	3 months	

MAXIMUM BENEFIT DURATION -

REDUCING BENEFIT DURATION

Age When Total Disability Begins

Maximum Benefit Duration

Less than 60
60
61
62
63
64
65
66
67
68
69 and over

Greater of: SSNRA* or
to age 65
5 years
4 years
3.5 years
3 years
2.5 years
2 years
21 months
18 months
15 months
12 months

* SSNRA means the Social Security Normal Retirement Age as figured by the 1983 amendment or any later amendment to the Social Security Act.

GUARANTEED ISSUE AMOUNT: \$6,000

SECTION 2 - DEFINITIONS

ACTIVE WORK and ACTIVELY AT WORK means the use of time and energy in the services of the Participating Unit at the regular place of employment by a Person who is physically and mentally capable of performing each of the material and substantial duties of his regular job on a regular full-time basis.

This includes time off for vacation, jury duty, and funeral leave, where the Person could have been Actively At Work on that day. This does not include time off as a result of an Injury or Sickness, a strike, lock-out or lay-off.

BASIC MONTHLY EARNINGS means the Person's monthly pay, before taxes, received from the Participating Unit not to exceed a maximum workweek of forty (40) hours. These earnings are based on the amount as last reported to AUL in writing by the Participating Unit and approved by AUL before the date of Disability. Earnings do not include income received from commissions, bonuses, or expense accounts.

If the Person is paid his annual earnings in less than 12 months, the Basic Monthly Earnings shall equal 1/12 of the annual earnings.

CHILD means:

- 1) any natural born child of the Person;
- 2) any legally adopted child of the Person;
- 3) any stepchild who lives with the Person; or
- 4) any child for whom the Person has legal guardianship.

CONSUMER PRICE INDEX (CPI) means the statistical measure of the average change in prices figured by the United States Dept. of Labor, Bureau of Labor Statistics. The percent change in the Consumer Price Index for all Urban Consumers (CPI-U); U.S. City Average for All Items, for the prior calendar year will be used in calculations. If the CPI is discontinued or if its method of computation is significantly changed, AUL may use another comparable index.

SECTION 2 - DEFINITIONS

COVERAGE MONTH means that period of time beginning on the date shown in each Participating Unit's amendment, and ending on the day before that date of the next month

COVERED MONTHLY EARNINGS means the amount of the Person's earnings received from the Participating Unit that is insured by the Group Policy. This amount will be the LESSER of:

- 1) the Basic Monthly Earnings; or
- 2) the Maximum Monthly Benefit divided by the benefit percentage as shown on the Schedule of Benefits.

DISABILITY and DISABLED mean Total Disability and Totally Disabled and Partial Disability and Partially Disabled.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

ELIGIBILITY DATE for any Person means the date that the Person first becomes eligible for insurance under the Group Policy.

ELIGIBLE SURVIVOR means

- 1) the Person's legal spouse; or
- 2) the Person's unmarried Child under the age of 23, if the Child:
 - a) is dependent upon the Person for principal financial support or is claimed as a dependent on the Person's federal income tax return; or
 - b) is registered in and attending an accredited educational institution on a full-time basis as defined in the regulations of the institution. School vacation periods are considered a part of school attendance on a full-time basis.

ELIMINATION PERIOD means a period of consecutive days of Disability for which no benefit is payable. The Elimination Period is set forth on the Schedule of Benefits and begins on the first day of Disability.

EMPLOYEE means any individual who is a full-time employee (or proprietor, partner, or corporate officer) of a Participating Unit school district sponsored by the Alabama Education Association:

- 1) whose employment with the Participating Unit constitutes his principal occupation; and
- 2) who regularly works at that occupation a minimum number of hours as stated by the Participating Unit in the Schedule of Benefits; and
- 3) who is working at the Participating Unit's regular place of business; and
- 4) who is not a temporary, or seasonal employee.

SECTION 2 - DEFINITIONS

EMPLOYER'S RETIREMENT PLAN means any plan which provides retirement benefits to retired employees and which is not funded wholly by employee contributions. It includes any retirement plan which:

- 1) is part of any federal, state, county, municipal or association retirement system; and
- 2) the Person is eligible for as a result of his employment with the employer.

It does not mean:

- 1) a profit sharing plan if wholly or partially funded by the Person;
- 2) a thrift plan;
- 3) an Individual Retirement Account (IRA);
- 4) a Tax Sheltered Annuity (TSA);
- 5) a stock ownership plan;
- 6) a plan of deferred compensation; or
- 7) a Keogh plan.

EVIDENCE OF INSURABILITY means a statement or proof of an Employee's medical history upon which acceptance for insurance will be determined by AUL.

FAMILY SOCIAL SECURITY BENEFITS means benefits which the Person and/or his spouse, Child or Children are entitled to receive as a result of the Person's eligibility for disability insurance benefits or old age insurance benefits under Social Security.

GAINFUL OCCUPATION means an occupation that is or can be expected to provide a Person with an income within 12 months of the Person's return to work, that exceeds:

- 1) 80% of the Person's Indexed Pre-disability Earnings, if the Person is working;
- 2) 60% of Person's Indexed Pre-disability Earnings, if the Person is not working.

GROSS MONTHLY BENEFIT means the Person's Monthly Benefit before any reduction for Other Income Benefits and earnings.

GUARANTEED ISSUE AMOUNT means the amount of coverage that does not require Evidence of Insurability. This amount is shown on the Schedule of Benefits page.

INDEXED PRE-DISABILITY EARNINGS means the Person's Pre-Disability Earnings increased annually by the Consumer Price Index. The increase will be effective on the July 1st following the first 12 consecutive calendar months of receiving Disability benefits and on each subsequent July 1st.

SECTION 2 - DEFINITIONS

INJURY means bodily injury resulting directly from an accident and independently of all other causes. This includes all other conditions related to the same injury sustained by a Person while insured under the Group Policy.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- 1) are normally required for the performance of a Person's Regular Occupation; and
- 2) cannot be reasonably omitted or modified, except that if the Person is required to work on average in excess of 40 hours per week, AUL will consider the Person able to perform that requirement if he has the capacity to work 40 hours per week.

MAXIMUM BENEFIT DURATION means the maximum amount of time that benefits will be payable for Disability. This amount of time is stated in the Schedule of Benefits.

MAXIMUM MONTHLY BENEFIT means the maximum amount of benefit payable to a Person on a monthly basis as stated in the Schedule of Benefits.

MENTAL ILLNESS means any condition classified as a mental disorder in the *American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders*, as published from time to time, excluding mental retardation.

MONTHLY BENEFIT means the amount payable monthly by AUL to the Disabled Person. This is the amount stated in the Schedule of Benefits less Other Income Benefits.

OTHER INCOME BENEFITS means those benefits set out below which the Person, and/or his spouse, Child or Children are entitled to receive. Except for retirement benefits and income received from sources in items 7 and 8 below, these Other Income Benefits are benefits resulting from the same Disability for which a Monthly Benefit is payable under the Group Policy.

Other Income Benefits are:

- 1) any amount provided to the Person under:
 - a) any Worker's or Workmen's Compensation Law;
 - b) Occupational Disease Law; or
 - c) any other similar act or law;
- 2) any disability income benefits provided to the Person under any Compulsory Benefit Act or Law;
- 3) any disability income benefits for which the Person is eligible under any other group insurance plan of the Participating Unit;

SECTION 2 - DEFINITIONS

- 4) any disability or retirement benefits received by the Person under the Employer's Retirement Plan as follows:
 - a) Disability benefits included are amounts which:
 - i) are payable under a retirement plan due to disability as defined in that plan; and
 - ii) do not reduce the amount of money, which would have been paid as retirement benefits at the normal retirement age under the plan if the disability had not occurred. (If the payment does cause such a reduction, it will be deemed a retirement benefit as defined in the Group Policy);
 - b) Retirement benefits included are amounts which:
 - i) are payable under a retirement plan either in a lump sum or in the form of periodic payments;
 - ii) are payable upon:
 - (1) early or normal retirement; or
 - (2) disability, if the payment does reduce the amount of money, which would have been paid at the normal retirement age, under the plan, if the disability had not occurred; and
 - iii) are 50% of Benefits received from the Alabama Teachers Retirement Systems;
- 5) any amount of disability or retirement benefits payable under the United States Social Security Act based on Family Social Security Benefits as stated in the Schedule of Benefits;
- 6) any amount of disability or retirement benefits under:
 - a) the Railroad Retirement Act; or
 - b) any other similar act or law provided in any jurisdiction;
- 7) any Covered Monthly Earnings, based on the pay-cycle associated with the Monthly Benefit period, which are received from the Participating Unit after the Elimination Period. Earnings include salary continuance, sick pay and vacation pay. Earnings do not include borrowed income from future earnings due to a renegotiated contract nor donated sick pay and vacation pay that must be reimbursed to the donor upon return to Active Work; and
- 8) any earnings the Person receives from any other occupation or employer while the Person is Disabled and receiving a Monthly Benefit under the Group Policy. This does not include any earnings of the spouse or Child received from their occupation.

SECTION 2 - DEFINITIONS

PARTIAL DISABILITY and PARTIALLY DISABLED mean that because of Injury or Sickness, the Person, while unable to perform every material and substantial duty of his regular occupation on a full-time basis:

- 1) is performing at least one of the material and substantial duties of his regular occupation or another occupation on a part-time or full-time basis; and
- 2) is earning less than 80% of his Indexed Pre-Disability Earnings due to that same Injury or Sickness.

PARTICIPATING UNIT means Educator Benefits Corporation, a wholly owned subsidiary of the Alabama Education Association and the sponsor of certain employee benefit plans, and also any participating school district sponsored by the Alabama Education Association (AEA).

A Participating Unit is eligible for coverage under the policy as determined by AUL. In order for the Participating Unit to remain eligible for continued coverage under the policy, participation must be not less than 25 % of eligible employees in each AEA sponsored school district.

The Participating Unit Educator Benefits Corporation is liable for all premiums due and collected for a Participating Unit school district during any period of time the Participating Unit school district is insured under the Group Policy. Any notice given to the Participating Unit Educator Benefits Corporation by AUL shall be considered notice given to the Participating Unit school district.

PARTICIPATING UNIT'S EFFECTIVE DATE means the date on which coverage is actually effective for the Participating Unit under the Group Policy as determined by AUL.

PARTICIPATING UNIT'S ANNIVERSARY DATE means the date once a year which marks when the Participating Unit became insured under the Group policy.

PERSON means an Employee who has met the requirements of the ELIGIBILITY, ENROLLMENT, and INDIVIDUAL EFFECTIVE DATE OF INSURANCE section of the Group Policy.

PERSONAL INSURANCE means the insurance provided under the Group Policy for an insured Person.

PHYSICIAN means a qualified, licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires be recognized as a Physician, and practicing within the scope of his license. This does not include the Person, or the spouse, parent, son, daughter, brother or sister of the Person.

PLAN means the combination of benefits and provisions chosen on the Subscription Agreement by the Participating Unit as a designated plan.

PLAN YEAR means a one-year period beginning on the Participating Unit's Anniversary Date or on each subsequent anniversary of the Participating Unit's Anniversary Date.

PRE-DISABILITY EARNINGS means the Person's Covered Monthly Earnings in effect immediately prior to his date of Disability.

PRE-EXISTING CONDITION means any Sickness or Injury for which the Person received medical treatment, services, or incurred expenses during the 6 months that is immediately prior to the Person's Individual Effective Date of Insurance.

SECTION 2 - DEFINITIONS

PRIMARY SOCIAL SECURITY BENEFITS means benefits that the Person is entitled to receive for himself as a result of his eligibility for disability insurance benefits or old age insurance benefits under Social Security.

PRIOR PLAN means the Participating Unit's plan of long or short term disability insurance, which terminated on the day immediately before the Participating Unit's Effective Date of coverage under this policy.

REGULAR ATTENDANCE means that a Person:

- 1) personally visits a Physician as medically required according to standard medical practice, to effectively manage and treat the Person's Disability;
- 2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
- 3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.

REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. A Person's occupation does not mean the specific job tasks a Person does for a Participating Unit or at a specific location. For Physicians "Regular Occupation" means the area in the practice of medicine that they were practicing immediately prior to the date Disability started. For attorneys "Regular Occupation" means the practice of law as defined under applicable laws.

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy, and complications of pregnancy as defined below:

- 1) concurrent disease or abnormal conditions significantly affecting the usual medical management of pregnancy; or
- 2) any condition requiring non-elective caesarean section delivery.

SOCIAL SECURITY means the United States Social Security Act or any similar law, plan or act including the initial enactment and all amendments.

TOTAL DISABILITY and TOTALLY DISABLED mean that because of Injury or Sickness a Person:

- 1) is under the Regular Attendance of a Physician for that Injury or Sickness;
- 2) is not working in any occupation;
- 3) cannot perform the Material and Substantial Duties of his Regular Occupation;
- 4) after benefits have been paid for two (2) years, a Person cannot perform the duties of *any* Gainful Occupation that he is reasonably fitted for by training, education or experience; and
- 5) the Person is continuously unable to perform two or more Activities Of Daily Living (ADL), without Stand-by Help; or the Person has a Cognitive Impairment; a Terminal Illness.

If the Person is employed as a pilot, co-pilot, or crew of an aircraft, Total Disability and Totally Disabled mean that because of Injury or Sickness, a Person cannot perform the duties of any Gainful Occupation for which he is reasonably fitted by training, education or experience

If a Person's Regular Occupation requires a license, loss of this license for any reason does not in itself constitute Total Disability.

SECTION 2 - DEFINITIONS

The following terms as used in item 5 above are defined below:

Activities Of Daily Living means:

- 1) BATHING – washing oneself by sponge bath; or in either a tub or shower, including the task of getting into and out of the tub or shower.
- 2) DRESSING – putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limb.
- 3) TOILETING – getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- 4) TRANSFERRING – moving into and out of a bed, chair, or wheelchair.
- 5) MOBILITY – the ability to walk or wheel on a level surface from one room to another with or without the assistance of equipment.
- 6) CONTINENCE – the ability to maintain control of bowel or bladder function; or, when unable to maintain control of bowel or bladder functions, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- 7) EATING – feeding oneself by getting food into the body from a receptacle (such as a plate, cup, or table).

Stand-by Help means the Person requires hands-on (active) help from another person with all or most of his activity.

Cognitive Impairment means the Person has a deterioration or loss in intellectual capacity, resulting from injury, sickness, Alzheimer's disease or similar forms of irreversible dementia and the Person needs another person's active help or verbal guidance for his or her own protection or for the protection of others. The deterioration or loss will be based on clinical evidence and/or clinical tests, according to generally accepted medical standards, that reliably measure the impairment. Cognitive Impairments that existed prior to the effective date of the Person's coverage will not be covered.

Terminal Illness means a diagnosed illness that, according to generally accepted medical standards, is expected to result in death within 12 months.

WAITING PERIOD is the number of days of continuous, active, full-time employment that an Employee must serve in an eligible class to reach his Eligibility Date. This period of time is stated in the Schedule of Benefits.

The Waiting Period is waived for a Person who transfers from one eligible class or Plan to another eligible class or Plan. However, such Person must have been continuously employed by the Participating Unit for a period of time equal to the Waiting Period.

**SECTION 3 - ELIGIBILITY, ENROLLMENT and
INDIVIDUAL EFFECTIVE DATE OF INSURANCE**

DEFINITIONS (as used in this Section)

PRESENT EMPLOYEE means an Employee who is employed by the Participating Unit and has completed the Waiting Period for Present Employees on or before the Participating Unit's Effective Date.

NEW EMPLOYEE means an Employee who is employed by the Participating Unit before the Participating Unit's Effective Date but did not complete the Waiting Period for Present Employees prior to that date. It also means an Employee who was employed by the Participating Unit after the Participating Unit's Effective Date and has completed the Waiting Period for New Employees.

INITIAL ENROLLMENT PERIOD means either of the following periods, during which an Employee may first make written application for coverage under the Group Policy:

- 1) For a Present Employee, the Initial Enrollment Period is 60 days prior to the Participating Unit school district's Effective date.
- 2) For a New Employee, the Initial Enrollment Period is the period which ends 31 days after the date the employee becomes eligible for coverage under the Group Policy.

LATE ENROLLEE means a Present or New Employee who did not request coverage during his Initial Enrollment Period.

SCHEDULED ENROLLMENT PERIOD means the period of days after the Participating Unit's effective date, during which:

- 1) an Employee may make written application on an AUL approved enrollment form to become covered under the Group Policy, or
- 2) a Person may change from one Plan to another Plan under the Group Policy.

This period is chosen by the Participating Unit and approved by AUL.

**SECTION 3 - ELIGIBILITY, ENROLLMENT and
INDIVIDUAL EFFECTIVE DATE OF INSURANCE**

ELIGIBILITY: The class or classes of Employees eligible for insurance is stated in the Schedule of Benefits. An Employee who is in an eligible class becomes eligible for insurance under the Group Policy on:

- 1) For Present Employees, the Participating Unit's Effective Date of coverage under the Group Policy if the Employee is Actively At Work and has completed the Waiting Period for Present Employees on, or prior to, that date; or
- 2) For New Employees, the first day the Employee is Actively At Work following the date of completion of the Waiting Period for New Employees.

ENROLLMENT: An eligible Present or New Employee, as a condition to becoming insured, must make written request to the Participating Unit on a form approved by AUL and must agree to contribute the required premium amount. An eligible Present or New Employee may request coverage only during an Initial or Scheduled Enrollment Period as follows:

- 1) During a Present or New Employee's Initial Enrollment Period, a Present or New Employee may waive coverage or request coverage under any Plan offered by the Participating Unit for his class.
- 2) During a Present or New Employee's Scheduled Enrollment Period:
 - a) If an Employee does not request coverage under a Plan as stated above during his Initial Enrollment Period, he will be considered a Late Enrollee. Enrollment at a later date can only be done during a Scheduled Enrollment Period. Satisfactory Evidence of Insurability will be required without expense to AUL.
 - b) An insured Person may change his coverage to another Plan with satisfactory Evidence of Insurability.

However, if an Employee, formerly insured under the Group Policy, is rehired by the Participating Unit, returns to regular full-time employment, and requests coverage:

- 1) he will be insured under the same Plan for which he was insured on the date his employment terminated; and
- 2) he may not change to another Plan during the next Scheduled Enrollment Period, unless the change is approved by AUL.

**SECTION 3 - ELIGIBILITY, ENROLLMENT and
INDIVIDUAL EFFECTIVE DATE OF INSURANCE**

INDIVIDUAL EFFECTIVE DATE OF INSURANCE:

FOR PRESENT EMPLOYEES: For coverage requested during an Initial Enrollment Period, the Individual Effective Date of Insurance for an eligible Present Employee is the Participating Unit's Effective Date.

FOR NEW EMPLOYEES: For coverage requested during an Initial Enrollment Period, the Individual Effective Date of Insurance for an eligible New Employee is:

- 1) the date of the request, if that day is the first day of a Coverage Month; or
- 2) the first day of the next Coverage Month, if the request is made after the first day of a Coverage Month.

FOR AMOUNTS IN EXCESS OF THE GUARANTEED ISSUE AMOUNT: The Individual Effective Date of Insurance as previously explained applies to any portion of the Maximum Monthly Benefit that does not exceed the Guaranteed Issue Amount. However, any portion of the Maximum Monthly Benefit that exceeds the Guaranteed Issue Amount will require Evidence of Insurability, satisfactory and without expense to AUL. If the excess portion is approved, the effective date for that portion will be named by AUL. If the excess portion is not approved by AUL, the Maximum Monthly Benefit will be an amount equal to the Guaranteed Issue Amount.

FOR LATE ENROLLEES: FOR COVERAGE REQUESTED BY A LATE ENROLLEE DURING THE SCHEDULED ENROLLMENT PERIODS, SATISFACTORY EVIDENCE OF INSURABILITY IS REQUIRED, WITHOUT EXPENSE TO AUL. THE INDIVIDUAL EFFECTIVE DATE OF INSURANCE WILL BE NAMED BY AUL.

If an Employee is not Actively At work on the date insurance would otherwise become effective, the Individual Effective Date is the date the Employee returns to full-time Active Work.

SECTION 4 - CHANGES IN INSURANCE

The effective date of any change for the Person is:

- 1) the date the request for change is approved by AUL, if the approval date is the first day of a Coverage Month; or
- 2) the first day of the next Coverage Month, if the request for change is approved after the first day of a Coverage Month.

If the Person is not Actively At Work on the effective date of change, the Person becomes eligible for the change on the first day that the Person returns to Active Work.

If the Person elects not to apply for change in Plan during any Scheduled Enrollment Period:

- 1) he will continue to be insured for the same Plan during the next Plan Year; and
- 2) no change in that Plan can be made during the next Plan Year.

SECTION 5 - TERMINATIONS

INDIVIDUAL TERMINATIONS: A Person will cease to be insured on the EARLIEST of the following dates:

- 1) the date the Group Policy or the Participating Unit's coverage under the Group Policy terminates;
- 2) the date the Person is no longer in an eligible class;
- 3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under the Group Policy;
- 4) the last day for which any required employee contribution has been made;
- 5) the date the Person requests termination, but not prior to the date of the request;
- 6) the date employment terminates. Cessation of Active Work will be deemed termination of employment. However, the insurance will be continued for a Disabled Person during:
 - a) the Elimination Period; and
 - b) the period during which premium is being waived, if any; or
- 7) the date the Person enters active military service for any country, except for temporary duty of 30 days or less.

TERMINATION OF A PARTICIPATING UNIT: Insurance for a Participating Unit ceases on the EARLIEST of the following dates:

- 1) the date the Participating Unit no longer meets the definition of a Participating Unit; or
- 2) the date the Participating Unit ceases active business operations or is placed in bankruptcy or receivership; or
- 3) the date the Participating Unit loses its entity by means of dissolution, merger, or otherwise;
- 4) the date the Participating Unit is eliminated as a Participating Unit by an amendment to or change in the Group Policy;
- 5) the date ending the Coverage Month for which the last premium payment is made for the Participating Unit's insurance;
- 6) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Participating Unit;
- 7) the last day of a Coverage Month, if the Participating Unit has given AUL at least 31 days prior written notice; or
- 8) the date, as determined by AUL, that the Participating Unit fails to promptly furnish any information which AUL may reasonably require; or
- 9) the date, as determined by AUL, that the Participating Unit, without good and sufficient cause, fails to perform in good faith its duties pertaining to the Group Policy.

If a Person's insurance is terminated due to the termination of a Participating Unit, the Person's rights under the Group Policy are determined as if the Group Policy had terminated on the date that the Participating Unit's coverage terminated.

If coverage for a Participating Unit terminates, the Participating Unit will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 5 - TERMINATIONS

TERMINATION OF THE POLICY: AUL may terminate the Group Policy at the end of any policy month by giving at least 31 days prior notice to the Group Policyholder.

Termination of the Group Policy, or termination of coverage for a Participating Unit, under any conditions will be without prejudice to any claim incurred prior to termination.

EXTENDED BENEFIT: If the Person is Disabled on the date of the termination of insurance, AUL will pay benefits for Disability:

- 1) after the Elimination Period has been met, if the Person is not already receiving a Monthly Benefit; and
- 2) during the uninterrupted continuance of the same period of Disability; and
- 3) subject to the provisions and benefits of the Group Policy.

Benefits will be extended to the EARLIEST of the following:

- 1) the date earnings received from any occupation equal or exceed 80% of the Indexed Pre-disability Earnings;
- 2) the date that the Person ceases to be Disabled;
- 3) the date the Person dies;
- 4) the date the Maximum Benefit Duration, shown in the Schedule of Benefits, is completed;
- 5) the date the Person fails to give AUL required proof of Disability;
- 6) the date the Person refuses to allow an examination requested by AUL;
- 7) the date the Person is no longer under the regular and continuing care of a Physician; or
- 8) the date the Person, if a foreign national, leaves the United States or Canada and establishes his domicile in any other country.

SECTION 6 - PREMIUM PAYMENT

Each premium is remitted by the Participating Unit to AUL on or before its Due Date. Payment of any premium does not maintain the insurance in force beyond the end of the period, for which the premium has been paid, except as provided under the Grace Period provision. Premium shall be paid by the Person and may be paid by means of payroll deduction administered by the Participating Unit Educator Benefits Corporation. Educator Benefits Corporation is liable for all premiums due and collected for a Participating Unit school district during any time the school district is insured under the policy.

AUL reserves the right to change premium rates on:

- 1) any date after the Participating Unit's coverage has been in effect for two years, by giving written notice to the Participating Unit at least 31 days before the date the change is to become effective; or
- 2) any date the eligibility and/or benefit provisions of the Participating Unit are changed.

Monthly premiums for each Person will change automatically following attainment of each new age bracket.

Premiums for a Person's coverage under the Group Policy shall be charged from the Person's Individual Effective Date of insurance.

Premium charges will cease on the Person's individual termination date. If the Person is Disabled on the individual termination date and is eligible for Extended Benefits, premium charges will be waived.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of a Participating Unit. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

WAIVER OF PREMIUM: Premium payments will be waived at the beginning of the Elimination Period. Premiums will continue to be waived during any period for which benefits are payable as long as Disability continues.

SECTION 7 - GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: The Group Policy and the applications of the individuals, the Participating Units, and the Group Policyholder constitute the entire contract. All statements made by the Policyholder, the Participating Unit, or insured Persons shall be deemed representations and not warranties. No statement made by the Policyholder, the Participating Unit, or insured Persons shall be used in any contest unless a copy containing the statement is or has been furnished to the insured Person or to his eligible survivor.

AMENDMENT AND CHANGES: The Group Policy may be amended by mutual agreement between the Group Policyholder, the Participating Unit, and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in the Group Policy is valid until approved by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to change the Group Policy or waive any of its provisions.

ARBITRATION: Any controversy or claim arising out of or relating to the policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Arbitration will commence within ninety (90) days of notification, by either party, of the election to arbitrate. Arbitration will be held in the Participating Unit's county of residence or other mutually agreeable location. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The cost of arbitration proceedings will be paid by AUL with the exception of the claimant's own representation costs. However, should any arbitrator find the controversy is without substantial justification, all arbitration proceeding costs shall be borne by the claimant. This provision will survive the termination or expiration of the policy.

TIME LIMIT ON CERTAIN DEFENSES: After 2 years from the effective date of the Participating Unit's coverage under the Group Policy, no misstatement of the Participating Unit, except a fraudulent misstatement made on the Subscription Agreement, can be used to void the Participating Unit's coverage under the policy. After 2 years from the Individual Effective Date of any Person's coverage, no misstatement of a Person, except a fraudulent misstatement made in writing, can be used to deny a claim for a loss incurred.

GRACE PERIOD: If the Participating Unit or AUL does not give notice in writing that coverage under the policy is to be terminated, a grace period of 31 days will be granted for the payment of any premium falling due after the first premium. During the grace period the Participating Unit's coverage under the Group Policy continues in force but automatically terminates on the last day of the grace period. The Participating Unit is liable to AUL for payment of a premium for the days of grace during which the Participating Unit's coverage under the Group Policy remains in force. However, AUL is not obligated to pay claims incurred during the Grace Period until the premium due is received.

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL during the Elimination Period, if possible. If that is not possible, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notice may be given to AUL at its Home Office in Indianapolis, Indiana.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Person with the necessary claim forms. These forms must be properly completed and returned to AUL. If, for any reason, these forms are not furnished to the Person within 15 days, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

- 1) claimant's name;
- 2) Employer's name and address;
- 3) Group number;
- 4) the date Disability started;
- 5) the cause of Disability; and
- 6) the seriousness of the Disability.

SECTION 7 - GENERAL POLICY PROVISIONS

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 days of the end of the Elimination Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required.

AUL will also periodically send the Person additional claim forms. These subsequent claim forms must be returned to AUL within 30 days after they are received by the Person.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits payable under the Group Policy will be paid monthly during any period for which AUL is liable.

PRORATION OF MONTHLY BENEFIT: The Monthly Benefit will be paid on a pro-rata basis at the rate of 1/30 per day for any period of Disability less than one month.

PAYMENT OF CLAIMS: All benefits, other than survivor benefits, are payable to the Person. If a benefit is payable to a Person's estate, and no estate has been established, AUL has the right to pay up to \$1,000 to any of the Person's relatives to whom AUL considers entitled to such benefits. If a benefit is payable to a person who is a minor or a person who is not competent, then AUL will pay the Monthly Benefit to the guardian of the estate of the minor or incompetent person as long as Disability continues. If there is no guardian, benefits will be paid to a person legally entitled to receive benefits on behalf of the minor or incompetent person. If AUL pays benefits in good faith to a person whom it considers entitled to such benefits, then AUL will have no obligation to pay such benefits again.

REHABILITATION: The goal of a Rehabilitation program is to enable the Person to return to work. The Person may choose to join a vocational rehabilitative program, if prior approval is given by AUL, while receiving Disability benefits. If the program is approved in advance by AUL, such participation will not alone be deemed recovery from Disability. By mutual written agreement, AUL may help pay the Person's expenses for taking part in the rehabilitation program. Rehabilitation is strictly voluntary and there is no penalty for refusal.

SECTION 7 - GENERAL POLICY PROVISIONS

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined to determine the existence of any Disability that is the basis for a claim. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

LEGAL ACTION: No legal action may be brought to obtain benefits under the Group Policy:

- 1) before at least 60 days after proof of loss has been furnished; or
- 2) after 3 years from the time written proof of loss is required to have been furnished.

CONFORMITY WITH STATE LAWS: Any provision of the Group Policy in conflict with the laws of the state in which it is delivered, is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Group Policyholder and Participating Unit must furnish all information that AUL reasonably requires. The Participating Unit must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured;
- 2) whose amounts of insurance or earnings change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Group Policyholder or Participating Unit, which, in the opinion of AUL, may have a bearing on the insurance coverage provided under the Group Policy.

CERTIFICATES: AUL will issue a certificate for delivery by the Participating Unit to the insured Persons. The certificate will summarize the coverage available under the Group Policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any certificate and the provisions of the Group Policy, the provisions of the policy will govern.

SECTION 7 - GENERAL POLICY PROVISIONS

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: The Group Policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

ASSIGNMENT: No assignment of any present or future right, or benefit under the Group Policy will bind AUL without its prior written consent.

CLERICAL ERROR: Clerical error on the part of the Participating Unit or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Participating Unit has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

REIMBURSEMENT OF OVERPAYMENTS: If a Person is provided benefits for which he was not eligible under the terms of the Group Policy, the Person will be required to reimburse these benefits paid immediately upon notification by AUL. Subsequent payment of benefits may be used toward such reimbursement if allowed by law. If AUL chooses not to use the subsequent payment of benefits for the reimbursement, this will not constitute a waiver of AUL's rights to this reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.

AGENCY: For all purposes of the Group Policy, the Participating Unit acts on behalf of itself or as agent of the Person. Under no circumstances will the Participating Unit be deemed the agent of AUL without a written authorization.

SECTION 8 - INSURING PROVISIONS

MONTHLY BENEFIT PAYMENTS: When AUL receives proof that a Person is Disabled due to Sickness or Injury and requires the regular attendance of a legally qualified Physician, AUL will pay the Person a Monthly Benefit after the Person satisfies the Elimination Period. The Elimination Period may be satisfied by Total Disability, Partial Disability, or a combination of both.

The Monthly Benefit will be paid as long as Disability continues, provided that proof of continued Disability is submitted to AUL upon request and the Person is under the regular attendance of a Physician. The proof must be submitted at the Person's expense.

The Monthly Benefit will not exceed the Maximum Monthly Benefit, nor will it be payable for longer than the Maximum Benefit Duration. The Maximum Monthly Benefit and the Maximum Benefit Duration are stated in the Schedule of Benefits.

REDUCTIONS TO THE MONTHLY BENEFIT: The Monthly Benefit will be reduced by Other Income Benefits as defined in this Certificate. The Social Security Integration Method used is stated in the Schedule of Benefits.

MONTHLY BENEFIT: To figure the amount of the Total Disability Benefit take the Person's Covered Monthly Earnings multiplied by the benefit percentage stated in the Schedule of Benefits and reduce the result by Other Income Benefits.

SECTION 8 - INSURING PROVISIONS

LUMP SUM PAYMENTS: If Other Income Benefits are paid in a lump sum, the sum shall be averaged on a monthly basis over the period of time for which the sum is payable. If no period of time is stated, the sum will be averaged on a monthly basis over the time AUL expects the Person to live.

APPLICATION FOR OTHER INCOME BENEFITS: If the Person, spouse or Child (ren) are or become eligible for any Other Income Benefit, they must:

- 1) apply for the Other Income Benefits; and
- 2) appeal any denial for the Other Income Benefit that appears unreasonable.

Until approval or denial above is made of any disability or retirement benefit under the United States Social Security Act, AUL will make payments under either Method A or B below as chosen by the Person in a written agreement provided by AUL.

Method A: AUL will estimate the amount of the Social Security benefit that will be received and reduce the regular Monthly Benefit by this amount. If the Social Security benefits are estimated, the Person's regular Monthly Benefit will be adjusted when AUL receives proof of the amount awarded or that benefits have been denied. If the application is denied, the amount withheld based upon estimates will be returned to the Person in a lump sum. During subsequent appeals of denial of benefits Method B will be used.

Method B: AUL will pay the regular Monthly Benefit after the Elimination Period with no reduction for estimated benefits until Social Security reaches a decision. When a decision is reached, the Person must send AUL a copy of the decision and reimburse AUL for any overpayment made as a result of that decision, regardless of whether or not the coverage is still in force on the date the Person recovers such amount. Additionally, if an award is made, AUL will reduce the Monthly Benefit by the amount of Social Security Benefit the Person received, in accordance with the terms of the Group Policy. If the Person chooses this Method B and has not applied for Social Security to which he may be entitled, the Person must agree to apply for such benefits immediately. If the Person does not apply for Social Security benefits immediately, AUL will automatically use Method A.

If the Person is eligible for any Other Income Benefits, except those provided by the United States Social Security Act, the right to elect Method A or Method B shall not be available to the Person.

SECTION 8 - INSURING PROVISIONS

PRESUMPTIVE DISABILITY: When a Person is earning 20% or less than his Covered Monthly Earnings, in his regular or any other occupation, AUL will not reduce the Monthly Benefit by those earnings.

MINIMUM MONTHLY BENEFIT: While a Monthly Benefit is payable under this policy, the Monthly Benefit shall not be reduced to an amount less than the minimum Monthly Benefit indicated in the Schedule of Benefits.

COST OF LIVING ADJUSTMENT FREEZE: If the Person receives a cost of living increase, with regard to Other Income Benefits, after the date benefits become actually payable under the Group Policy, the Monthly Benefit will not be further reduced by such cost of living increase. For purposes of this provision a cost of living increase is any annual increase reasonably related to the annual increase in any generally recognized cost of living measurement that applies to all Persons who are entitled to receive such benefits.

TERMINATION OF THE MONTHLY BENEFIT: The Monthly Benefit will cease on the EARLIEST of the following:

- 1) the date earnings received from any occupation equal or exceed 80% of the Indexed Pre-disability Earnings;
- 2) the date that the Person ceases to be Disabled;
- 3) the date the Person dies; or
- 4) the date the Maximum Benefit Duration stated in the Schedule of Benefits is completed;
- 5) the date the Person fails to give AUL required proof of Disability;
- 6) the date the Person refuses to allow an examination requested by AUL;
- 7) the date the Person is no longer under the regular and continuing care of a Physician; or
- 8) the date the Person, if a foreign national, leaves the United States or Canada and establishes his domicile in any other country.

ACCUMULATION OF ELIMINATION PERIOD: For the purposes of accumulating the Elimination Period the following will apply:

- 1) For Participating Units with Elimination Periods of 90 days or more, if Disability ceases during the Elimination Period for not more than 30 days, then the Disability will be treated as continuous.
- 2) For Participating Units with Elimination Periods of 60 days, if Disability ceases during the Elimination Period for not more than 20 days, then the Disability will be treated as continuous.
- 3) For Participating Units with Elimination Periods of 30 days, if Disability ceases during the Elimination Period for not more than 10 days, then the Disability will be treated as continuous.
- 4) Days that the Person is not Disabled under either (1), (2), or (3) above will not count toward the Elimination Period.

RESIDUAL BENEFIT: If the residual benefit is elected by the Participating Unit, then the Elimination Period can be met using Total Disability, Partial Disability, or a combination of both.

SECTION 8 - INSURING PROVISIONS

RECURRENT DISABILITY: If, after a period of Disability for which benefits are payable, the Person resumes his regular occupation on a full-time basis and performs each material and substantial duty of that occupation for a continuous period of six months or more, any recurrent Disability will be part of a new period of Disability and a new Elimination Period must be completed before any further Monthly Benefits are payable.

If the Person resumes his regular occupation on a full-time basis and performs each material and substantial duty of that occupation for less than six months, a recurrent Disability will be part of the same period of Disability. The recurrent Disability must be the direct result of the Injury or Sickness that caused the prior Disability. The Person will not have to complete a new Elimination Period. Benefit payments will be subject to the terms of the Group Policy for the prior Disability. The benefit will be based on the amount of Covered Monthly Earnings in effect immediately prior to the original Elimination Period.

In order to prevent over insurance because of duplication of benefits, benefits payable under this RECURRENT DISABILITY provision will cease if benefits are payable to the Person under any other group long term disability policy.

SECTION 8 - INSURING PROVISIONS

PRESUMPTIVE DISABILITY: When a Person is earning 20% or less than his Covered Monthly Earnings, in his regular or any other occupation, AUL will not reduce the Monthly Benefit by those earnings.

BENEFITS WHILE PARTIALLY DISABLED: When proof is received that a Person, while Partially Disabled, is earning or receiving income that is greater than 20% and less than 80% of his Pre-Disability Earnings from his regular or another occupation, then the Return To Work and Partial Disability Benefits will apply. Benefits will be payable upon completion of the Elimination Period. The Partial Disability must be the direct result of the Injury or Sickness that caused the Disability immediately preceding it.

Partial Disability means that because of Injury or Sickness, the Person, while unable to perform every material and substantial duty of his regular occupation on a full-time basis:

- 1) is performing at least one of the material and substantial duties of his regular or another occupation on a part-time or full-time basis; and
- 2) is earning less than 80% of his Pre-disability Earnings due to that same Injury or Sickness.

RETURN TO WORK BENEFIT: While Partial Disability continues, this benefit applies until the EARLIER of:

- 1) the end of the 12 month period beginning on the first day that Monthly Benefits are payable for Partial Disability; or
- 2) the end of the number of months that is one half of the Maximum Benefit Duration.

Under this Return To Work Benefit, the Monthly Benefit will not be reduced by earnings received, unless such earnings, combined with income from all other sources including the Monthly Benefit, exceed 100% of the Pre-Disability Earnings. If the combined income exceeds this amount, the Monthly Benefit will be reduced by the amount that is in excess of 100% of the Pre-Disability Earnings.

PARTIAL DISABILITY BENEFIT: Upon Completion of the Return To Work Benefit period, the benefit for Partial Disability will be calculated as: $a \times b \times 70\%$ where

a = Basic Monthly Earnings less income from earnings and Other Income Benefits which the Person receives while he is Partially Disabled; and

b = Covered Monthly Earnings divided by Basic Monthly Earnings.

Benefits for Return to Work and Partial Disability will never exceed the Person's Maximum Monthly Benefit, nor be less than the Minimum Monthly Benefit as shown on the Schedule of Benefits pages. The Return to Work Benefit and the Partial Disability Benefit will continue as shown above until the EARLIEST of the following:

- 1) the date earnings received from any occupation equal or exceed 80% of the Indexed Pre-Disability Earnings;
- 2) the date the Person ceases to be Partially Disabled;
- 3) the date the Person dies;
- 4) the date the Maximum Benefit Duration shown on the Schedule of Benefits is completed;
- 5) the date the Person fails to give AUL required proof of Disability;
- 6) the date the Person refuses to allow an examination requested by AUL;
- 7) the date the Person is no longer under the regular and continuing care of a Physician; or
- 8) the date the Person, if a foreign national, leaves the United States or Canada and establishes his domicile in any other country.

For purposes of the Return To Work Benefit and the Partial Disability Benefit provisions, Pre-Disability Earnings will be increased annually using the Consumer Price Index. The increase will be effective on the July 1st following the first 12 consecutive calendar months of Disability and on each subsequent July 1st.

AUL may require any evidence needed to verify the Person's earnings and proof of continuing Disability.

SECTION 8 - INSURING PROVISIONS

SURVIVOR BENEFIT: AUL will pay a lump sum benefit to the Eligible Survivor when proof acceptable to AUL, is received that the Person died:

- 1) after Disability had continued for 180 or more consecutive days; and
- 2) while the Person was receiving a Monthly Benefit.

The lump sum benefit will be an amount equal to three times the Person's last Gross Monthly Benefit.

If payment of a lump sum benefit becomes due to the Person's Child (ren) as an Eligible Survivor, payment will be made to the Child (ren) or to a person entitled to receive payments on behalf of the Child (ren). Payment to such person will be valid and effective against all claims of others representing or claiming to represent the Child (ren).

If there are no Eligible Survivors, then no lump sum benefit will be paid.

SECTION 9 - EXCLUSIONS

GENERAL EXCLUSIONS: The Group Policy does not cover any Disability due to:

- 1) war, declared or undeclared, or any act of war;
- 2) active participation in a riot;
- 3) intentionally self-inflicted injuries; or
- 4) commission of an assault or felony.

PRE-EXISTING CONDITIONS EXCLUSION: If a Person receives medical treatment or service or incurs expenses as a result of an Injury or Sickness within 6 months prior to the Individual Effective Date, then the Group Policy will not cover any Disability that:

- 1) is caused by, contributed to by, or results from that Injury or Sickness; and
- 2) begins during the first 24 months after the Person's Individual Effective Date.

However, this certificate will cover the Disability if the Person has been Actively At Work for at least 12 consecutive months after his Individual Effective Date during which time he does not receive medical treatment, service, or incur expenses as a result of that Injury or Sickness.

CREDIT FOR SATISFACTION OF PRE-EXISTING CONDITION EXCLUSION PERIOD: When a Person moves from an insured group plan that provided long or short term disability coverage similar to his coverage under the Group Policy, credit will be given towards satisfaction of his Pre-Existing Condition Exclusion period for the time already served under the prior plan of coverage IF:

- 1) coverage under the Group Policy was elected by the Employee during his Initial Enrollment Period; and
- 2) coverage under the previous plan terminated not more than 30 days prior to the Person's Individual Effective Date of Insurance.

When an Employee moves from the Participating Unit's insured group Plan with AUL that provided the Employee coverage similar to his coverage under the Group Policy, credit will be given for the satisfaction of the Pre-Existing Condition Exclusion period, or portion thereof, already served under the Prior Plan of coverage with AUL

SECTION 9 - EXCLUSIONS

PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED MAXIMUM MONTHLY BENEFIT WHEN CHANGING CARRIERS: This section applies to an increase in the Maximum Monthly Benefit when:

- 1) coverage under the Group Policy replaces a Participating Unit's prior long or short term disability coverage; and
- 2) coverage under the Group Policy has a Maximum Monthly Benefit that is \$1,000 or more in excess of the Participating Unit's prior coverage; and
- 3) the Pre-Existing Condition limitation on the Participating Unit's prior coverage was for a period of time for 3 months or less.

If a Person receives medical treatment, or service or incurs expenses as a result of an Injury or Sickness within 3 months prior to the individual effective date of the increase in the Maximum Monthly Benefit, then the Group Policy will not cover the increased amount for any Disability that:

- 1) is caused by, contributed to by, or results from that Injury or Sickness; and
- 2) begins during the first 12 months after the Participating Unit's effective date of increase in amount of insurance.

SECTION 10 - DRUG AND ALCOHOL ABUSE LIMITATION

DRUG AND ALCOHOL ABUSE LIMITATION: Monthly Benefits for Disability due to drug and alcohol abuse will not be payable beyond the Maximum Benefit Duration. In addition, if the Maximum Benefit Duration is longer than 24 months, benefits for Disability due to drug and alcohol abuse will not exceed 24 months of Monthly Benefit payments unless:

- 1) the Person is in a hospital or institution at the end of the 24 month period; and
- 2) confinement begins:
 - a) during the Elimination Period; or
 - b) during the 24 months next following the Elimination Period; and
- 3) confinement is for at least 14 consecutive days.

The Monthly Benefit will be payable until the Person is discharged. If Disability continues after discharge, the Monthly Benefit will be payable for a recovery period not to exceed 90 days.

If the Person is reconfined in a hospital or institution for the same Sickness or Injury which caused the Disability, the Monthly Benefit will be payable during the reconfinement if:

- 1) it begins during the recovery period; and
- 2) it is for at least 14 consecutive days.

If Disability continues after the Person is discharged from such a reconfinement, the Monthly Benefit will be payable for a final recovery period not to exceed 90 days.

For any period of confinement beyond those stated above, the Monthly Benefit will continue to be payable

- 1) only if confinement is for at least 14 consecutive days; and
- 2) only until the Person is discharged; and
- 3) only if the Person is continuously Totally Disabled.

To be covered, confinement must be in a facility licensed to provide care and treatment for the disabling condition due to drug or alcohol abuse.

SECTION 11 - MENTAL ILLNESS LIMITATION

MENTAL ILLNESS LIMITATION: Monthly Benefits for Disability due to Mental Illness will not be payable beyond the Maximum Benefit Duration. In addition, if the Maximum Benefit Duration is longer than 24 months, benefits for Disability due to Mental Illness will not exceed 24 months of Monthly Benefit payments unless:

- 1) the Person is in a hospital or institution at the end of the 24 month period; and
- 2) confinement begins:
 - a) during the Elimination Period; or
 - b) during the 24 months next following the Elimination Period; and
- 3) confinement is for at least 14 consecutive days.

The Monthly Benefit will be payable until the Person is discharged. If Disability continues after discharge, the Monthly Benefit will be payable for a recovery period not to exceed 90 days.

If the Person is reconfined in a hospital or institution for the same Sickness or Injury which caused the Disability, the Monthly Benefit will be payable during the reconfinement if:

- 1) it begins during the recovery period; and
- 2) it is for at least 14 consecutive days.

If Disability continues after the Person is discharged from this reconfinement, the Monthly Benefit will be payable for a final recovery period not to exceed 90 days.

For any period of confinement beyond those stated above, the Monthly Benefit will continue to be payable

- 1) only if confinement is for at least 14 consecutive days; and
- 2) only until the Person is discharged; and
- 3) only if the Person is continuously Totally Disabled.

To be covered, confinement must be in a facility licensed to provide care and treatment for the disabling condition due to Mental Illness.

SECTION 12 - CONTINUITY OF COVERAGE

This section applies only when coverage under the Group Policy replaces a Participating Unit's Prior Plan of long or short term disability insurance, which terminated on the day before the Participating Unit's Effective Date of coverage under the Group Policy. This provision applies only to Persons insured under the Participating Unit's Prior Plan on its termination date.

Continuity of Coverage applies to a Person who would not get full coverage under the Group Policy because of the following situations:

- 1) failure of the Person to be Actively At Work due to Total Disability on the effective date of the Participating Unit's coverage under the Group Policy; or
- 2) a Pre-Existing Condition limitation of the Group Policy.

BENEFITS FOR A PERSON WHO FAILS TO BE ACTIVELY AT WORK DUE TO TOTAL DISABILITY:

The Group Policy will cover, subject to proper premium payments, a Person who:

- 1) was insured under the Prior Plan on its termination date; and
- 2) is not Actively At Work due to Total Disability on the effective date of the Participating Unit's coverage under the Group Policy.

The benefits payable will be the same as the Prior Plan would have paid, had coverage remained in force, less any amount for which the Prior Plan is liable.

This section of the Continuity of Coverage Provision does not establish eligibility for such a Person under the Group Policy. Eligibility can only be met when the Person returns to full-time, Active Work as described in the ELIGIBILITY Section.

BENEFITS PAYABLE FOR A DISABILITY DUE TO A PRE-EXISTING CONDITION:

Benefits may be payable for a Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) is Actively At Work and insured under the Group Policy on the effective date of their Participating Unit's coverage.

The benefit payable will be determined by applying the Group Policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes the Person's Disability is not excluded under the Pre-Existing Condition exclusion of the Group Policy, as elected by the Participating Unit, then the Person will be paid the benefits of the Group Policy as elected by the Participating Unit.

SECTION 12 - CONTINUITY OF COVERAGE

If the Injury or Sickness that causes the Person's Disability is excluded under the Pre-Existing Condition exclusion of this Certificate, and such Injury or Sickness is not excluded under the prior AUL Plan's Pre-Existing Condition exclusion, giving consideration for continuous time the Person is covered under both plans, the Person will be paid the benefits of this Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion giving consideration for continuous time the Person is covered under both the Prior Plan and this policy, then no benefits will be paid.

SECTION 13 - PORTABILITY PRIVILEGE

If a Person's insurance under the Group Policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for 12 months without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under the Group Policy for at least twelve consecutive months just before insurance under the Group Policy terminated.

This Portability Privilege provides the same coverage that the Person had immediately prior to the date of his termination. Any benefits payable are governed by the Group Policy according to the provisions and benefits elected by the Participating Unit and stated in the Schedule of Benefits. However, the Maximum Benefit Duration will be the lesser of:

- 1) two years; or
- 2) the Maximum Benefit Duration in effect immediately prior to the date of his termination.

This Portability Privilege is subject to the following:

- 1) written application for Portability must be made within 31 days after termination of insurance under the Group Policy;
- 2) payment of the first premium;
- 3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
- 4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

- 1) whose insurance under the Group Policy terminates for any of the following reasons:
 - a) the Person no longer belongs to a class of Employees eligible for coverage under the Group Policy;
 - b) the Person retires (when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career); or
 - c) the Person failed to pay any required premium;
- 2) who is or becomes insured for any other group long or short term disability policy which provides a similar type of coverage as the Group Policy within 31 days after termination under the Group Policy;
- 3) who is Disabled under the terms of the Group Policy; or
- 4) who is on leave of absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

- 1) the last day for which any required premium has been made;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Person;
- 4) the date the Person retires;
- 5) the date the Group Policy terminates;
- 6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
- 7) the date that coverage begins under any other group long or short term disability policy which provides a similar type of coverage as the Group Policy; or
- 8) the date following 12 months of coverage.

ADMINISTRATIVE AGREEMENT

(FMLA)

Participating Unit:	Educator Benefits Corporation
Effective Date of this Agreement:	September 1, 2003
Participating Unit Group Number:	G 300000
Type of Coverage:	Voluntary Disability Income Insurance
Effective Date of coverage for Participating Unit:	September 1, 2003

For valuable consideration and in accordance with the Subscription Agreement, American United Life Insurance Company® (AUL) and the Participating Unit agree to amend the policy and certificates as follows:

In Section 2 – DEFINITIONS, the definition of ACTIVE WORK and ACTIVELY AT WORK is deleted and the following is substituted:

ACTIVE WORK and ACTIVELY AT WORK mean the use of time and energy in the services of the Participating Unit at the regular place of employment by a Person who is physically and mentally capable of performing each of the main duties of his regular job on a regular full-time basis.

This includes time off for vacation, jury duty, and funeral leave, where the Person could have been Actively At Work on that day. It also includes time off under the Family Medical Leave Act as outlined below in Section 5B – Continuation of Personal Insurance Under the Family Medical Leave Act. This does not include time off as a result of an Injury or Sickness, a strike, lock-out or lay-off.

In Section 5 – TERMINATIONS, the Provision for INDIVIDUAL TERMINATIONS, item 6 is deleted and the following is substituted:

- 6) the date employment terminates. Cessation of Active Work will be deemed termination of employment. However, the insurance will be continued for a Person:
 - a) during the Elimination Period, if the Person is Disabled, as described in this certificate;
 - b) during any period during that premiums are being waived under the Waiver of Premium provision; or
 - c) during an approved leave of absence as outlined below in Section 5B - Continuation of Personal Insurance Under the Family Medical Leave Act.

Section 5B – CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY MEDICAL LEAVE ACT will be added to the policy and certificate as follows:

**SECTION 5B - CONTINUATION OF PERSONAL INSURANCE
UNDER THE FAMILY AND MEDICAL LEAVE ACT**

CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Participating Unit approves a leave of absence under the federal Family and Medical Leave Act of 1993 and any amendments thereto, a Person's coverage under the policy will be continued as stated in this provision. Personal Insurance will continue while a Person's leave is covered under FMLA, up to a maximum of 12 workweeks during any 12-month period, subject to the following requirements:

- 1) the Participating Unit has approved a Person's leave in writing as a leave taken under the federal FMLA;
- 2) applicable premiums must continue to be paid to AUL in accordance with the policy (see Section 6 - Premium Payment); and
- 3) Covered Monthly Earnings will be the amount, as last reported to AUL and in effect prior to the day the Person's family or medical leave begins.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

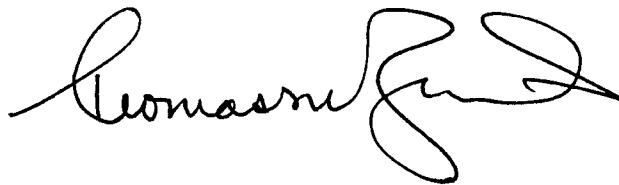
- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy, or the Participating Unit's coverage under the policy, terminates;
- 5) the date a Person notifies the Participating Unit that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for an eligible class, as stated in the subscription agreement;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request; or
- 9) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.

All terms and conditions of the certificate will apply during the approved continuation period provided under this provision, unless otherwise stated. While Personal Insurance is being continued under this provision, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Employee, as described in Eligible Classes on the Schedule of Benefits page.

All other provisions of the policy and certificate remain unchanged by the terms of this Administrative Agreement.

AMERICAN UNITED LIFE INSURANCE COMPANY®



Secretary

ADMINISTRATIVE AGREEMENT

(Reinstatement – 30 days)

Participating Unit:	Educator Benefits Corporation
Effective Date of this Agreement:	September 1, 2003
Participating Unit Group Number:	G 300000
Type of Coverage:	Voluntary Disability Income Insurance
Effective Date of coverage for Participating Unit:	September 1, 2003

For valuable consideration and in accordance with the Subscription Agreement, American United Life Insurance Company® (AUL) and the Participating Unit agree to amend the policy and certificates as follows:

Section 5A – INDIVIDUAL REINSTATEMENT will be added to the policy and certificate as follows:

SECTION 5A - INDIVIDUAL REINSTATEMENT

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under the Group policy due to cessation of Active Work for the Participating Unit, it may be reinstated subject to the terms of this Section. Individual Reinstatement must be requested during the 31-day period immediately following return to Active Work for the Participating Unit in accordance with the terms stated in this Section. Individual Reinstatement will be to the same level of coverage and eligible class that the Employee belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an increased level of coverage or an eligible class that differs from the coverage the Employee had with the Participating Unit immediately prior to cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Participating Unit is currently insured by AUL under the Group policy.

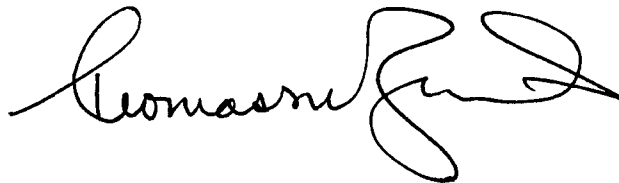
In addition to the above requirements, the following also applies, as applicable:

- 1) If an Employee returns to Active Work within 30 consecutive calendar days of his Individual Termination date and requests Individual Reinstatement:
 - a) Personal Insurance will become effective the first day of the Coverage Month following the date of request for Individual Reinstatement.
 - b) Evidence of Insurability will not be required for Individual Reinstatement for the same level of coverage and eligible class held by the Employee under the Group policy immediately prior to cessation of Active Work.
 - c) Credit will be given towards satisfaction of the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period previously served under this policy. However, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.

- 2) If an Employee returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his Individual Termination date and requests Individual Reinstatement:
 - a) The Employee will be considered a New Employee.
 - b) The Eligibility, Enrollment and Individual Effective Date Of Insurance Sections will apply.
 - c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
- 3) If Personal Insurance terminates because of a leave under the Federal Family Medical Leave Act (FMLA), or applicable state law, approved by the Participating Unit and the Employee returns to full-time Active Work immediately following the end of the leave:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under the Group policy. However, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - c) Evidence of Insurability will not be required for Individual Reinstatement to the same level of coverage and eligible class that the Employee would have been entitled to prior to the leave.
- 4) If Personal Insurance terminates because an Employee became a full-time member of the armed forces of the United States and he returns to full-time Active Work within 90 days after release from active military service:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Evidence of Insurability will not be required if Individual Reinstatement is to the same level of coverage in effect when Personal Insurance terminated.
 - c) If the eligibility Waiting Period or Pre-Existing Condition exclusion or limitation period were not satisfied before the Person entered active duty, credit will be given towards satisfaction of these periods previously served under the Group policy plus time served in active duty.

All other provisions of the policy and certificate remain unchanged by the terms of this Administrative Agreement.

AMERICAN UNITED LIFE INSURANCE COMPANY®

A handwritten signature in black ink, appearing to read "Thomas J. [unclear]", written in a cursive style.

Secretary