

Employee Group Benefits
UNDERWRITTEN BY
SUN LIFE ASSURANCE COMPANY OF CANADA

**Towns of Northborough and
Southborough and the
Northborough/Southborough Regional
School District**

**GROUP POLICY NUMBER - 68291
POLICY EFFECTIVE DATE - January 1, 2002
POLICY AMENDMENT DATE - January 1, 2010**

Welcome to Sun Life Assurance Company of Canada (Sun Life). Sun Life is pleased to be your Employer's insurance carrier for the benefits provided in the Group Policy. The description of Eligible Classes in the Benefit Highlights will help you determine what benefits apply to you.

The booklet is intended to provide a summarized explanation of the current Group Policy Benefits. However, the Group Policy is the document which forms Sun Life's contract to provide benefits. If the terms of the booklet and the Group Policy differ, the Group Policy will govern. A complete copy of the Group Policy is in the possession of your Employer and is available for your review. In the event of any changes in benefits or Group Policy provisions, you will be provided with a new booklet or a supplement which describes any changes.

Possession of this booklet does not necessarily mean you are insured under the Group Policy. The requirements for becoming eligible for insurance and the dates your insurance begins or ceases are explained within this booklet.

This booklet uses insurance terms and phrases that are listed in the Definitions Section.

For information, call the Sun Life Group Customer Service Center toll free at 1-800-247-6875.

NOTICE TO CERTIFICATEHOLDER



This health plan, alone, **does not meet Minimum Creditable Coverage standards** and **will not satisfy** the individual mandate that you have health insurance. Please see below for additional information.

As of January 1, 2009, the Massachusetts Health Care Reform Law requires that Massachusetts residents, eighteen (18) years of age and older, must have health coverage that meets the Minimum Creditable Coverage standards set by the Commonwealth Health Insurance Connector, unless waived from the health insurance requirement based on affordability or individual hardship. For more information call the Connector at 1-877-MA-ENROLL or visit the Connector website (www.mahealthconnector.org).

This plan is not intended to provide comprehensive health care coverage and **does not meet Minimum Creditable Coverage standards**, even if it does include services that are not available in the insured's other health plans.

If you have questions about this notice, you may contact the Division of Insurance by calling (617) 521-7794 or visiting its website at <http://www.mass.gov/doi/>.

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BENEFIT HIGHLIGHTS

LONG TERM DISABILITY INCOME INSURANCE

ELIGIBLE CLASSES

All Employees scheduled to work at least 20 hours per week.

AMOUNT OF INSURANCE

60% (Benefit Percentage) of your Total Monthly Earnings, not to exceed the Maximum Monthly Benefit, less Other Income Benefits.

- The **Maximum Monthly Benefit** is \$7,000.

Note: your amount of insurance is also subject to reductions for your employment earnings.

The **Minimum Monthly Benefit** is \$100.

Your Evidence of Insurability, satisfactory to Sun Life, will be required if you elect no coverage and subsequently elects Long Term Disability Income Insurance

Elimination Period

(The period of time you need to be continuously Totally or Partially Disabled before LTD benefits are payable)

90 Days

BENEFIT HIGHLIGHTS

Maximum Benefit Period

(The longest period of time Sun Life will pay you an LTD benefit while you are Totally or Partially Disabled)

Your Maximum Benefit Period is the period shown below or your Normal Retirement Age under the 1983 amendments to the Federal Social Security Act, whichever is longer.

| <u>Age at Disability</u> | <u>Maximum Benefit Period</u> |
|--------------------------|--|
| Less than age 60 | To age 65, but not less than 60 months |
| 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 |

BENEFIT HIGHLIGHTS

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

Total Monthly Earnings

Your basic monthly earnings as reported by your Employer immediately before the first date your Total or Partial Disability begins. Total Monthly Earnings includes deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account, but does not include income received due to commissions, bonuses, overtime pay or any other extra compensation.

If you are paid on an hourly basis, your Total Monthly Earnings will be based on your hourly rate of pay, but will not exceed 40 hours per week.

BENEFIT HIGHLIGHTS

WAITING PERIOD

(The period of time you must be employed in an Eligible Class before you can apply for benefits)

None

CONTRIBUTIONS

The cost of your Long Term Disability Insurance is paid for by you. This is your contributory insurance.

The following Questions and Answers will help you to better understand your benefits.

Please read them carefully and refer any questions to your Employer or call the Sun Life Group Customer Service Center toll free at 1-800-247-6875.

ELIGIBILITY AND EFFECTIVE DATE OF EMPLOYEE INSURANCE

When am I eligible for insurance?

If you are in an Eligible Class shown in the Benefit Highlights, you are eligible on the later of:

- January 1, 2002; or
- your first day of employment.

When do I need to apply for insurance?

You must apply within 31 days of the date you become eligible.

When does my insurance start?

Your insurance starts on the later of:

- the date you apply; or
- the date you are eligible;

if you are Actively at Work on that date.

What happens if I do not apply within 31 days?

Your insurance will start on the date Sun Life approves your Evidence of Insurability, if you are Actively at Work on that date.

What if I am not Actively at Work on that date?

If you are not Actively at Work on the date your insurance would normally start, your insurance will not start until you are Actively at Work.

ELIGIBILITY AND EFFECTIVE DATE OF EMPLOYEE INSURANCE

What happens if I do not want my insurance?

You need to sign a form refusing your insurance. This form is available from your Employer.

If you decide later you want to enroll for insurance, Sun Life must first approve your Evidence of Insurability.

When do changes in my amount of insurance occur?

If your amount of insurance increases due to a change in your salary, your increase will take effect immediately upon the date of change, as long as you are Actively at Work on that date.

If your amount of insurance decreases due to a change in your salary, the decrease will take effect immediately upon the date of change.

If you are not Actively at Work on the date an increase in your insurance would normally start, the increase in your insurance will not start until you are Actively at Work.

TERMINATION OF EMPLOYEE INSURANCE

When does my insurance cease?

Your insurance ceases on the earliest of:

- the date the Group Policy terminates.
- the date you are no longer in an Eligible Class.
- the date your class is no longer included for insurance.
- the last day for which any required premium has been paid for your insurance.
- the date you retire.
- the date you request in writing to terminate your insurance.
- the date you enter active duty in any armed service during a time of war (declared or undeclared).
- the date your employment terminates.
- the date you cease to be Actively at Work.

TERMINATION OF EMPLOYEE INSURANCE

Are there any conditions under which my insurance can continue?

Yes.

Your insurance will continue during any Elimination Period or any period the premium for your insurance is waived under the Group Policy.

If you are on temporary layoff, leave of absence or vacation, your Employer may continue your insurance by paying the required premium for the length of time specified below.

Layoff - for up to 1 month

Leave of Absence - for up to 1 month

Vacation - for up to 3 months

If you terminate your employment, your Employer may continue your insurance by paying the required premium for up to 31 days. If your employment is terminated because of a plant closing or partial closing, your Employer may continue your insurance by paying the required premium for up to 90 days.

You may be eligible to continue your insurance coverage pursuant to the Family and Medical Leave Act of 1993, as amended or continue coverage pursuant to a state required continuation period (if any). You should contact your Employer for more details.

You may be eligible to continue your insurance coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA). You should contact your Employer for more details.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What is the Long Term Disability Benefit?

Long Term Disability Benefits (LTD) partially replace your income if you become Totally or Partially Disabled while insured.

When do LTD benefits become payable?

Sun Life will pay a monthly LTD benefit after the end of your Elimination Period, if Sun Life receives proof that you are:

- Totally or Partially Disabled due to an Injury or Sickness; and
- under the regular and continuing care of a Physician that provides appropriate treatment and regular examination and testing in accordance with your disabling condition.

What conditions must be met for LTD benefits to continue?

Sun Life will pay you an LTD benefit, up to the Maximum Benefit Period, if you provide proof that you continue to be Totally or Partially Disabled and you require the regular and continuing care of a Physician. You need to provide proof when Sun Life asks for it, but the proof is at your expense. You need to provide Sun Life with proof of your monthly earnings (if applicable) on a quarterly basis.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What is the Total Disability Benefit?

If you are Totally Disabled, your Net Monthly Benefit will be calculated based on the Total Disability Benefit formula. You will qualify for this benefit if:

- you are not working or you are working but you are earning less than 20% of your Indexed Total Monthly Earnings; and
- during your Elimination Period and the next 24 months, you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for 24 months, you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience.

How is the Total Disability Benefit calculated?

To determine your Total Disability Benefit:

1. Take the lesser of:
 - a. your Total Monthly Earnings multiplied by the Benefit Percentage (shown in the Benefit Highlights); or
 - b. your Maximum Monthly Benefit (shown in the Benefit Highlights); then
2. Subtract Other Income Benefits from the amount determined in Step 1.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What is the Partial Disability Benefit?

If you are Partially Disabled, your Net Monthly Benefit will be calculated based on the Partial Disability Benefit formula. You will qualify for this benefit if:

- you are working and have Disability Earnings of more than 20% but less than 80% of your Indexed Total Monthly Earnings; and
- during your Elimination Period and the next 24 months, you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for 24 months, you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience and you have Disability Earnings of less than 60% of your Indexed Total Monthly Earnings.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

How is the Partial Disability Benefit calculated?

To determine the Partial Disability Benefit for the first 12 months of your Partial Disability:

1. add your Disability Earnings and income received from Other Income Benefits to the Total Disability Benefit.
2. if this sum is more than 100% of your Indexed Total Monthly Earnings, subtract the amount in excess of 100% of your Indexed Total Monthly Earnings from your Total Disability Benefit. This result is your Partial Disability Benefit; or

if the sum is less than 100% of your Indexed Total Monthly Earnings, your Partial Disability Benefit is your Total Disability Benefit.

If you continue to be Partially Disabled after 12 months of Partial Disability Benefits, your Partial Disability Benefit will be recalculated based on the following formula:

(A divided by B) multiplied by C

where:

A = your Indexed Total Monthly Earnings minus your monthly Disability Earnings.

B = your Indexed Total Monthly Earnings.

C = your Total Disability Benefit.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What are Other Income Benefits?

Other Income Benefits are those benefits provided or available to you while your monthly LTD benefit is payable. These Other Income Benefits, other than retirement benefits, must be provided to you as a result of the same Total or Partial Disability payable under the Group Policy. Other Income Benefits include:

1. The amount you are eligible for under:
 - a. Workers' Compensation Law; or
 - b. Occupational Disease Law; or
 - c. Unemployment Compensation Law; or
 - d. Compulsory Benefit Act or Law; or
 - e. an automobile no-fault insurance plan; or
 - f. any other act or law of like intent.
2. The Railroad Retirement Act (including any dependent benefits).
3. Any labor management trustee, union or employee benefit plans that are funded in whole or in part by your Employer.
4. Any disability income benefits you are eligible for under:
 - a. any other group insurance plan of your Employer;
 - b. any governmental retirement system as a result of your job with your Employer.
5. The benefits you receive under your Employer's Retirement Plan as follows:
 - a. any disability benefits;
 - b. the Employer-paid portion of any Retirement Benefits.(Disability benefits that reduce your accrued retirement benefit will be treated as a retirement benefit. Retirement benefits do not include any amount rolled over or transferred to any other retirement plan as defined in Section 402 of the Internal Revenue Code.)

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

6. The disability or retirement benefits under the United States Social Security Act, or any similar plan or act, as follows:
 - a. Disability benefits you are eligible to receive.
 - b. Disability benefits your spouse, child or children are eligible to receive because of your Total or Partial Disability, unless the dependent benefits are paid directly to your divorced spouse or to your children in custody of your divorced spouse.
 - c. Retirement benefits received by you.
 - d. Retirement benefits your spouse, child or children receive because of your receipt of retirement benefits, unless the dependent benefits are paid directly to your divorced spouse or to your children in custody of your divorced spouse.

If your Total or Partial Disability begins after your Social Security Normal Retirement Age, your Social Security Retirement Benefits will not be offset if, prior to your Total or Partial Disability, you were already receiving Social Security Retirement Benefits.

7. The amount you receive from any accumulated sick leave.
8. Any salary continuation paid to you by your Employer which causes your Net Monthly Benefit, plus Other Income Benefits and any salary continuation, to exceed 100% of your Total Monthly Earnings. The amount in excess of 100% of your Total Monthly Earnings will be used to reduce your Net Monthly Benefit.
9. Any amount you receive due to income replacement or lost wages paid to you by compromise, settlement or other method as a result of a claim for any Other Income Benefit.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

10. Any amount you receive from a voluntary separation of employment agreement from your Employer including severance pay or any other income settlement of an employment contract.

Other Income Benefits will include any amount described above which would have been available to you had you applied for that benefit.

What if I receive payment of Other Income Benefits in a lump sum?

If you receive a lump sum payment for any Other Income Benefits, Sun Life will prorate the lump sum on a monthly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a monthly basis over a reasonable period of time as determined by Sun Life.

Am I required to apply for Other Income Benefits?

You must apply for any Other Income Benefits for which you may be eligible. If such benefits are denied, you must appeal the denial to all administrative levels that Sun Life deems necessary. Sun Life has the right to receive from you written documentation of your pursuit of Other Income Benefits.

What is the Social Security Disability Income Assistance Program?

At your request, Sun Life will assist you (if appropriate) through the various levels of the Social Security claims process. Sun Life will assist you with your application and also through the appeals process.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

Are any of my Other Income Benefits estimated?

Sun Life has the right to estimate the amount of any Other Income Benefits you are eligible to receive during your Total or Partial Disability, and to reduce the LTD benefit payments by the estimated amount. Sun Life will estimate the amount if, at the time of calculating any LTD benefit payments, the Other Income Benefit you may be eligible to receive has not been awarded nor denied, or if the Other Income Benefit has been denied and is being appealed. This estimate will be used to reduce the amount of your monthly LTD benefit payments until the Other Income Benefit has been awarded or denied. However, the estimate will not be used if you meet the following conditions:

- you have applied for the Other Income Benefits; and
- you agree to appeal any denials of Other Income Benefits to all administrative levels Sun Life deems necessary; and
- you complete and sign the Sun Life Reimbursement Agreement.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What happens when the Other Income Benefits have been awarded or have been denied?

You must notify Sun Life in writing, within 31 days of receipt of notice, of the amount of Other Income Benefits when it is approved or if the amount is adjusted (other than for cost of living increases). Sun Life will make an adjustment to the Net Monthly Benefit when Sun Life receives written notice of the amount of the Other Income Benefit.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been underpaid, Sun Life will immediately make a lump sum refund to you of the amount that has been underpaid.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been overpaid, you must reimburse Sun Life the amount of the overpayment within 31 days of the award. Sun Life has the right to reduce or eliminate your future LTD benefit payments until the amount of the overpayment has been repaid. During the overpayment reimbursement period, the Minimum Monthly Benefit will not apply.

What happens if I receive increases in my Other Income Benefits?

After the first deduction for each of your Other Income Benefits, Sun Life will not reduce your monthly LTD benefit payments due to cost of living increases you receive from any sources described as Other Income Benefits. This does not apply to any increase in earnings you receive from employment.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

When does my monthly LTD benefit cease?

Your monthly LTD benefit will cease on the earliest of:

- the date you are no longer Totally or Partially Disabled.
- the date you die.
- the end of your Maximum Benefit Period.
- the date you do not provide adequate employment earnings information or proof that you continue to be Totally or Partially Disabled as requested.
- the date you refuse to complete a rehabilitative assessment, or the date you cease to participate in the Sun Life approved Rehabilitation Program without Good Cause.
- during the first 24 months of Partial Disability, the date your Disability Earnings are more than 80% of your Indexed Total Monthly Earnings.
- after 24 months of Partial Disability, the date your Disability Earnings are more than 60% of your Indexed Total Monthly Earnings.
- for the first 24 months of Total or Partial Disability, the date Sun Life determines you are able to perform on a full-time basis, the Material and Substantial Duties of your Own Occupation, even if you choose not to work.
- after the first 24 months of Total or Partial Disability, the date Sun Life determines that you are able to perform on a full-time basis any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience, even if you choose not to work.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

Full-time basis means for the first 24 months of Total or Partial Disability, you are able or have the capacity to perform the Material and Substantial Duties of your Own Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial Disability. After 24 months of Total or Partial Disability, you are able or have the capacity to perform any Gainful Occupation for the number of hours that you normally performed your Own Occupation prior to your Total or Partial Disability.

However, if you normally performed your Own Occupation on an average in excess of 40 hours per week, Sun Life will consider you as being able to perform that requirement if you work or have the capacity to work 40 hours per week.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What happens if I return to full-time work and become disabled again?

Sun Life will treat this new Total or Partial Disability as part of your prior Total or Partial Disability if you returned to work and were Actively at Work for less than:

- six months, if due to the same or related causes;
- one day, if due to an entirely unrelated cause.

You will not have to complete a new Elimination Period.

Your monthly LTD benefit will be subject to the same terms and conditions as were applicable to the original Total or Partial Disability.

Your monthly LTD benefit will not continue if:

- you become eligible for coverage under any other group LTD policy; or
- the Group Policy terminates; or
- the date you refuse to complete a rehabilitative assessment or the date you cease to participate in the Sun Life approved Rehabilitation Program without Good Cause.

If your new disability begins later than the time periods specified, you will need to complete a new Elimination Period.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What are the Rehabilitation Services?

If you become Totally or Partially Disabled, Sun Life may determine that you are a suitable candidate to receive vocational Rehabilitation Services. In order for you to be eligible for such services, you must have the functional capacity to successfully complete a Rehabilitation Program. These services include, but are not limited to:

- job modification;
- job placement;
- retraining;
- other activities reasonably necessary to help you return to work.

Sun Life may require you to participate in a rehabilitation assessment or a Rehabilitation Program at Sun Life's expense. Sun Life will work with you, your employer, your Physician and others, as appropriate, to develop a Rehabilitation Program.

Eligibility for vocational Rehabilitation Services is based on your education, training, experience and physical/mental capabilities. Sun Life determines whether you are eligible for vocational Rehabilitation Services.

The Rehabilitation Program may, at Sun Life's sole discretion, allow for payment of your medical expense, education expense, moving expense, accommodation expense or family care expense while you are participating in the Rehabilitation Program.

Rehabilitation Program means a written agreement between you and Sun Life in which Sun Life agrees to provide, arrange or authorize vocational, physical or psychiatric rehabilitation services and you agree to participate in the Rehabilitation Program.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What happens if I participate in a Rehabilitation Program?

If you participate in a Sun Life approved Rehabilitation Program, you will receive the greater of:

- your Benefit Percentage (as shown in the Benefit Highlights) multiplied by 1.10; or
- your current Net Monthly Benefit payable multiplied by 1.10.

To calculate the increased benefit:

1. Take your current Benefit Percentage and multiply by 1.10. Then calculate your Total or Partial Disability benefit including any deductions for Disability Earnings or Other Income Benefits.
2. Take your current Net Monthly Benefit payable and multiply by 1.10.

The greater of 1 or 2 is your Rehabilitation increased amount.

This increased amount will cease on the earliest of:

- the date you complete the Rehabilitation Program; or
- the date you cease to participate in the Rehabilitation Program without Good Cause; or
- the date your LTD benefits cease; or
- 12 months after your Rehabilitation Program began.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What happens if I refuse Rehabilitation Services?

If you refuse to participate in your rehabilitation efforts or you refuse to participate or cease to participate in a Rehabilitation Program without Good Cause, your LTD benefits will cease.

Good Cause means documented physical or mental impairments which prevent you from participating in or completing the Rehabilitation Program. Good Cause may also mean a necessary medical program which prevents or interferes with your participation in or completion of the Rehabilitation Program.

What happens to my LTD benefit if I die?

A Survivor Benefit equal to 3 times your last Gross Monthly Benefit is payable in a lump sum to your Eligible Survivor if Sun Life receives satisfactory proof that you died:

- after your Total or Partial Disability had continued for 180 or more consecutive days; and
- you were eligible to receive a monthly LTD benefit.

If you do not have an Eligible Survivor, the Survivor Benefit will be payable to your estate.

Who are my Eligible Survivors?

Your spouse, if living, or your children under age 25.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What are the Limitations?

No LTD benefit will be payable to you for any Total or Partial Disability during any of the following periods:

- any period you are no longer under the regular and continuing care of a Physician providing appropriate treatment and regular examination and testing in accordance with your disabling condition, unless you have reached your maximum point of recovery and are still Totally or Partially Disabled.
- any period you do not submit to any medical examination or clinical assessment requested by Sun Life.
- any period of your Total or Partial Disability that is due to Mental Illness, unless you are under the continuing care of a specialist in psychiatric care.

After you complete your Elimination Period, LTD benefits are payable for 24 months.

Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide psychiatric treatment.

If you continue to be Totally or Partially Disabled when discharged from a Hospital or Institution licensed to provide psychiatric treatment, Sun Life will continue your LTD Benefit payment for up to 90 days. If you become reconfined in a Hospital or Institution during the 90 day period and remain confined for at least 14 consecutive days, Sun Life will continue your LTD benefit payments during your reconfinement. Upon discharge, you will be eligible for up to an additional 90 days of LTD benefit payments if you continue to be Totally or Partially Disabled.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

- any period of your Total or Partial Disability that is due to Drug and Alcohol Illness, unless you are actively supervised by a Physician or rehabilitation counselor and are receiving continuing treatment from a rehabilitation center or a designated institution approved by Sun Life.

After you complete your Elimination Period, LTD benefits are payable for 24 months if, during the Elimination Period you:

- become confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment; or
- begin participation in a drug or alcohol rehabilitation program acceptable to Sun Life.

Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment.

- any period during which you are incarcerated.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What are the Exclusions?

No LTD benefit is payable for any Total or Partial Disability that is due to:

- intentionally self-inflicted injuries.
- war, declared or undeclared, or any act of war.
- your active participation in a riot, rebellion or insurrection.
- your committing or attempting to commit an assault, felony or other criminal act.
- your operation of any motorized vehicle while intoxicated.

Intoxicated means the minimum blood alcohol level required to be considered operating an automobile under the influence of alcohol in the jurisdiction where the accident occurred. For the purposes of this Exclusion, "Motorized Vehicle" includes, but is not limited to, automobiles, motorcycles, boats and snowmobiles.

- a Pre-Existing Condition.

Pre-Existing Condition means during the 3 months prior to your Effective Date of Insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

Pre-Existing Condition for increases in amounts of insurance means during the 3 months prior to your Effective Date of any increase in your amount of insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

Pre-Existing Condition Exclusion Exception

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 12 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

What happens when my Employer transfers Insurance Carriers to Sun Life?

In order to prevent losing your insurance, Sun Life will provide the following coverage.

If you are not Actively at Work on January 1, 2002 you will be insured if:

- you were insured under the prior insurer's group LTD policy at the time of the transfer; and
- you are a member of an Eligible Class; and
- premiums for you are paid up to date; and
- you are not receiving or eligible to receive benefits under the prior insurer's group LTD policy.

If you continue to be not Actively at Work and subsequently become Totally or Partially Disabled on or after January 1, 2002, any LTD benefit payable will be the lesser of:

- the LTD benefit payable under the Group Policy; or
- the LTD benefit payable under the prior insurer's group LTD policy, had it remained in force.

BENEFIT PROVISIONS

LONG TERM DISABILITY INCOME INSURANCE

Are Disabilities due to a Pre-existing Condition covered?

LTD benefits may be payable for a Total or Partial Disability if you were:

- insured under the prior insurer's group LTD policy at the time of transfer; and
- Actively at Work and insured under the Group Policy on January 1, 2002.

Any benefit payable will be determined as follows:

1. if you have satisfied the Pre-Existing Condition Exception under the Group Policy, the LTD benefit will be based on the Group Policy's benefit provision.
2. if you cannot satisfy the Pre-Existing Condition Exception under the Group Policy, the prior insurer's pre-existing condition provision will be applied.
 - a. if you would have satisfied the prior insurer's pre-existing condition provision, considering time insured under both group policies, any benefit payable will be the lesser of:
 - i. the LTD benefit payable under the Group Policy; or
 - ii. the LTD benefit payable under the prior insurer's group LTD policy had it remained in force.
 - b. if you cannot satisfy the Pre-Existing Condition Exception of the Group Policy or if the pre-existing condition provision under the prior insurer's group LTD policy would apply, no LTD benefit will be paid.

All other provisions of Sun Life's Group Policy will apply.

CLAIM PROVISIONS

How is a claim submitted?

To submit a claim, you or someone on your behalf must send Sun Life written Notice and Proof of Claim within the time limits specified. Your Employer has the Sun Life Notice and Proof of Claim forms.

When does written Notice of Claim have to be submitted?

for Long Term Disability - written notice of claim must be given to Sun Life no later than 30 days before the end of your Elimination Period or, within 30 days after the termination of the Group Policy, if earlier.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting to receive the proof of claim forms.

When does written Proof of Claim have to be submitted?

for Long Term Disability - proof of claim must be given to Sun Life no later than 90 days after the end of your Elimination Period.

If proof cannot be given within these time limits, proof must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

CLAIM PROVISIONS

What is considered Proof of Claim?

Proof of Claim must consist of at least the following information:

- a description of the disability;
- the date the disability occurred; and
- the cause of the disability.

Proof of Claim may include, but is not limited to, police accident reports, autopsy reports, laboratory results, toxicology results, hospital records, x-rays, narrative reports, or other diagnostic testing materials as required.

Proof of Claim for disability must include evidence demonstrating the disability including, but not limited to, hospital records, Physician records, Psychiatric records, x-rays, narrative reports, or other diagnostic testing materials as appropriate for the disabling condition.

Sun Life may require as part of the Proof, authorizations to obtain medical and non-medical information.

Proof of your continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

Proof must be satisfactory to Sun Life.

When are benefits payable?

Benefits are payable when Sun Life receives satisfactory Proof of Claim.

CLAIM PROVISIONS

When will a decision on my claim be made?

Sun Life will send you a written notice of decision on your claim within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim. If Sun Life cannot make a decision within 45 days after receiving your claim, Sun Life will request a 30 day extension as permitted by U.S. Department of Labor regulations. If Sun Life cannot render a decision within the extension period, Sun Life will request an additional 30 day extension. Any request for extension will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because you failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

CLAIM PROVISIONS

What if my claim is denied?

If Sun Life denies all or any part of your claim, you will receive a written notice of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. a description of any additional material or information needed to prove entitlement to benefits and an explanation of why such material or information is necessary;
5. a description of the appeal procedures and time limits;
6. your right to bring a civil action under ERISA, §502(a) following an adverse determination on review;
7. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request; and
8. the identity of any medical or vocational experts whose advice was obtained in connection with the claim, regardless of whether the advice was relied upon to deny the claim.

CLAIM PROVISIONS

Can I request a review of a claim denial?

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

You may submit written comments, documents, records or other information relating to your claim for benefits, and may request free of charge copies of all documents, records, and other information relevant to your claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify you of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify you in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because you failed to provide information necessary to decide your claim, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

CLAIM PROVISIONS

What if my claim is denied on review?

If Sun Life denies all or any part of your claim on review, you will receive a written notice of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. your right to bring a civil action under ERISA, §502(a);
5. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request;
6. the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State Insurance regulatory agency."; and
7. the identity of any medical or vocational experts whose advice was obtained in connection with the appeal, regardless of whether the advice was relied upon to deny the appeal.

Who are benefits payable to?

Survivor Benefits are payable to your Eligible Survivor as defined in the Long Term Disability Income Benefit Provision.

All other benefits payable during your lifetime are payable to you.

If a benefit is payable to your estate, if you are a minor, or you are not competent, Sun Life has the right to pay an amount of the benefit up to \$5,000 to any of your relatives that Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

GENERAL PROVISIONS

How can statements made in any application for insurance be used?

All statements made in any application are considered representations and not warranties. No representation by you in applying for insurance under the Group Policy will be used to reduce or deny a claim unless a copy of your written application for insurance is or has been given to you or to your Beneficiary, if any.

No statement made by you relating to Evidence of Insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during that individual's lifetime. This statement must be contained in a form signed by that individual.

What happens if facts are misstated?

If relevant facts about you are not accurate:

- an equitable adjustment of premium will be made; and
- the true facts will be used to determine if and in what amount insurance is valid under the Group Policy.

If the amount of benefit depends on your age, the benefit will be the amount you would have been entitled to if your correct age were known.

What are Sun Life's examination rights?

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

- examined by a Physician, other health professional or vocational expert of its choice; and/or
- interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

GENERAL PROVISIONS

What are the time limits for legal proceedings?

No legal action may start:

- until 60 days after Proof of Claim has been given; nor
- more than 3 years after the time Proof of Claim is required.

Do these group benefits affect Workers' Compensation?

The Group Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

Can the Policyholder act as a Sun Life agent?

For all purposes of the Group Policy, the Policyholder acts on its own behalf or as your agent. Under no circumstances will the Policyholder be deemed a Sun Life agent.

DEFINITIONS

These are some of the general terms you need to know.

Actively at Work means that you perform all the regular duties of your job for a full work day scheduled by your Employer at your Employer's normal place of business or a site where your Employer's business requires you to travel.

You are considered Actively at Work on any day that is not your regular scheduled work day (e.g., you are on vacation or holiday) as long as you were Actively at Work on your immediately preceding scheduled work day, and you:

- are not hospital confined; or
- are not disabled due to an injury or sickness.

You are considered Actively at Work if you usually perform the regular duties of your job at your home as long as you can perform all the regular duties of your job for a full work day and could do so at your Employer's normal place of business, if required, and you:

- are not hospital confined; or
- are not disabled due to an injury or sickness.

Eligibility Date means the date or dates you become eligible for insurance under the Group Policy. Classes eligible for insurance are shown in the Benefit Highlights.

Employee (You) means a person who is employed by the Employer, scheduled to work at least the number of hours shown in the Benefit Highlights, and paid regular earnings.

Employer means Towns of Northborough and Southborough and the Northborough/Southborough Regional School District and includes any Subsidiary or Affiliated company insured under the Group Policy.

DEFINITIONS

Evidence of Insurability means a statement or records of your medical history upon which acceptance for insurance will be determined by Sun Life. In some cases, Sun Life may require that you submit to a paramedical examination, at Sun Life's expense, as part of the Evidence of Insurability.

Injury means bodily impairment resulting directly from an accident and independently of all other causes. Any Injury must occur and Disability must begin while you are insured under the Group Policy.

Physician means an individual who is operating within the scope of his license and is either:

- licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- legally qualified as a medical practitioner and required to be recognized, under the Group Policy for insurance purposes, according to the insurance regulations of the governing jurisdiction.

The Physician cannot be you, your spouse or the parents, brothers, sisters or children of you or your spouse.

Pregnancy means childbirth, miscarriage, abortion or any disease resulting from or aggravated by the pregnancy.

Retirement Plan means a program which provides retirement benefits to you and is not funded entirely by your contributions. The term does not include a 401(k) plan, a 403(b) plan, a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a nonqualified plan of deferred compensation.

Your Employer's Retirement Plan will include any Retirement Plan:

- which is part of any federal, state, county, municipal or association retirement system; and
- you are eligible for as a result of your employment with your Employer.

DEFINITIONS

Sickness means illness, disease or pregnancy. A Disability, because of Sickness, must begin while you are insured under the Group Policy.

Waiting Period means the length of time immediately before your Eligibility Date during which you must be employed in an Eligible Class. Any period of time before the Group Policy Effective Date that you were Actively at Work for your Employer will count towards completion of your Waiting Period. The Waiting Period is shown in the Benefit Highlights.

DEFINITIONS

These are Long Term Disability insurance terms you need to know.

Disability Earnings means the employment income you receive while Partially Disabled or income you receive while participating in an approved Rehabilitation program. Disability Earnings does not include income you receive from work performed prior to your Total or Partial Disability, nor income that is not derived from work performed.

Drug and Alcohol Illness means an illness which results from the abuse of alcohol, drugs or derivatives.

Elimination Period means a period of continuous days of your Total or Partial Disability when no LTD benefit is payable. Your Elimination Period is shown in the Benefit Highlights and begins on your first day of Total or Partial Disability.

If you return to work for 15 working days or less during your Elimination Period and cannot continue working, your Total or Partial Disability will be treated as continuous. Only those days that you are Totally or Partially Disabled will count toward satisfying your Elimination Period.

Family Social Security means benefits that are paid to your eligible spouse and/or children under the Federal Social Security Act as a result of your Total or Partial Disability.

Gainful Occupation means employment that is or can be expected to provide you with an income of at least 60% of your Indexed Total Monthly Earnings.

Gross Monthly Benefit means your monthly LTD benefit before any reduction of Other Income Benefits and before any reduction of Disability Earnings.

DEFINITIONS

Indexed Total Monthly Earnings means your Total Monthly Earnings prior to the date your Total or Partial Disability began adjusted on the first of the month following 12 calendar months of Partial Disability Benefit payments, and each annual anniversary thereafter. Each adjustment to the Indexed Total Monthly Earnings is the lesser of 10% or the current annual percentage increase in the Consumer Price Index for Wage Earners and Clerical Workers, as published monthly by the U.S. Department of Labor. Sun Life reserves the right to use some other similar measurement if the Department of Labor changes or stops publishing the Consumer Price Index.

Material and Substantial Duties means, but is not limited to, the essential tasks, functions, skills or responsibilities required by employers for the performance of your Own Occupation. Material and Substantial Duties does not include any tasks, functions, skills or responsibilities that could be reasonably modified or omitted from your Own Occupation.

Maximum Monthly Benefit means the largest amount payable monthly to you. The Maximum Monthly Benefit is shown in the Benefit Highlights.

Mental Illness means mental, nervous, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, dysfunction or syndrome regardless of cause, including any biological or biochemical disorder or imbalance of the brain. Mental Illness includes, but is not limited to, bipolar affective disorder, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders and any other mental and nervous condition classified in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association, in effect on the date of Total or Partial Disability or a comparable manual if the American Psychiatric Association stops publishing the (DSM).

DEFINITIONS

Own Occupation means the usual and customary employment, business, trade, profession or vocation that you performed as it is generally recognized in the national economy immediately prior to the first date Total or Partial Disability began. Own Occupation is not limited to the job or position you performed for your Employer or performed at any specific location.

Partial Disability or Partially Disabled means, during the Elimination Period and the next 24 months you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation and you have Disability Earnings of less than 80% of your Indexed Total Monthly Earnings. After Total or Partial Disability benefits combined have been paid to you for 24 months, you will continue to be Partially Disabled if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience, and you have Disability Earnings of less than 60% of your Indexed Total Monthly Earnings.

The loss of your professional or occupational license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Partial Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.

Primary Social Security means benefits paid to you under the Federal Social Security Act if you become Totally or Partially Disabled.

Social Security means the Federal Social Security Act which provides social insurance on a national scale.

DEFINITIONS

Total Disability or Totally Disabled means during your Elimination Period and the next 24 months, you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation. After Total or Partial Disability benefits combined have been paid to you for 24 months, you will continue to be considered Totally Disabled if you are unable to perform, with reasonable continuity, any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience.

The loss of your professional or occupational license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Total Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.



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