

CONFIDENT™

CORE LIFE WITH OPTIONAL BUY-UP



Plan Provisions

PROPOSAL CONDITIONS

This proposal has been prepared on the premise:

- -there are no known uninsurable individuals in the group to be covered;
- -no employee is absent from work because of sickness or injury.

If any individual to be insured falls into the above categories, we will require full disclosure of all necessary information to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw our quotation.

To become insured, an eligible employee must be an active, full-time employee who:

- -is a member of an eligible class of employees;
- -has completed the eligibility waiting period established by the employer;
- -is not a temporary or seasonal employee;
- -is performing all customary duties of his/her occupation at his/her usual place of business on the policy effective date (or on the effective date of hi/her coverage); and
- -is regularly scheduled to work at least 30 hours per week, unless otherwise agreed upon.

If included, any eligible dependents must satisfy a non-confinement requirement on the policy effective date (or on the date coverage becomes effective).

This proposal is based on the assumption that the current insurance carrier will continue coverage on any insured individual who is disabled on the date the existing contract terminates (even if it terminates while a disable person is satisfying an applicable waiting period).

The rates quoted in this proposal are a function of the characteristics of the group (i.e.: Policyholder contributions, occupations, age, gender, etc.) and the benefits requested at the time of proposal submission. If the plan is non-contributory, 100% of the eligible employees must enroll; and if the plan is contributory, 10% of the eligible employees or 5 lives, whichever is greater, must enroll on the effective date. We reserve the right to re-evaluate the risk, and revise or withdraw our quotation if necessary, based upon the characteristics of the group and the benefits provided on the effective date of the plan.

This proposal is a description of insurance coverage available from Lincoln Financial Group and is not an offer to contract. An application must be completed before a group will be considered for coverage.

This proposal outlines in general some of the important features of the proposed Group Insurance Program. The controlling provisions will be in the Group Insurance Policy, and this proposal is not intended in any way to modify the provisions or their meanings. This proposal will remain in effect until withdrawn or a new proposal is issued by Lincoln Financial Group, but in no event will this proposal remain in effect beyond 90 days from the date of this proposal.

SCHEDULE OPTIONAL & VOLUNTARY TERM LIFE

Core and Voluntary Term Life offers your employees and their spouses and children the opportunity to choose the life insurance benefit(s) they want at a price they can afford.

Optional and voluntary Life Benefit features:

- Portability.
- Employee Life Insurance Premium Waiver.
- Conversion is available when insurance terminates.

All permanent employees under age 80 and regularly scheduled to work at least 30 hours each week are eligible to participate. An employee must be actively at work on the date coverage takes effect. Employees who work part-time, on-call or on a seasonal basis are not eligible to participate in the program. Retirees are not eligible.

SPOUSE

- Coverage is available in \$10,000 increments, not to exceed 50% of employees amount.
- Minimum coverage is \$10,000
- Maximum coverage is \$50,000
- Coverage reduces 35% upon the employee's attainment of age 65, and will terminate upon the employee's attainment of age 70 or retirement, whichever occurs first.
- Spouse coverage is only available if the employee is insured for optional or voluntary coverage.

DEPENDENT CHILDREN

Child Coverage is available. Age 14 days to 6 months is covered for \$250. From 6 months to age 23 (if unmarried, & a full-time student) the benefit is \$10,000.

BENEFIT:

The Life Insurance Benefit is payable to the Insured Person's beneficiary upon death from any cause; except if employees contribute towards the premium, a suicide exclusion will apply to any medically underwritten amount during the first two years of coverage. The beneficiary may be changed at any time by written notice to Lincoln Financial Group. If no beneficiary survives the Insured Person, the death benefit will be payable to:

- the Insured Person's surviving spouse, children, parents or siblings; or
- the Insured Person's estate (as specified in the policy).

CONVERSION PRIVILEGE:

Conversion is available when anyone's group life insurance terminates due to:

- the Insured Person's termination of employment or membership in an eligible class; or
- a covered Dependent's ceasing to be an eligible dependent.

That person has the option to convert all or part of the terminated insurance without Evidence of Insurability. The conversion may be made to any Individual Life Policy then provided by Lincoln Financial Group (except term insurance). To purchase a conversion policy, application and the first premium payment must be made within the time period specified in the policy.

WAIVER OF PREMIUM (EXTENSION OF DEATH BENEFIT):

An Insured Person's Life Insurance (and any Dependent Life Insurance) will be continued without payment of premium, if the Insured Person:

- becomes Totally Disabled while insured under the policy and before age 60;
- remains Totally Disabled for at least 6 months; and
- submits satisfactory proof within the time period specified in the policy.

Total Disability shall be defined as shown in the policy. The continued life insurance will be subject to the age reductions shown in the Schedule of Insurance. The continued life insurance will terminate when the:

- ceases to be Totally Disabled;
- Insured Person fails to take a required medical exam or to submit additional proof as requested;
- Insured Person becomes insured under an individual conversion policy; or
- attains Social Security Normal Retirement Age (SSNRA), whichever occurs first.

LIVING BENEFIT:

An Accelerated Death Benefit is available when the Insured Person's life insurance benefit is \$2,000 or more. If the Insured Person is diagnosed terminally ill due to a sickness at least 30 days after life insurance takes effect or on the date of an injury which results in Terminal Illness, then part of his or her life insurance benefit can be paid prior to death (subject to state law).

Terminally ill means the Insured Person's medical condition is expected to result in death within 12 months, despite appropriate medical treatment.

The amount of the Accelerated Death Benefit is subject to:

- a minimum of \$1,000 or 10% of the Insured Person's life insurance coverage, whichever is more; and
- a maximum of \$250,000 or 75% of the Insured Person's life insurance coverage, whichever is less.

NOTE: This is not a Long Term Care benefit. Before requesting an Accelerated Death Benefit payment, Insured Persons should seek their own tax or legal counsel concerning the effect upon taxable income or eligibility for government benefits.

OTHER FEATURES:

Our **LINKS PROGRAM** provides integrated disability management when an insured is covered under both our STD and LTD plans. LINKS helps to provide a smooth transition from STD to LTD without claim filing, while helping the employee return to work in the most efficient and effective manner possible. Furthermore, the LINKS program identifies those claimants with group life insurance coverage with us to determine whether they're eligible for Life Waiver.

CORE/VOLUNTARY TERM LIFE UNDERWRITING GUIDELINES (Continued)**Actively at Work Definition:**

The full-time performance of all customary duties of an employee's occupation at your place of business or other business location to which you require the employee to travel.

Period of Limited Activity Definition:

Any period of time that a spouse or dependent child is confined in a health care facility or, whether confined or not, is unable to perform the regular and usual activities of a healthy person of the same age and sex.

This proposal assumes that:

All employees to be covered are Actively at Work on the policy's effective date. Actively at Work means an employee's full-time performance of all customary duties of his or her occupation at:

- (1) the policyholder's place of business; or
- (2) any other business location where the employee is required to travel.

Spouses and dependent children to be covered are not in a 'Period of Limited Activity'.

Period of Limited Activity means a period when a spouse or child is confined in a health care facility; or, whether confined or not, is unable to perform the regular and usual activities of a healthy person of the same age and sex.

If a spouse or child is in a Period of Limited Activity on the day his or her Dependent Life Insurance would otherwise take effect, insurance for that dependent will not take effect until the day after:

- (1) his or her final discharge from the health care facility; or
- (2) his or her resumption of the normal activities of a healthy person of the same age and sex.

If any individual does not meet these requirements, we will require full disclosure of all necessary information to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw this proposal.

Proposal Conditions

This proposal contains an outline of the coverage, benefits, rates and other additional information regarding the Voluntary Term Life Program we offer. This proposal is not a contract. The controlling provisions will be in the Group Insurance Master Policy, and this proposal is not intended in any way to modify the provisions or their meanings. If there is any conflict between the proposal and the Group Insurance Master Policy, the Group Insurance Master Policy controls.

The Voluntary Term Life program is subject to the laws and rulings of the State Insurance Department having jurisdiction. This plan of insurance is not available in every state and in those states where it is available, it may be withdrawn or revised at any time prior to acceptance.

The rates quoted in this proposal are a function of the characteristics of the group at the time of proposal submission. We reserve the right to re-evaluate the risk, and change the rates if necessary, based upon the characteristics of the group on the anniversary date of the program.

This proposal will remain in effect until withdrawn or a new proposal is issued, but in no event will this proposal remain in effect beyond 90 days from the date of this proposal. Premium must total at least \$100 per month.

The employer should consult a tax advisor regarding the tax implication of these benefits.

GROUP ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

DEATH OR DISMEMBERMENT BENEFIT FOR AN INSURED PERSON: The benefit shown below will be paid if:

- (1) an Insured Person sustains an accidental bodily injury while insured under this provision; and
- (2) that injury directly causes one of the following nonfatal losses within 365 days after the date of the accident.

The loss must result directly from the injury and from no other causes.

<u>LOSS</u>	<u>BENEFIT FOR COMMON CARRIER ACCIDENT</u>	<u>BENEFIT FOR OTHER COVERED ACCIDENT</u>
Loss of Life	2 Times Principal Sum	Principal Sum
Loss of one Member (Hand, Foot or Eye)	Principal Sum	½ Principal Sum
Loss of Two or More Members	2 Times Principal Sum	Principal Sum

The Principal Sum for the Insured Person's class is shown in the Schedule of Insurance.

MAXIMUM PER PERSON: If an Insured Person sustains more than one loss resulting from the same accident, the benefit:

- (1) will be the one largest amount listed;
- (2) will not exceed two times the Principal Sum for all of that person's combined losses resulting from a Common Carrier Accident; and
- (3) will not exceed the Principal Sum for all that person's combined losses resulting from any other covered accident.

DEFINITIONS: "Common Carrier Accident" means a covered accidental bodily injury, which is sustained while riding as a fare paying passenger (not a pilot, operator or crew member) in or on, boarding or getting off from a Common Carrier.

"Loss of a Member" includes the following:

- (1) "Loss of Hand or Foot," means complete severance through or above the wrist or ankle joint.
- (2) "Loss of an Eye," means total and irrevocable loss of sight in that eye.

LIMITATIONS: Benefits are not payable for any loss to which a direct cause is:

- intentional self-inflicted injury or self-destruction;
- disease, bodily or mental infirmity, or medical or surgical treatment of these;
- the Insured Person's participation in riot;
- duty as a member of any military, naval or air force;
- war or any act of war, declared or undeclared;
- the Insured Person's participation in the commission of a felony;
- voluntary use of drugs except where prescribed by a Physician;
- voluntary inhalation of gas; including carbon monoxide;
- travel or flight in any aircraft, except as a fare paying passenger of a commercial airline flying on regularly scheduled routes between definitely established airports; or
- the Insured Person driving while intoxicated (as defined by the jurisdiction where the accident occurred).

SAFE DRIVER BENEFIT

If an Insured Person dies as a direct result of a covered auto accident, for which Accidental Death and Dismemberment Benefits are payable; then

- (1) an additional Seat Belt Benefit will be payable provided the Insured Person was wearing a properly fastened seat belt at the time of the accident; and
- (2) an additional Air Bag Benefit will be payable, if the auto was equipped with airbag(s).

The Seat Belt Benefit equals \$10,000 or 10% of the Principal Sum, whichever is less; and the Air Bag Benefit equals \$10,000 or 10% of the Principal Sum, whichever is less. The Seat Belt Benefit and Air Bag Benefit will not be less than \$1,000 per Insured Person. The Principal Sum is the amount payable because of the Insured Person's accidental death.

A copy of the police report must be submitted with the claim. The position of the seat belt must be certified by:

- (1) the official accident report; or
- (2) the coroner, traffic officer or other investigating officer.

Upon receipt of satisfactory written proof, the additional benefit will be paid in accord with the Beneficiary section.

DEFINITIONS. As used in this provision:

"Auto" means a 4-wheel passenger car, station wagon, jeep, pick-up truck or van-type car. It must be licensed for use on public highways. It includes a car owned or leased by the Group Policyholder.

"Intoxicated," "Impaired," or "Under the Influence of Drugs" shall be defined as by the jurisdiction where the accident occurs.

"Seat Belt" means a properly installed:

- (1) seat belt or lap and shoulder restraint; or
- (2) other restraint approved by the National Highway Traffic Safety Administration.

LIMITATIONS. Safe Driver Benefits will not be paid if:

- (1) the Accidental Death and Dismemberment Benefits is not paid under the Policy for the Insured Person's death; or
- (2) at the time of the accident, the Insured Person or any other person who was driving the auto in which the Insured Person was traveling:
 - (a) was driving without a valid drivers' license;
 - (b) was driving in excess of the legal speed limit; or
 - (c) was driving while intoxicated, impaired, or under the influence of drugs (except for drugs taken as prescribed by a Physician for the driver's use).

The above limitations will apply, whether or not the driver is convicted.

CONFIDENT™

CORE SHORT TERM DISABILITY



Plan Provisions

GROUP WEEKLY DISABILITY INSURANCE

TOTAL DISABILITY BENEFITS:

Lincoln Financial Group will pay a Weekly Total Disability Benefit if an Insured Person becomes Totally Disabled while insured for this benefit. This benefit will be paid for each week Total Disability continues:

- beginning on the day benefits begin (as shown in the Schedule of Insurance); and
- ending on the day the Insured Person ceases to be Totally Disabled.

Benefits will not be payable beyond the end of the Maximum Benefit Period, as shown in the Schedule of Insurance. Proportional benefits will be paid for a partial week of Total Disability.

The amount of the Weekly Total Disability Benefit equals:

- the Insured Person's Basic Weekly Earnings multiplied by the Benefit Percentage (limited to the Maximum Weekly Benefit); minus
- Other Income Benefits

but will not be less than the Minimum Weekly Benefit.

Total Disability means the Insured Person's inability, due to sickness or injury, to perform each of the material duties of his or her regular occupation. A person engaging in employment for wage or profit is not Totally Disabled.

PARTIAL DISABILITY BENEFITS:

Lincoln Financial Group does not require that the employee be totally disabled prior to receiving partial benefits. A disabled employee can satisfy the elimination period with days of total disability, partial disability or a combination of both. An employee may qualify for a partial disability benefit if he or she is partially disabled and is earning at least 20% of his or her pre-disability income.

Partial Disability Benefits end on the earliest of:

- the date the Maximum Benefit Period ends;
- the date the Insured Person ceases to be Partially Disabled; or
- the date the Insured Person's current earnings exceed 99% of Basic Weekly Earnings.

The amount of the Weekly Partial Disability Benefit equals the lesser of A or B below:

- A. The Insured Person's Pre-disability Income multiplied by the Benefit Percentage (limited to the Maximum Weekly Benefit); minus Other Income Benefits except for earnings received from employment. The amount determined under this part A will not be less than the Minimum Weekly Benefit.
- B. The Insured Person's Basic Weekly Earnings, minus Other Income Benefits.

Partial Disability means that, due to sickness or injury, the Insured Person is:

- unable to perform one or more of the material duties of his or her regular occupation; or,
- unable to perform such duties on a full-time basis.

SUCCEEDING PERIODS OF DISABILITY:

Unless the Insured Person returns to active full-time work for at least two weeks, two or more periods of Disability due to the same or related cause will be treated as one period of Disability.

EXCLUSIONS:

Weekly Income Benefits will not be payable for any period of Disability:

- which is the result of an intentional act;
- which is the result of war (declared or undeclared) or any act of war;
- during which the Insured Person is not under the regular care of a physician;
- which is the result of a sickness or injury covered by Workers' Compensation;
- which is the result of, or due to, a sickness or injury arising out of, or in the course of any employment for wage or profit; or
- during which the Insured Person receives payment under a salary continuance or retirement plan sponsored by the Group Policyholder.

OTHER INCOME BENEFITS:

Other Income Benefits means those benefits shown below:

1. Any disability income benefits for which the Insured Person is eligible under:
 - a. any compulsory benefit act or law (including any Worker's Compensation or occupational disease law); or
 - b. any governmental retirement system as a result of the Insured Person's job with the Group Policyholder.
2. Any disability benefits or retirement benefits the Insured Person receives under a Retirement Plan.
3. Benefits under the Social Security (or any similar plan or act) including:
 - a. disability or unreduced retirement benefits for which the Insured Person is eligible; or for which his or her spouse or children are eligible because of the Insured Person's eligibility for unreduced retirement benefits; or
 - b. reduced retirement benefits received by the Insured Person; or by his or her spouse or children because of the Insured Person's receipt of reduced retirement benefits.
4. Earnings the Insured Person earns or receives from any form of employment.

After the first deduction for each of the Other Income Benefits, the Weekly Total Disability Benefit will not be further reduced due to any cost-of-living increases under these Other Income Benefits (except for increases in earnings from any form of employment). Other Income Benefits paid in a lump sum will be prorated:

- on a weekly basis over the time period for which the sum is given; or
- over the time the Company expects the Insured Person to live, if no time period is stated.

CONFIDENT™

CORE LONG TERM DISABILITY



Plan Provisions

PROPOSAL ASSUMPTIONS & CONDITIONS

This proposal assumes that:

- there are no known uninsurable individuals in the group to be covered; and
- no employee is absent from work because of sickness or injury.

If any individual to be insured falls into either of these categories, Lincoln Financial Group requires full disclosure of all information needed to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw our proposal.

If the proposed policy qualifies as a replacement plan, then coverage for an otherwise eligible person who is disabled on the policy effective date will be administered in accord with any applicable state discontinuance and replacement law.

The proposal also assumes current and continued employer and employee participation in Workers' Compensation or an equivalent plan, which would be used as a source of integration (offset) for the LTD plan of benefits.

If the employer's LTD plan is currently insured by another carrier, this proposal assumes that the current carrier will continue coverage on any insured employee who is disabled on the date the existing contract terminates – even if the contract terminates before the disabled employee has satisfied the Elimination Period.

Quoted rates were developed based on the information contained in the Request for Proposal. Final rates will be calculated based on:

- the agreed-upon plan;
- enrolled census;
- employee location(s);
- correct industry code (SIC); and
- other pertinent underwriting factors.

Lincoln Financial Group reserves the right to re-rate or refuse to issue coverage if there are changes in these factors.

NOTE: This illustration was prepared based on the information provided in the Request for Proposal. It is a description of the Long Term Disability Insurance coverage available from us and not an offer to contract. More detailed information is available upon request concerning the terms, conditions and limitations contained in the master policy, if issued. If there are discrepancies between the information contained in this proposal and the master policy, the terms of the master policy will control.

An Application for Group Insurance must be completed by the employer and approved by us before coverage can become effective.

CORE LTD WITH OPTIONAL BUY-UPS: Benefits & Cost Summary**OUR PROPOSAL INCLUDES THE FOLLOWING PROVISIONS:**

PROGRESSIVE PARTIAL Disability Benefit with RETURN TO WORK INCENTIVE: The plan includes our **BACK ON TRACK[®]** partial disability benefit. **BACK ON TRACK[®]** encourages employees to try to return to work by allowing them to receive an overall higher level of income than they would receive from their total disability benefit.

An employee may qualify for a partial disability benefit if he or she is partially disabled, is earning at least 20% of his or her pre-disability income, and is under the regular care of a physician.

The partial disability formula remains consistent throughout the duration of the benefit period. The partial disability benefit will not be reduced by earnings from any employer, until those earnings, plus the policy benefit and any other income benefits from other sources listed in the policy exceed 100% of pre-disability earnings. Lincoln Financial Group will pay the lesser of:

(A) **LOST INCOME:** The insured's predisability income, minus all Other Income Benefits (including earnings from partial disability employment).

(B) **THE TOTAL DISABILITY NET MONTHLY BENEFIT:** The Benefit Percentage times the insured's predisability earnings (limited to the Maximum Monthly Benefit), minus Other Income Benefits (except for earnings from partial disability employment).

However, this amount will not be less than the Minimum Monthly Benefit.

During the first 24 months of partial disability benefits -- even if the claimant has received total disability benefits for several years - a partially disabled employee can receive up to 99% of pre-disability earnings from partial disability employment.

After 24 months of partial disability benefits, the **BACK ON TRACK[®]** provision will continue to pay partial disability benefits until the employee's earnings from partial disability employment exceed 85% of predisability earnings.

RECOVERY BENEFIT FOR COMMISSIONED EMPLOYEES: The Recovery Benefit allows insureds to receive an additional benefit for up to six months while they rebuild their earnings. Employees are eligible for this benefit if they return to Full-time work in their own occupation, previously received earned commissions as part of the predisability earnings and upon return continue to earn commissions, have received Total or Partial Disability benefits for at least 1 month and earn less than 100% of Predisability Income.

ZERO DAY RESIDUAL: The elimination period can be satisfied by either days of total and/or partial disability *and requires no loss of earnings.*

VOCATIONAL REHABILITATION: (Refer to the Schedule of Benefits) Lincoln Financial Group offers vocational rehabilitation programs that focus on job modification, retraining and job placement. With the help of these services, many disabled employees are able to return to productive employment.

BENEFIT LIMITATIONS: (Refer to the Schedule of Benefits)

The Plan includes maximum benefit duration limits for disabilities caused by mental sickness and/or substance abuse.

GROUP LONG TERM DISABILITY INSURANCE

ELIGIBLE EMPLOYEE is an active, full-time employee who:

- is a member of an eligible class of employees;
- has completed the eligibility waiting period established by the employer;
- is not a temporary or seasonal employee;
- is at work on the effective date of his/her coverage;
- is regularly scheduled to work at least 30 hours per week, unless otherwise agreed upon; and
- is a citizen of or legally works in the United States.

ELIMINATION PERIOD is the period of disability during which no benefit is payable. It is shown on the Benefits & Cost Summary page of this proposal. The elimination period begins on the first day of disability. Only days of total or partial disability will count towards the satisfaction of the elimination period.

Accumulation of Elimination Period: With this feature, the elimination period is satisfied when the required number of days is accumulated within a period up to two times the length of the elimination period. For example, a 90 day elimination period must be satisfied within 180 consecutive days.

PREDISABILITY INCOME means the employee's monthly rate of earnings from the employer in effect:

1. just prior to the date the Elimination Period begins; or
2. just prior to the date an approved leave of absence begins, if the Elimination Period begins while the employee is continuing coverage during a leave of absence.

It includes commissions averaged over the most recent 12 months before the disability begins. Predisability income does not include overtime pay, bonuses or other forms of compensation. It is also referred to as 'BASIC MONTHLY EARNINGS'.

Other 'earnings' definitions may be available upon request.

TOTAL DISABILITY

Total Disability means that, due to an injury or sickness, an employee is unable:

1. During the ELIMINATION PERIOD and the "OWN OCCUPATION" Period, to perform each of the main duties of his or her regular occupation; and
2. After the "OWN OCCUPATION" Period, to perform each of the main duties of any occupation which his or her training, education or experience will reasonably allow.

The loss of a professional license, an occupational license or certification, or a driver's license for any reason does **not**, by itself, constitute Total Disability.

OWN OCCUPATION PERIOD: 24 Months

Under the proposed policy, the "own occupation" period is the period beginning at the end of the elimination period and ending 24 months later.

MONTHLY TOTAL DISABILITY BENEFIT: After the Elimination Period is satisfied, the LTD policy provides a monthly benefit for an employee who is totally disabled and under a physician's regular care. This monthly total disability benefit equals:

- the benefit percentage times the insured's predisability income, up to the maximum monthly benefit;
- minus other income benefits.

This benefit amount will not be less than the minimum monthly benefit.

The policy also provides a monthly benefit for an employee who is partially disabled, under a physician's regular care, and sustaining a specified percentage of lost earnings. See the Partial Disability Benefit section of this proposal.

RECURRENT DISABILITY means a disability which is related to or due to the same cause or causes of a prior disability for which a monthly benefit was payable. A recurrent disability:

- will be treated as part of the prior disability if, after receiving policy benefits, the employee returns to his or her regular occupation full-time for less than 6 months.
- will be treated as a new period of disability if, after receiving policy benefits, an employee returns to his or her regular occupation full-time for 6 months or more. A new elimination period must be completed before benefits become payable.

BACK ON TRACK[®] PARTIAL DISABILITY BENEFIT **Residual with Progressive Partial**

An employee may qualify for a partial disability benefit if he or she is partially disabled, is earning at least 20% of his or her predisability income, and is under the regular care of a physician.

Partially Disabled will be defined as follows:

1. During the Elimination Period and Own Occupation Period, it means that due to an Injury or Sickness the Insured Employee:
 - a) is unable to perform one or more of the main duties of his or her occupation, or is unable to perform such duties full-time; and
 - b) is engaged in Partial Disability Employment.
2. After the Own Occupation Period, it means that due to an Injury or Sickness the Insured Employee:
 - a) is unable to perform one or more of the main duties of any occupation which his or her training, education or experience will reasonably allow; or is unable to perform such duties full-time; and
 - b) is engaged in Partial Disability Employment.

The Partial Disability Monthly Benefit will cease on the earliest of:

1. the date the employee ceases to be Partially Disabled or dies;
2. the date the Maximum Benefit Period ends;
3. the date the employee earns more than 99% of predisability income, until partial disability benefits have been paid for 24 months;
4. the date the employee earns more than 85% of predisability income, after partial disability benefits have been paid for 24 months;
5. the date the employee is able, but chooses not to work full-time:
 - a) in his or her regular occupation, during the Own Occupation Period;
 - b) in any occupation, after the Own Occupation Period;
6. the date the employee fails to take a required medical exam, without good cause; or
7. the 60th day after the Company mails a request for additional proof, if not given.

The Partial Disability Monthly Benefit equals the lesser of A, B or C below:

- A) The total disability benefit which would be payable if the employee received no earnings from partial disability employment: predisability income (times) benefit percentage; minus other income benefits.
- B) The employee's predisability income minus other income benefits, as defined in the policy, including earnings from partial disability employment.
- C) The plan's maximum benefit.

Example:

	Benefit Percentage:	60%
	Maximum Monthly Benefit:	\$5,000
	Predisability Income:	\$3,000
Partial Disability Employment Earnings:		\$1,450
Other Income Benefits:		\$0

The partial disability benefit payable is the lesser of:

- | | | |
|---|--|-----------------------------|
| A) 60% of Predisability Income
less Other Income Benefits: | B) Predisability Income less
Partial Disability Employment Earnings
and Other Income Benefits: | C) Maximum Monthly Benefit: |
|---|--|-----------------------------|

\$3,000
x 60%
\$1,800

\$3,000
-\$1,450
\$1,550

\$5,000

With Back On Track[®], income the employee receives from all sources would equal \$3,000.

(The LTD Plan's monthly partial disability benefit payment would equal \$1,550, the lesser of A, B and C. Partial disability employment earnings of \$1,450 + partial disability benefit of \$1,550 = \$3,000.)

The partial disability benefit payable will never be more than the total disability monthly benefit or less than the minimum monthly benefit payable under the policy.

MAXIMUM BENEFIT PERIOD - Social Security Normal Retirement Age (SSNRA)

Benefits for a disabled employee are payable to the employee's Social Security Normal Retirement Age, or the Maximum Benefit Period shown below (whichever is later):

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60	SSNRA
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

SOCIAL SECURITY INTEGRATION: Primary and Family Social Security Integration (Option 1.00, 2.00)

The Group Long Term Disability Benefit will be reduced by:

- Social Security disability and unreduced retirement benefits which the employee and spouse are eligible to receive; and
- reduced Social Security benefits which the employee and spouse receive.

BENEFIT REDUCTIONS from OTHER INCOME: LTD benefits will be reduced by disability or retirement benefits from the following sources.

- Social Security benefits, described above
- Disability benefits for which the employee is eligible under:
 - Workers' Compensation, occupational disease or similar law
 - State-mandated temporary income plans
 - Any compulsory benefit, act or law
 - Any employer-sponsored group disability, sick leave or formal salary continuance plans
 - Any public retirement system due to employment with policyholder
- Disability or retirement benefits received under a retirement plan

LTD Benefits are not reduced by:

- Distributions from profit sharing, 401(k), IRA, TSA or stock ownership plans
- Non qualified deferred compensation plans
- Military disability benefits

Cost-Of-Living Freeze: After the initial reduction for other income benefits, the monthly LTD benefit will not be further reduced due to any cost-of-living increases payable under any of these other income benefits.

MINIMUM MONTHLY BENEFIT: A disabled employee will not receive less than the minimum monthly benefit shown in the Benefits & Cost Summary page, regardless of income received from other sources.

WAIVER OF PREMIUM: Premium payments for a disabled employee are waived during any period for which total or partial disability benefits are payable.

SURVIVOR INCOME BENEFIT: 3 Months

If an employee dies after having been disabled for a minimum of 180 consecutive days and the employee was receiving a monthly benefit under the policy, Lincoln Financial Group will pay the eligible survivor a lump sum benefit equal to three times the employee's last gross monthly LTD Benefit.

REASONABLE ACCOMMODATION BENEFIT enhances the return to work possibilities for an employee by assisting the employer in complying with the reasonable accommodation section of the Americans with Disabilities Act (ADA).

The benefit is designed to reimburse the policyholder for any "reasonable accommodations" made to the workplace to allow an employee currently receiving disability benefits to return to work. Examples of such accommodations could be more accessible parking spaces or entrances, removal of barriers or hazards from the worksite, installation of special seating, furniture or equipment for the employee's workstation, or the provision of special training materials or other services necessary to help the employee return to work.

The benefit reimburses the employer for 50% of the expense incurred for reasonable accommodation services (as described above) up to a maximum of \$5,000 on any one employee. In order for a policyholder/employer to be eligible for this benefit, the employer must have an employee:

1. whose disability prevents the performance of his or her regular occupation at the employer's worksite;
2. who has the physical and mental abilities needed to perform his or her own or another occupation at the employer's worksite; but only with the help of the proposed accommodation; and
3. who is reasonably expected to return to work with the help of the proposed accommodation.

Once an employer is considered eligible, a written proposal is developed with input from the employer, employee and attending physician, which states the purpose of the proposed accommodation. Upon receipt of proof that the employer has provided the services for the employee and paid the provider for the services, the employer will be reimbursed.

OTHER FEATURES:

Our **LINKS PROGRAM** provides integrated disability management when an insured is covered under both our STD and LTD plans. LINKS helps to provide a smooth transition from STD to LTD without claim filing, while helping the employee return to work in the most efficient and effective manner possible. Furthermore, the LINKS program identifies those claimants with group life insurance coverage with us to determine whether they're eligible for Life Waiver.

A **FICA MATCH SERVICE** is included on all new and existing LTD business at no additional charge. With this service, Lincoln Financial Group matches the policyholder's share of FICA taxes on payments made to disabled employees; generates monthly reports summarizing what has been paid and withheld; and prepares W-2 forms at year-end for LTD benefits paid to each disabled employee.

VOCATIONAL REHABILITATION BENEFIT (Refer to the Schedule of Benefits)

With the assistance of vocational rehabilitation programs that focus on job modifications, job placement and retraining, many disabled employees can return to productive employment. Services such as these are available to employees unable to perform their regular occupation, and who do not currently have the skills to return to work at another occupation. These employees must have the physical and mental capability for the successful completion of a rehabilitation program. In addition, there must be reasonable expectation that these services will assist the employee in returning to work.

If the employee is eligible for rehabilitation services, a written program will be developed with input from the employee, physician and employer outlining the goals, responsibilities, services, and all applicable costs of the program. Rehabilitation efforts only take place if the patient's physician endorses the program.

Consideration for participation in such a program can be proposed by the employee, attending physician or Lincoln Financial Group.

PRE-EXISTING CONDITION EXCLUSION: 3/12*

The policy will not cover any total or partial disability which:

1. is caused by or results from a pre-existing condition; and
2. begins in the first 12 months after the employee's effective date of coverage under the employer's long term disability plan.

A pre-existing condition is a sickness or injury for which the employee received treatment during the 3 months prior to his or her effective date. "Treatment" means consultation, care or services provided by a physician, including diagnostic measures and the prescription and/or taking of drugs and medicines.

If the claimant is confined to a hospital or other appropriate treatment facility at the end of the first 24 months of receiving total and/or partial disability benefits for one of these conditions, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's Maximum Benefit Period.

*May differ subject to state mandates.

PRIOR INSURANCE CREDIT UPON TRANSFER OF INSURANCE CARRIERS:

To prevent loss of coverage for an employee because of a transfer of insurance carriers, this policy will provide prior insurance credit for employees insured under the prior carriers' policy on its termination date as follows.

Failure To Be Active-At-Work Due To Injury Or Sickness:

Subject to premium payments, the policy will provide coverage to any employee:

1. who was insured by the carrier's policy at the time of transfer; and
2. who was not actively-at-work due to injury or sickness on the policy's effective date.

The coverage will be that provided by the prior carrier's policy, had it remained in force. The Company will pay:

1. the benefit that the prior carrier would have paid; minus
2. any amount for which the prior carrier is liable.

Disability Due To A Pre-Existing Condition:

Benefits may be payable for a disability due to a pre-existing condition for an employee who:

1. was insured by the prior carrier at the time of transfer; and
2. was actively-at-work and insured under this policy on its effective date.

The benefits will be determined as follows:

1. Lincoln Financial Group will apply the policy's pre-existing condition exclusion. If the employee qualifies for benefits, he or she will be paid according to the policy's schedule.
2. If the employee cannot satisfy the policy's pre-existing condition exclusion, the prior carrier's pre-existing condition exclusion will be applied as follows:
 - a. If the employee satisfies the prior carrier's pre-existing condition exclusion, giving consideration for continuous time insured under both policies, the employee will be paid according to the prior carrier's benefit schedule.
 - b. If the employee cannot satisfy the pre-existing condition exclusion of this policy or that of the prior carrier, no benefit will be paid.

MENTAL & NERVOUS DISORDERS LIMITATION: (Refer to the Schedule of Benefits)

Benefits for disability due to mental illness will be payable for up to the number of months shown in the Schedule of Benefits. If the claimant is confined to a hospital or other appropriate treatment facility at the end of the number of months shown in the Schedule of Benefits, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's maximum benefit period.

SUBSTANCE ABUSE LIMITATION: (Refer to the Schedule of Benefits)

Benefits for disability due to substance abuse will be payable for up to the number of months shown in the Schedule of Benefits. If the claimant is confined to a hospital or other appropriate treatment facility at the end of the number of months shown in the Schedule of Benefits, the monthly benefit will continue to be paid until discharge. The monthly benefit will not be payable beyond the policy's maximum benefit period.

"Substance Abuse" means alcoholism, drug abuse or chemical dependency of any type.

EXCLUSIONS: Disabilities which arise from intentionally self-inflicted injuries, war or participation in a riot, committing a felony, any type of assault or battery or during which the employee is not under the regular care of a Physician, or is incarcerated, are excluded from coverage.

*May differ subject to state mandates.

CONFIDENT TM

This proposal describes certain insurance coverages available from Capital Benefits Group and should under no circumstances be construed as a contract or offer to contract for such coverages. An application must be completed and submitted to our Service Office, before a group will be considered for coverage.

If the proposed policy qualifies as a replacement plan, then coverage for an otherwise eligible person who is disabled on the policy effective date will be administered in accord with any applicable state discontinuance and replacement law.

The proposal is based on preliminary census data received by Lincoln Financial Group. Actual costs will be based on the final enrollment data of employees insured under the plan on its effective date. Rates quoted for the proposed benefits shown are effective for 90 days from the date shown on the proposal. A complete listing of the terms, conditions, and limitations, that will apply to your coverage, if issued, is available upon request.

THIS IS NOT A CONTRACT:

This illustration was prepared based on the information provided in the Request for Proposal. It is a description of the Long Term Disability Insurance coverage available from us and not an offer to contract. More detailed information is available upon request concerning the terms, conditions and limitations contained in the master policy, if issued. If there are discrepancies between the information contained in this proposal and the master policy, the terms of the master policy will control.

An Application for Group Insurance must be completed by the employer and approved by us before coverage can become effective.

LINCOLN FINANCIAL GROUP® PRIVACY PRACTICES NOTICE

The Lincoln Financial Group is committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. **We do not sell your personal information to third parties.** We share your personal information with third parties as necessary to provide you with the products or services you request and to administer your business with us. This notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. **You do not need to take any action because of this notice, but you do have certain rights as described below.**

INFORMATION WE MAY COLLECT AND USE

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; or to tell you about our products or services we believe you may want and use. The type of personal information we collect depends on the products or services you request and may include the following:

- **Information from you:** You give us information when you submit your application or other forms, such as your name, address, Social Security number; and your financial, health, and employment history.
- **Information about your transactions:** We keep information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment history.
- **Information from outside our family of companies:** If you are purchasing insurance products, we may collect information from consumer reporting agencies such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information from other individuals or businesses, such as medical information.
- **Information from your employer:** If your employer purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

HOW WE USE YOUR PERSONAL INFORMATION

We may share your personal information within our companies and with certain service providers. They use this information to process transactions you have requested; provide customer service; and inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, registered representatives; reinsurers; and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information obtained from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law.

When you apply for one of our products, we may share information about your application with credit bureaus. We also may provide information to group policy owners, regulatory authorities and law enforcement officials and to others when we believe in good faith that the law requires disclosure. In the event of a sale of all or part of our businesses, we may share customer information as part of the sale. **We do not sell or share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.**

CONFIDENT TM

SECURITY OF INFORMATION

Keeping your information safe is one of our most important responsibilities. We maintain physical, electronic and procedural safeguards to protect your information. Our employees are authorized to access your information only when they need it to provide you with products and services or to maintain your accounts. Employees who have access to your personal information are required to keep it strictly confidential. We provide training to our employees about the importance of protecting the privacy of your information.

Questions about your personal information should be directed to:

Lincoln Financial Group
Attn: Enterprise Services Compliance-Privacy, 6C-00
1300 S. Clinton St.
Fort Wayne, IN 46802

*This information applies to the following Lincoln Financial Group companies:

Allied Professional Advisors, Inc.	Lincoln Financial Securities Corporation (formerly known as Jefferson Pilot Securities Corporation)
First Penn-Pacific Life Insurance Company	Lincoln Investment Advisors Corporation
Hampshire Funding, Inc.	Lincoln Life & Annuity Company of New York
JPSC Insurance Services, Inc.	Lincoln Variable Insurance Products Trust
Lincoln Financial Advisors Corporation	The Lincoln National Life Insurance Company

ADDITIONAL PRIVACY INFORMATION FOR INSURANCE PRODUCT CUSTOMERS

CONFIDENTIALITY OF MEDICAL INFORMATION

We understand you may be especially concerned about the privacy of your medical information. We do not sell or rent your medical information to anyone; nor do we share it with others for marketing purposes. We only use and share your medical information for the purpose of underwriting insurance, administering your policy or claim and other purposes permitted by law, such as disclosure to regulatory authorities or in response to a legal proceeding.

MAKING SURE MEDICAL INFORMATION IS ACCURATE

We want to make sure we have accurate information about you. Upon written request, we will tell you, within 30 business days, what personal information we have about you. You may see a copy of your personal information in person or receive a copy by mail, whichever you prefer. We will share with you who provided the information. In some cases we may provide your medical information to your personal physician. We will not provide you with information we have collected in connection with, or in anticipation of, a claim or legal proceeding. If you believe that any of our records are not correct, you may write and tell us of any changes you believe should be made. We will respond to your request within 30 business days. A copy of your request will be kept on file with your personal information so anyone reviewing your information in the future will be aware of your request. If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received the information within the prior two years. We will also send the updated information to any insurance support organization that gave us the information, and any service provider that received the information within the prior 7 years.

Questions about your personal medical information should be directed to:

Lincoln Financial Group
Attn: Medical Underwriting
P.O. Box 21008
Greensboro, NC 27420-1008

The CONFIDENTIALITY OF MEDICAL INFORMATION and MAKING SURE INFORMATION IS ACCURATE sections of this Notice apply to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company
Lincoln Life & Annuity Company of New York
The Lincoln National Life Insurance Company