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07/01/2017

GROUP BOOKLET-CERTIFICATE FOR MEMBERS OF

SMART METRA UTU 1290

ALL MEMBERS ELECTING THE STD INCREMENTS TO \$1,500 PLAN

Group Short Term Disability Insurance

Print Date: 09/25/2017

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Your Group Short Term Disability Insurance has been designed to provide financial help for you when a covered loss occurs. This plan has chosen benefits provided by a Group Policy issued by Us, Principal Life Insurance Company. To the extent that benefits are provided by the Group Policy, the administration and payment of claims will be done by Us as an insurer.

Members rights and benefits are determined by the provisions of the Group Policy. This booklet briefly describes those rights and benefits. It outlines what you must do to be insured. It explains how to file claims. It is your certificate while you are insured.

The effective date of your insurance is as shown on your enrollment form.

THIS BOOKLET REPLACES ANY PRIOR BOOKLET THAT YOU MAY HAVE RECEIVED. If you have any questions about this new booklet, please contact the company designated by the policyholder. In the event of future plan changes, you will be provided with a new booklet-certificate or a booklet-certificate rider.

If you have an electronic booklet, paper copies of this booklet-certificate are also available. Please contact the company designated by the Policyholder if you would like to request a paper copy.

PLEASE READ YOUR BOOKLET CAREFULLY. We suggest that you start with a review of the terms listed in the DEFINITIONS Section (at the back of the booklet). The meanings of these terms will help you understand the insurance.

The group insurance policy and your coverage under the Group Policy may be discontinued or altered by the Policyholder or Us at any time without your consent.

In administering the benefits provided under the Group Policy, all Predisability Earnings and Current Earnings will be expressed in U.S. dollars and all premium and benefit amounts must be paid in U.S. dollars.

The insurance provided in this booklet is subject to the laws of the state of ILLINOIS.

PRINCIPAL LIFE
INSURANCE COMPANY
Des Moines, IA 50392-0002

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SHORT TERM DISABILITY INSURANCE SUMMARY

Minimum Hours Requirement	Employees must be working at least 20 hours a week
Who Pays for Coverage	You are required to pay the entire premium for insurance under the Group Policy.
Elimination Period	A Benefit Payment Period will begin on the: 15th day for Disability Due to Injury 15th day for Disability Due to Sickness
Primary Benefit	An amount in increments of \$1 between a minimum of \$1 and a maximum of \$1,500 as applied for by you and approved by Us.
Maximum Weekly Benefit	The lesser of \$1,500 or 60% of Predisability Earnings.
Minimum Weekly Benefit	\$15
Maximum Benefit Payment Period	50 weeks
Rehabilitation Services and Benefits	
Rehabilitation Services	Included
Predisability Intervention Services	Included
Rehabilitation Incentive Benefit	5%
Other Coverage Features	
Work Incentive Benefit	Included
Survivor Benefit	3 times Primary Benefit
NOTE:	
	Benefits may be reduced by other sources of income and disability earnings.
	Some disabilities may not be covered or may be limited under this insurance.

This summary provides only highlights of the Group Policy. The entire Group Policy determines all rights, benefits, exclusions and limitations of the insurance described above.

**HOW TO BE INSURED
SHORT TERM DISABILITY INSURANCE**

Eligibility and Individual Incontestability

Eligibility

You will be eligible for insurance on the later of:

- a. January 1, 2017; or
- b. the May 1 or November 1 next following the date you become a Member as described in this booklet.

Note: For employees that transfer from one railroad line or union to another, coverage will be effective on the date of transfer if you were previously enrolled with the prior railroad line or union.

For persons that are rehired within 6 months of their termination date, you will be eligible on the date you return to work and will have the coverage levels you had in force prior to termination.

For persons removed from duty due to a suspension:

- you can enroll for coverage however, you will not be eligible for coverage until the date you return to Active Work; or
- if you are already enrolled for coverage, you will be eligible for coverage on the date you return to Active Work provided you return within 24 months of the date coverage ceased due to the suspension.

Individual Incontestability

All statements made by any person insured will be representations and not warranties. In the absence of fraud, these statements may not be used to contest the insured person's coverage unless:

- a. the insurance has been in force for less than two years during the insured person's lifetime; and
- b. the statement is in Written form Signed by the insured person; and
- c. a copy of the form which contains the statement is given to the insured person or the insured person's beneficiary at the time insurance is contested.

However, the above will not preclude the assertion at any time of defenses based upon the person's not being eligible for insurance under the Group Policy or upon other provisions of the Group Policy.

In addition, if a person's age is misstated, We may, at any time, adjust premiums and benefits to reflect the correct age.

We may, at any time, terminate a Member's eligibility under the Group Policy, in Writing and with 31-day notice:

- a. if the individual submits any claim that contains false or fraudulent elements under state or federal law;
- b. upon finding in a civil or criminal case that a Member has submitted claims that contain false or fraudulent elements under state or federal law;

- c. when a Member has submitted a claim which, in good faith judgement and investigation, a Member knew or should have known, contains false or fraudulent elements under state or federal law.

**HOW TO BE INSURED
SHORT TERM DISABILITY INSURANCE**

Effective Dates

Actively at Work

Your effective date for Short Term Disability Insurance will be as explained in this booklet, if you are Actively at Work on that date. If you are not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

Effective Date for Contributory Insurance

Unless Proof of Good Health is required, the requested insurance will be in force on:

- a. the date you are eligible, if the request is made on or before that date; or
- b. the date of your request, if the request is made within 31 days after the date you are eligible.

If the request is made more than 31 days after the date you are eligible, Proof of Good Health will be required before insurance can be in force.

Effective Date When Proof of Good Health is Required

Insurance for which Proof of Good Health is required will be in force on the later of:

- a. the date insurance would have been effective if Proof of Good Health had not been required; or
- b. the first of the Insurance Month coinciding with or next following the date Proof of Good Health is approved by Us.

Proof of Good Health Requirements

The type and form of required Proof of Good Health will be determined by Us. You must submit Proof of Good Health:

- a. If insurance for which you contribute a part of premium is requested more than 31 days after the date you are eligible.
- b. If you have failed to provide required Proof of Good Health or have been refused insurance under the Group Policy at any prior time.
- c. If you elect to terminate insurance and, more than 31 days later, request to be insured again.

Note: For insurance applied for during the Annual Enrollment Period, the above Proof of Good Health requirements will not apply. Refer below for the Annual Enrollment Period provisions.

Effective Date for Benefit Changes Due to a Change in Weekly Earnings

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your Weekly Earnings will normally be effective on the November 1 that next follows the date of change. However, if you are

not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes Due to a Change in Insurance Class

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your insurance class will normally be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes - Change by Policy Amendment

Unless Proof of Good Health is required (see above), a change in the amount of your Benefit Payable because of a change in the Benefit Payable by amendment to the Group Policy will be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Annual Enrollment Period

a. Eligibility

An Annual Enrollment Period will be available to you each year if you are a Member who:

- (1) failed to enroll:
 - during the first period in which you were eligible to enroll; or
 - during any previous Annual Enrollment Period; or
- (2) previously terminated insurance under the Group Policy and want to re-enroll; or
- (3) is currently enrolled for insurance and wants to change his or her Benefit Payable amount.

To qualify for enrollment during the Annual Enrollment Period, you must meet the eligibility requirements described in the Group Policy.

b. Enrollment Period

The Annual Enrollment Period is a period of time requested by the Policyholder and accepted by Us.

c. Effective Date

If you request a change in your Benefit Payable amount during the Annual Enrollment Period, the effective date of such change will be the November 1 following the completion of the Annual Enrollment Period.

Insurance requested during the Annual Enrollment Period described above:

- will be subject to the Preexisting Conditions Exclusion for Initial Insurance as described on GH 864-2 in this booklet; and
- will not be subject to the Proof of Good Health requirements for any Benefit Payable amount change.

**HOW TO BE INSURED
SHORT TERM DISABILITY INSURANCE**

Termination, Continuation, and Reinstatement

Termination of Insurance

Your insurance will terminate on the earliest of:

- a. the date the Group Policy is terminated; or
- b. the end of the Insurance Month for which the last premium is paid for your insurance; or
- c. for contributory insurance, the end of any Insurance Month if requested by you before that date; or
- d. the end of the Insurance Month in which you cease to be a Member as defined; or
- e. the end of the Insurance Month in which you cease to be in a class for which Member Insurance is provided; or
- f. for a labor dispute, strike, work slowdown or lockout, the date you cease Active Work; or
- g. for all other occurrences, the end of the Insurance Month in which you cease Active Work except as provided below.

Termination of insurance for any reason described above will not affect your rights to benefits, if any, for a Disability that begins while your insurance is in force under the Group Policy. You are considered to be continuously Disabled if you are Disabled from one condition and, while still Disabled from that condition, incur another condition that causes Disability.

Continuation

You may qualify to have your insurance continued under one or more of the continuation provisions below. If you qualify for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

Continuation and Reinstatement - Sickness, Injury, or Pregnancy

If you cease Active Work due to sickness, injury, or pregnancy, your insurance can be continued subject to payment of premium, until the earliest of:

- a. the date insurance would otherwise terminate as provided in items a. through f. above; or
- b. the end of the Insurance Month in which you recover; or
- c. the date 365 days after Active Work ends.

If a Benefit Payment Period is established, your insurance will be reinstated if you return to Active Work for a Participating Employer within six months of the date the Benefit Payment Period ends. Your reinstated insurance will be in force on the date of return to Active Work.

If you do not qualify to have a Benefit Payment Period begin, insurance will be reinstated if you return to Active Work for a Participating Employer within six months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.

Continuation and Reinstatement – Layoff, Furlough, Unapproved Leave of Absence or Approved Leave of Absence

If you cease Active Work due to layoff, furlough, unapproved leave of absence or approved leave of absence, your insurance can be continued, subject to premium payment, until the earlier of:

- a. the date insurance would otherwise terminate as provided in items a. through f. above; or
- b. for approved leave of absence, six months after the end of the Insurance Month in which Active Work ends; or
- c. for layoff, furlough or unapproved leave of absence, the end of the Insurance Month in which Active Work ends.

Your insurance will be reinstated if you return to Active Work for a Participating Employer within six months of the date insurance ceased. Your reinstated insurance will be in force on the date of return to Active Work.

A longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA).

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously insured.

Continuation and Reinstatement - Family and Medical Leave Act (FMLA)

If you cease Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue your insurance, subject to premium payment, until the date either 12 weeks or 26 weeks, as determined by law, after the end of the Insurance Month in which Active Work ends.

Your terminated insurance may be reinstated in accordance with the provisions of FMLA.

DESCRIPTION OF BENEFITS

Benefit Qualification

You will qualify for Disability benefit, if all of the following apply:

- a. You are Disabled under the terms of the Group Policy.
- b. Your Disability begins while you are insured under the Group Policy.
- c. Your Disability is not subject to any of the Limitations listed in this booklet.
- d. An Elimination Period is completed.
- e. A Benefit Payment Period is established.
- f. You are under the Regular and Appropriate Care of a Physician.
- g. The claim requirements listed in the CLAIM PROCEDURES Section are satisfied.

An Elimination Period will start on the date you become Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the:

- a. 15th day if the Disability is Due to Injury; or
- b. 15th day if the Disability is Due to Sickness.

DESCRIPTION OF BENEFITS

Benefits Payable

If you are not working during a period of Disability

Your Benefit Payable for each full week of a Benefit Payment Period will be the lesser of:

- a. The Primary Benefit; or
- b. 80% of Predisability Earnings, less Other Income Sources.

If you are working during a period of Disability

Your work incentive Benefit Payable for each full week of a Benefit Payment Period will be the lesser of:

- a. 100% of Predisability Earnings less Other Income Sources, less Current Earnings from your Own Job or any job; or
- b. The Primary Benefit; or
- c. 80% of Predisability Earnings, less Other Income Sources.

Minimum Weekly Benefit

The weekly Benefit Payable will not be less than \$15 for each full week of a Benefit Payment Period, except that We will have the right to reduce the Minimum Weekly Benefit by any prior benefit overpayment.

DESCRIPTION OF BENEFITS

Rehabilitation Services and Benefits

Rehabilitation Services and Benefits

While you are Disabled and covered under the Group Policy, you may qualify to participate in a Rehabilitation Plan and receive Rehabilitation Services and Benefits. We will work with you and others as appropriate, to develop an individualized Rehabilitation Plan intended to assist you in returning to work.

Rehabilitation Services

While you are Disabled under the terms of the Group Policy, you may qualify for Rehabilitation Services. If you, the Policyholder and We agree in Writing on a Rehabilitation Plan in advance, We may pay a portion of reasonable expenses. The goal of the plan will be to return you to work.

Any rehabilitation assistance must be approved in advance by Us and outlined in a Rehabilitation Plan. The Benefit Payable as described in the booklet (subject to the terms and conditions of the Group Policy) will continue, unless modified by the Rehabilitation Plan. Rehabilitation assistance may include, but is not limited to:

- a. coordination of medical services;
- b. vocational and employment assessment;
- c. purchasing adaptive equipment;
- d. business/financial planning;
- e. retraining for a new occupation;
- f. education expenses.

We will periodically review the Rehabilitation Plan and your progress and We will continue to pay for the agreed upon expenses as long as We determine that the Rehabilitation Plan is providing the necessary action to return you to work.

We may require you to participate in an individualized Rehabilitation Plan at Our expense. If you refuse to participate in or do not comply with the Rehabilitation Plan without good cause, all benefits will cease to be payable. As used in this section, "good cause" means a medical reason preventing implementation of the Rehabilitation Plan.

Predisability Intervention Services

Rehabilitation Services may be offered if you have not yet become Disabled under the terms of the Group Policy, provided you have a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of your Own Job.

Rehabilitation Incentive Benefit

During a Benefit Payment Period, if you are participating in and fulfilling the requirements of the Rehabilitation Plan, but are not yet working, you will be eligible for a 5% increase in the Primary Benefit percentage as a Rehabilitation Incentive Benefit. Payment of the Rehabilitation Incentive Benefit will begin with the Benefit Payable amount that next follows

implementation of the Rehabilitation Plan. The Rehabilitation Incentive Benefit is not subject to the Maximum Weekly Benefit.

The Rehabilitation Incentive Benefit will terminate on the earliest of:

- a. the date the time frame established in the Rehabilitation Plan has elapsed; or
- b. the date you fail to meet the goals and objectives established in the Rehabilitation Plan; or
- c. the date benefits would otherwise terminate as provided in this booklet.

DESCRIPTION OF BENEFITS

Survivor Benefit

If your Benefit Payment Period ends because of your death, a Survivor Benefit will be payable. This Survivor Benefit will be three times your Primary Benefit.

We will pay the Survivor Benefit to your spouse, Civil Union Partner or domestic partner, child, parent, or estate as described in the CLAIM PROCEDURES Section.

DESCRIPTION OF BENEFITS

Weekly Payment Limit

In no event will the sum of the amounts payable for:

- a. Benefits Payable as described in this booklet; and
- b. Rehabilitation Incentive Benefit; and
- c. income from Other Income Sources; and
- d. Current Earnings from your Own Job or any job;

exceed 100% of Predisability Earnings. In the event your total income from all sources listed above exceeds 100% of Predisability Earnings, the benefits as described in this booklet will be reduced by the amount in excess of 100% of Predisability Earnings.

DESCRIPTION OF BENEFITS

Benefit Payment Period and Recurring Disability

Benefit Payment Period

Benefits are payable for a period of 50 weeks after the date the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

- a. the date of your death; or
- b. the date your Disability ends, unless a Recurring Disability exists as explained in this booklet; or
- c. the date you fail to provide any required proof of Disability; or
- d. the date you fail to submit to any required medical examination or evaluation; or
- e. the date you fail to report any required Current Earnings information; or
- f. the date you fail to report income from Other Income Sources; or
- g. the date ten days after receipt of notice from Us if you fail to pursue Social Security Benefits or benefits under a Workers' Compensation Act or similar law as described in this booklet; or
- h. the date you cease to be under the Regular and Appropriate Care of a Physician; or
- i. the date you refuse to participate in or do not comply with a Rehabilitation Plan; or
- j. if a Disability is caused by, a complication of, or resulting from a Preexisting Condition as described in this booklet, We will pay a benefit up to a maximum of six weeks while We are conducting Our Preexisting Condition investigation. Once the investigation is complete and if the Disability is deemed to be a Preexisting Condition, no further benefits will be payable. No benefits will be paid for a subsequent claim subject to a Preexisting Condition investigation for the same condition.

Recurring Disability

A Recurring Disability will exist under the Group Policy if:

- a. after you have completed an Elimination Period and during a Benefit Payment Period, you cease to be Disabled; and
- b. you then return to Active Work; and
- c. while insured under the Group Policy, but before completing 30 continuous days of Active Work, you are again Disabled; and
- d. your current Disability and the Disability for which you completed the Elimination Period result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not be required to complete a new Elimination Period for a Recurring Disability and a new Benefit Payment Period will not be established. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. The effective date of any salary increase received during return to Active Work as stated in this booklet on GH 855 which would otherwise be effective, will not be applicable to any benefit payable under this Recurring Disability provision.

DESCRIPTION OF BENEFITS

Limitations

No benefits will be paid for any Disability that:

- a. results from willful self-injury or self-destruction, while sane or insane; or
- b. results from war or act of war; or
- c. results from voluntary participation in an assault, felony, criminal activity, insurrection, or riot; or
- d. is a new Disability that begins after a prior Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work; or
- e. is a continuation of a Disability for which a Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work (except as provided for a Recurring Disability in this booklet); or
- f. is caused by, a complication of, or resulting from a Preexisting Condition as described in this booklet; or
- g. results from a cosmetic surgery or other elective procedures that are not medically necessary.

Preexisting Conditions Limitation for Initial Insurance

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications;

in the twelve month period before you became insured under the Group Policy.

Benefits will not continue beyond the date six weeks following the date of Disability for a Disability that results from a Preexisting Condition unless, on the date you become Disabled, you have been Actively at Work for one full day after completing 12 consecutive months during which you were insured under the Group Policy.

Preexisting Conditions Limitation for Benefit Increases

A Preexisting Condition is any sickness or injury, including all related conditions and complications, or a pregnancy, for which you:

- a. received medical treatment, consultation, care, or services; or
- b. were prescribed or took prescription medications;

in the twelve month period prior to an increase in benefits or change in the Group Policy, including increases in benefits due to a change in Weekly Earnings of 25% or greater.

The increase in benefits or change in the Group Policy provisions will not continue beyond the date six weeks following the effective date of the increase in benefits or change in the Group Policy provisions for a Disability that:

- a. results from a Preexisting Condition; and
- b. begins within 12 months after the effective date of the increase in benefits or change in the Group Policy provisions.

Thereafter, the benefits and the Group Policy provisions in force immediately prior to the increase or change will be payable during the duration of the Disability.

CLAIM PROCEDURES

Notice of Claim

Written notice of claim must be given to Us within 20 days after the date of loss for which claim is being made. If it is not possible to give proof within 20 days, it must be given no later than one year after the time proof is required except in the absence of legal capacity.

Claim Forms

Claim forms and other information needed to provide proof of Disability must be filed with Us in order to obtain payment of benefits. The company designated by the Policyholder will provide appropriate claim forms to assist you in filing claims. If the forms are not provided within 15 days after We receive notice of claim, you will be considered to have complied with the requirements of the Group Policy regarding proof of Disability upon submitting, within the time specified below for filing proof of Disability, Written proof covering the occurrence, character and extent of the loss.

Proof of Disability

Claim forms and other information needed to prove Disability should be filed promptly. Written proof that Disability exists and has been continuous must be sent to Us within 90 days after the date you complete an Elimination Period. Proof required includes the date, nature, and extent of the loss. Further proof that Disability has not ended must be sent when requested by Us. We may request additional information to substantiate your loss or require a Signed unaltered authorization to obtain that information from the provider. We reserve the right to determine when these conditions are met. Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing requirements, receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by Us.

Documentation of Loss

We must receive satisfactory Written proof of loss. Until We receive the proof of loss requested, benefits will not be paid. Proof of loss may include:

- a. Any requested claim form including claim forms from you or your Physician.
- b. Documentation that you are under Regular and Appropriate Care by a Physician.
- c. Copies of medical records, test results and/or Physician's progress notes.
- d. Occupation information, such as documentation of work duties and activities. This may include your job description or appointment calendar.
- e. Independent medical examination(s) (see Examinations and Evaluations in this section).
- f. A Written authorization, signed by you, on a form supplied by Us, to obtain records and information needed to determine your eligibility for benefits.
- g. Other proof of loss as required by Us.

Earnings Documentation

We may require proof to determine your Predisability Earnings and Current Earnings. A company representative has the right to examine your financial and business records, including your Federal income tax returns and supporting documentation, as often as We may require.

Investigation of Your Claim

We may conduct an investigation of your claim at any time, which may include a personal interview with a company representative and/or an examination under oath. Benefits may not be payable until We have had a reasonable time to conduct an investigation of your claim and determine that benefits are payable.

Any costs involved in submission of proof of loss or earnings documentation are your responsibility to pay, except for costs incurred by Us for items c. and e. as shown under Documentation of Loss above or personal interview or financial examination.

Once your claim is approved, no benefits will be continued beyond the end of the period for which you have provided Us with satisfactory proof of loss. We will require you to provide additional documentation of your claim, at your expense, at reasonable intervals while you are claiming Disability.

Proof of Disability while outside the United States

If during a period of Disability, you are residing or staying outside the United States, the following will apply:

- a. Any evidence you submit for your claim will be required to be translated by the U.S. Embassy and contain the U.S. Embassy seal.
- b. You may be required to return to the United States at a frequency We deem necessary to substantiate your claim for Disability. All expenses incurred by you for returning to the United States will be your responsibility.
- c. You must notify Us in advance of any return to the United States and your change of address.

Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing requirements, receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by Us.

Payment, Denial, and Review

Claims will normally be processed within 45 days from receipt of the claim. If a claim cannot be processed due to incomplete information, We will send a Written explanation prior to the expiration of the 45 days. A claimant is then allowed up to 45 days to provide all additional information requested. We are permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to a claimant regarding the extension.

In actual practice, benefits under the Group Policy will be payable sooner, provided We receive complete and proper proof of Disability. Further, if a claim is not payable or cannot be processed, We will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by Written request to Us within 180 days of the receipt of notice of the denial. We will make a full and fair review of the claim. We may require additional information to make the review. We will notify a claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45 day period because We did not receive the requested additional information, We are permitted a 45-day extension for the review. Written notification will be sent to a claimant regarding the extension. After

exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means Member.

Report of Payments from Other Income Sources

When asked, you must give Us:

- a. a report of all payments from Other Income Sources; and
- b. proof of application for all such income for which you and your Dependents are eligible; and
- c. proof that any application for such income has been rejected.

Lump Sum Payments from Other Income Sources

If any income from Other Income Sources are payable in a lump sum (except as described below), the lump sum will be deemed to be paid in weekly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated weekly over your expected life span. We will determine the expected life span.

Lump Sum Payments under:

- a. a retirement plan will be deemed to be paid in the weekly amount which:
 - (1) is provided by the standard annuity option under the plan as identified by the Policyholder or a Participating Employer; or
 - (2) is prorated under a standard annuity table over your expected life span (if the plan does not have a standard annuity option);
- b. a Workers' Compensation Act or other similar law (which includes benefits paid under an award or settlement) will be deemed to be paid weekly:
 - (1) at the rate stated in the award or settlement; or
 - (2) at the rate paid to the lump sum (if no rate is stated in the award or settlement); or
 - (3) at the maximum rate set by the law (if no rate is stated and you did not receive a periodic award).

Social Security Estimates

Until exact amounts are known, We may estimate the Social Security benefits for which you and your Dependents are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to disability benefits under the Federal Social Security Act, We will require that you:

- a. apply for disability benefits within ten days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the ten-day period; and

- c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial or reconsideration if an appeal appears reasonable.

Workers' Compensation and Other Disability Coverage Estimates

Until exact amounts are known, We may estimate the Workers' Compensation benefits and other disability coverage that provides benefits for loss of time from work that are attributable to employer contributions in whole or in part or makes payroll deductions for which you are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to benefits under a Workers' Compensation Act or a similar law and other disability coverage, We will require that you:

- a. apply for benefits within ten days after receipt of Written notice from Us requesting you to apply for such benefits; and
- b. give satisfactory proof within 30 days after receipt of Written notice from Us that you have applied for these benefits within the ten-day period.

Payments for Less Than a Full Week

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full week will be the weekly benefit divided by seven.

Right to Recover Overpayments

If an overpayment of benefits occurs under the Group Policy, We will have the option to:

- a. reduce or withhold any future benefits We determine to be due, including the Minimum Weekly Benefit; or
- b. recover the overpayment directly from you; or
- c. take any other legal action.

Facility of Payment

Benefits under the Group Policy will be payable at the end of each week of a Benefit Payment Period, provided complete and proper proof of Disability has been received by Us. We will have the option to issue Benefits Payable in a lump sum amount.

Any unpaid balance that remains after a Benefit Payment Period ceases will be immediately payable.

We will normally pay benefits directly to you. However, in the special instances listed below, payment will be as indicated. All payments so made will discharge Us to the full extent of those payments.

- a. If payment amounts remain due upon your death, those amounts may, at Our option, be paid to your spouse, Civil Union Partner or domestic partner, child, parent or estate.
- b. If We believe a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, We may pay whoever has assumed the care and support of the person.

Examinations and Evaluations

We have the right to require you to undergo medical evaluations, functional capacity evaluations, vocational evaluations, and/or psychiatric evaluations during the course of a claim. The examinations or evaluations will be performed by a Physician or evaluator We choose as appropriate for the condition and will be conducted at the time, place and frequency We reasonably require. We will pay for those examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for suspension or denial of your benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of your benefits. If you fail to attend an examination or evaluation, any charges incurred for not attending an appointment as scheduled may be your responsibility.

Legal Action

Legal action to recover benefits under the Group Policy may not be started earlier than 90 days after proof of Disability is filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

Time Limits

All time limits listed in this section will be adjusted as required by law.

DEFINITIONS

Several words and phrases used to describe your insurance are capitalized whenever they are used in this booklet. These words and phrases have special meanings as explained in this section.

Active Work; Actively at Work

You are considered Actively at Work if you are engaged in the active performance of all of your regular duties with the intent of continuing the active performance of all said duties on an ongoing basis. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, personal time off, or an approved FMLA leave of absence for the care of a qualified family member is considered Active Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of his or her absence.

Benefit Payment Period

The period of time during which benefits are payable.

Civil Union means the legally recognized union of two eligible individuals of the same or opposite sex established according to law.

Civil Union Partner means for two persons to establish a Civil Union in Illinois, it shall be necessary that they satisfy all of the following criteria:

- not be a party to another Civil Union, domestic partnership or marriage in Illinois;
- be at least 18 years of age;
- not be related to the other proposed party to the Civil Union.

NOTE: For the purposes of the Group Policy, the term "spouse" will include a Civil Union Partner.

Current Earnings

Your Weekly Earnings for each week you are Disabled. This includes all sources of income from a Participating Employer that comprised earnings prior to Disability such as personal time off (PTO), sick pay, vacation pay, and holiday pay. Earnings from Secondary Employment are not considered Current Earnings except as identified in Secondary Employment. While Disabled, your Weekly Earnings may result from working for the Participating Employer or any other employer.

Dependent

Any person who qualifies for benefits as a dependent under the Federal Social Security Act as a result of your Disability or retirement, whether or not residing in your home.

Determination Date

The last day worked prior to the date Disability begins.

Disability; Disabled

You will be considered Disabled if, solely and directly because of sickness, injury, or pregnancy, one of the following applies:

- a. You cannot perform the majority of the Substantial and Material Duties of your Own Job.
- b. You are performing the duties of your Own Job on a Modified Basis or any job and are unable to earn more than 80% of your Predisability Earnings.

The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.

Disability Due to Injury

A Disability that:

- a. occurs solely and directly because of an accidental injury; and
- b. begins within 180 days of the accident.

An accidental injury means an injury that results solely from accidental means.

Disability Due to Sickness

A Disability that:

- a. occurs directly because of disease, a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or
- b. is not a Disability Due to Injury as defined in this booklet.

Elimination Period

The period of time you must be Disabled before benefits begin to accrue. An Elimination Period starts on the date you are Disabled and must be satisfied for each period of Disability. You cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which We do not pay benefits.

Employee

A person who is employed by and receives a W-2 from a Participating Employer.

Generally Accepted

Treatment, service or medication that:

- a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and
- b. is in general use in the medical community; and

- c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

Group Policy

The policy of group insurance issued to the Policyholder by Us which describes benefits and provisions for insured Members.

Hospital

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

Income Loss Percentage

Your Income Loss Percentage is equal to:

- a. your Predisability Earnings less any Current Earnings from your Own Job or any job; divided by
- b. your Predisability Earnings.

Insurance Month

Calendar month.

Maximum Weekly Benefit

The lesser of \$1,500 or 60% of Predisability Earnings.

Member

Any UNION PERSON ELECTING THE STD INCREMENTS TO \$1,500 PLAN, residing in the United States, who is a U.S. citizen or is legally working in the United States, who is a full-time Employee of a Participating Employer and who:

- a. is a due paying union member in good standing; and
- b. is employed by a railway carrier; and
- c. regularly works at least 20 hours a week.

Work must be at the Participating Employer's usual place or places of business, at an alternative worksite at the direction of the Participating Employer, or at another place to which the Employee must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the Participating Employer on a seasonal, temporary, contracted, or part-time basis. A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.

Member will not include any person who is removed from duty due to a labor dispute, strike, work slowdown or lockout.

Mental Health Condition

Any condition which is:

- a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and
- b. categorized in the current edition of American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders or its successor.

Conditions not considered a Mental Health Condition include:

- a. dementia that is the result of any of the following conditions:
 - (1) stroke;
 - (2) head injury;
 - (3) viral infection; or
 - (4) Alzheimer's disease; and
- b. organic brain syndrome; and
- c. delirium; and
- d. organic amnesia syndromes; and
- e. organic delusional or organic hallucinogenic syndromes.

Modified Basis

You will be considered working on a Modified Basis if you are working on either a part-time basis or performing some but not all of the Substantial and Material Duties of the job on a full-time basis.

Other Income Sources

The Weekly equivalent of:

- a. all disability payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- b. for a Member who has reached Social Security Normal Retirement Age or older, all retirement payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that you and your Dependents receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
- d. all payments for the month that you receive from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income

benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and

- e. all payments for the month that you receive (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if the Policyholder or a Participating Employer pays a part of the cost or makes payroll deductions for that coverage; and
- f. all payments for the month that you receive or are eligible to receive under another group disability insurance policy; and
- g. all payments for the month that you receive under any state disability plan; and
- h. all sick pay, salary continuance payments, personal time off, or severance pay, for the month that you receive from the Policyholder or a Participating Employer; and
- i. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that you receive under a pension plan sponsored by the Policyholder or a Participating Employer. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and
- j. all payments for the month that you receive for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and
- k. all renewal commissions for the month that you receive from a Participating Employer; and
- l. all payments for the month that you receive under state unemployment laws.

NOTE:

If any sick pay, salary continuance payments, personal time off, severance pay, or loss of time from work payments specified above are attributable to individual disability insurance policies, the payments will not be considered an Other Income Source.

Any retirement payments you receive under the Federal Social Security Act or a pension plan which you had been receiving in addition to your Weekly Earnings prior to a claim for Disability, will not be considered an Other Income Source.

Military or Veterans Administration disability or retirement payments will not be considered an Other Income Source.

After the initial deduction for each of the Other Income Sources, benefits will not be further reduced due to any cost of living increases payable under the above stated sources.

Withdrawal of pension plan benefits by you for the purpose of placing the benefits in a subsequent pension plan or a deferred compensation plan will not be considered an Other Income Source unless you withdraw pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement.

If any income specified above is payable in a monthly payment, the weekly equivalent will be calculated by multiplying the monthly benefit by 12 and dividing by 52.

Any income you receive for services rendered prior to your date of Disability will not be considered Other Income Sources.

Any commissions earned prior to your date of Disability will not be considered Other Income Sources.

Own Job

The job you are routinely performing for a Participating Employer when your Disability begins.

Participating Employer

Any individual employer who is signatory to an applicable collective bargaining agreement with a union that requires contributions on behalf of its bargaining unit members to the health and welfare benefit plan established by the Policyholder.

A Participating Employer is not a party to the contract between Us and the Policyholder.

Physician

- a. a licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or
- b. any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Policy.

The term Physician does not include you, one of your employees, your business or professional partner or associate, any person who has a financial affiliation or business interest with you, anyone related to you by blood or marriage, or anyone living in your household.

Policyholder

SMART METRA UTU 1290.

Predisability Earnings

Your Weekly Earnings in effect prior to the date Disability begins.

Primary Benefit

An amount in increments of \$1 between a minimum of \$1 and a maximum of \$1,500 as applied for by you and approved by Us. The Primary Benefit will not exceed the lesser of \$1,500 or 60% of your Predisability Earnings.

Proof of Good Health

Written evidence that a person is insurable under Our underwriting standards. This proof must be provided in a form satisfactory to Us.

Regular and Appropriate Care

You will be considered to be receiving Regular and Appropriate Care if you:

- a. are evaluated in person by a Physician; and
- b. receive treatment appropriate for the condition causing the Disability; and
- c. undergo evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and
- d. undergo evaluations and treatment at a frequency intended to return you to full time work; and
- e. pursue reasonable treatment options or recommendations to achieve maximum medical improvement.

We may require you to have your Physician provide a Written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to Us.

We may waive, in Writing to you, the Regular and Appropriate Care requirement if it is determined by Us that continued care would be of no benefit to you.

Rehabilitation Plan

An individualized Written agreement between you and Us, developed with your assistance and the assistance of others as appropriate. The Rehabilitation Plan may include medical, psychological, or vocational services and benefits, which are provided with the intent to restore your ability to perform your Own Job or any job which you are or could reasonably become qualified by education, training, or experience.

Secondary Employment

Employment you are engaged in with an employer, other than a Participating Employer, prior to the date Disability begins. Earnings from Secondary Employment will be determined by using the average weekly earnings over the six calendar months just prior to the date of Disability. Any post disability increase above the average weekly earnings will be considered Current Earnings.

Signed or Signature

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by Us.

Social Security Normal Retirement Age (SSNRA)

Social Security Normal Retirement Age as defined by the Social Security Administration on the date Disabled.

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

Substantial and Material Duties

The essential tasks generally required by employers from those engaged in a particular job that cannot be modified or omitted.

Weekly Earnings

Your weekly wage, as established by a Participating Employer, that is the greater of a. or b. below:

- a. if you have been employed for a least one calendar year, was paid to you during the last calendar year and reported on your W-2 Wage & Tax Statement including qualified deferred compensation, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements including any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan, or Health Savings Account excluding housing and/or car allowance. If you have been employed for less than one calendar year, was paid to you during the completed weeks of employment divided by the number of such completed weeks of employment; or
- b. the weekly average of all of your taxable income received from the Participating Employer over the three months just prior to the Determination Date, or over the actual period of employment with the Participating Employer just prior to the Determination Date, if shorter.

Note: Weekly Earnings will not exceed the amount shown in the Participating Employer's financial records or the amount for which premium has been paid.

We, Us, and Our

Principal Life Insurance Company, Des Moines, Iowa.

Written or Writing

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

ILLINOIS NOTICE

This is to advise you that if you have any complaints about your insurance you may contact the following:

Principal Life Insurance Company
Attention: Government Relations
711 High Street
Des Moines, Iowa 50392-0220
Telephone: 1-800-325-2532

or

Illinois Department of Insurance
Consumer Division or
Public Services Section
320 West Washington Street
Springfield, Illinois 62767

OR

Illinois Department of Insurance
Consumer Division or
Public Services Section
122 S. Michigan Avenue, 19th Floor
Chicago, Illinois 60603

Toll Free Consumer Line: 1-866-445-5364
Telephone: 217-782-4515

Telephone: 312-814-2420

Please identify all correspondence with the group account number and your full name and address. Please be as specific as possible about the nature of your complaint. Include all relevant information so that prompt action can be taken to resolve your complaint satisfactorily.

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Plan Arranged By

CORNERSTONE ASSURANCE GROUP, INC.
22333 CLASSIC CT
LAKE BARRINGTON IL
60010



Principal Life Insurance Company
Des Moines, Iowa 50392-0002