Group Disability Benefits

Certificate of Insurance

AMERICAN FIDELITY EDUCATIONAL SERVICES

If we may be of service . . .

BENEFITS: 800-662-1113

CUSTOMER SERVICE: 800-323-3748
Fax# 800-522-6343

VISIT US ON THE WEB: www.AFAvantage.com

OSU Speed Dial 59150

EFFECTIVE DATE: JANUARY 1, 2013

CG115-R1
CERTIFICATE OF INSURANCE

American Fidelity Assurance Company (We, Us, Our) hereby certifies that it has issued and delivered to the Policyholder a group Policy, described on the Schedule of Benefits page. The group Policy covers certain eligible persons, as described in the Policy.

This Certificate describes the benefits and provisions of the group Policy and becomes Your Certificate of insurance only if:
(1) You are eligible for the insurance (see ELIGIBILITY on Schedule of Benefits);
(2) You are on Active Employment on the date it is to take effect; and
(3) You become insured and remain insured in accordance with all of the provisions of the Policy.

Further, the insurance is to be effective only if the required premium payments are made by You or on Your behalf to Us. (See Section 2, Eligibility and Effective Date.)

No agent may change the Policy or waive any of its provisions.

This Certificate takes the place of any other Certificate previously issued to You under the group Policy. It should be kept in a safe place.

IN WITNESS WHEREOF, We cause this Certificate to take effect on the Effective Date.

President

Secretary

NON PARTICIPATING GROUP DISABILITY INCOME INSURANCE CERTIFICATE

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information may be guilty of insurance fraud.
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Application

TC
SCHEDULE OF BENEFITS

POLICYHOLDER: OKLAHOMA STATE UNIVERSITY

POLICY NUMBER: G115-R1

CERTIFICATE EFFECTIVE DATE: January 1, 2013

ELIGIBILITY: All permanent employees currently specified by the employer, association, or collective bargaining Agreement.

DISABILITY BENEFIT: Plan I: 50% of the Insured’s Monthly Pay, not to exceed:

(1) a maximum covered Monthly Pay of $12,000; and
(2) the amount for which premium is being paid.

Plan II: 60% of the Insured’s Monthly Pay, not to exceed:

(1) a maximum covered Monthly Pay of $10,000; and
(2) the amount for which premium is being paid.

Plan III: 70% of the Insured’s Monthly Pay, not to exceed:

(1) a maximum covered Monthly Pay of $10,000; and
(2) the amount for which premium is being paid.

(Individuals not enrolled in the 70% Plan as of December 31, 2010 are no longer eligible for this plan).

If applicable, the Insured’s Disability Benefit will be reduced by Deductible Sources of Income as outlined in Section 3.

MINIMUM DISABILITY BENEFIT: $100.00

ACCIDENTAL DEATH BENEFIT:

Plan I: $50,000
Plan II: Not available
Plan III: Not available

MAXIMUM DISABILITY PERIOD:

Injury:

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Sickness:

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<td>Age 69 or older</td>
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**ELIMINATION PERIOD:**

- Injury: 180 days
- Sickness: 180 days

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SECTION 1
DEFINITIONS

ACTIVE EMPLOYMENT means that You are:

(a) doing in the usual manner all of the regular duties of Your employment on a full-time basis on a scheduled work day; and
(b) these duties are being done at one of the places of business where You normally do such duties or at some location to which Your employment sends You.

You will be said to be on Active Employment on a day which is not a scheduled work day only if You are not Disabled and would be able to perform in the usual manner all of the regular duties of Your employment if it were a scheduled work day.

CERTIFICATE means the individual Certificate issued to You. It describes Your coverage under the Policy.

DISABILITY (or Disabled) for the first 12 months of Disability, means that You are unable to perform the material and substantial duties of Your Regular Occupation. After that, Disability means You are unable to perform the material and substantial duties of any Gainful Occupation for wage or profit for which You are reasonably qualified by training, education, or experience.

DISABILITY PAYMENT means Your Disability Benefit minus any Deductible Sources of Income as outlined in Section 3.

EFFECTIVE DATE means the date described in the Policy. The date shown in Your individual Certificate or Policy will be Your Effective Date of coverage. The Effective Date will start at 12:01 a.m. at the main place of business of the Policyholder.

ELIMINATION PERIOD means that period of time, which starts after Your Effective Date of coverage, during which:

(a) You are Disabled; and
(b) no Disability Benefits are payable.

EMPLOYER means the individual, company, corporation, or governmental entity where You are on Active Employment and includes any division, subsidiary, or affiliated company named in the Policy.

GAINFUL OCCUPATION means an occupation that is or can be expected to provide You with an income of at least the lesser of the following:

(a) Your Disability Benefit; or
(b) 60% of Your Monthly Pay.

HOSPITAL means a place that is licensed and operated pursuant to law which:

(a) provides care and treatment for ill and injured persons on an inpatient basis;
(b) provides facilities for medical, diagnostic and surgical care;
(c) provides 24-hour-a-day nursing care by or under the supervision of a registered nurse; and
(d) is supervised by a staff of one or more Physicians; or
(e) is accredited by the Joint Commission on the Accreditation of Hospitals.

The term Hospital shall not include an institution used by You as:

(a) a place for rehabilitation;
(b) a place for rest or for the aged;
(c) a nursing or convalescent home;
(d) a long term nursing unit or geriatrics ward; or
(e) an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.
INJURY means physical harm or damage to the body sustained by You which:

(a) results directly from an accidental bodily injury;
(b) is independent of disease or bodily infirmity; and
(c) takes place while Your coverage is in force.

INSURED means a person whose coverage has been applied for and is in force under the terms of the Policy.

MONTHLY PAY means:

(a) for contracted employees, one-twelfth (1/12) of Your contract salary through Your Employer; or
(b) for non-contracted employees, one-twelfth (1/12) of Your annual salary through Your Employer,
in effect on the date Disability began.

It excludes any additional pay including but not limited to, overtime pay, weekend or summer work pay, bus or other allowances, bonuses or district-funded fringe benefits.

If You become Disabled while on an approved leave of absence, We will use Your gross Monthly Pay from Your Employer in effect just prior to the date Your absence began.

PHYSICIAN means a medical practitioner of the healing art(s) which is recognized by applicable state law, who:

(a) is practicing within the scope of his or her license;
(b) is certified or credentialed by the appropriate medical or professional board that provides certification or credentials for practitioners who perform the type of treatment or service appropriate for Your Sickness or Injury; and
(c) possesses the necessary training and qualifications according to generally accepted medical standards, to evaluate and treat Your condition.

The term Physician does not include You, an employee of the Employer, anyone related to You by blood or marriage, or anyone living in Your household.

POLICY means the Policy issued to the Policyholder that covers You.

POLICYHOLDER means the association, Employer, labor union, or trustee who holds the Policy.

REGULAR AND APPROPRIATE CARE means:

(a) You personally visit a Physician as frequently as medically required, according to standard medical practice, to effectively manage and treat Your disabling condition(s); and
(b) You are receiving appropriate treatment and care for Your disabling condition(s), which conforms with standard medical practice, by a Physician whose specialty or experience is the most appropriate for such disabling condition(s), according to standard medical practice.

REGULAR OCCUPATION means the occupation You are routinely performing when Your Disability begins. We will look at Your occupation as it is normally performed in the national economy, rather than how the work tasks are performed for a specific Employer or at a specific location.

SCHEDULE OF BENEFITS (or Schedule) means the benefit schedule set forth in the Policy or Certificate.

SICKNESS means a disease or illness (including pregnancy). Disability must begin while this coverage is in force.
SECTION 2
ELIGIBILITY AND EFFECTIVE DATE

ELIGIBILITY

All full-time regular employees of the Policyholder or one of its institutions and on Active Service are eligible to be insured under the Policy. Evidence of insurability acceptable by Us may be required.

For those eligible employees who enroll within 30 days of eligibility, the Effective Date will be the first of the month following the month in which the employee is employed in an eligible status.

Eligible employees who decline coverage or who fail to enroll within the 30 days of eligibility may apply later, but will be required to meet Our underwriting rules including proof of insurability.

EFFECTIVE DATE

The insurance on eligible employees will take effect on the Effective Date of the Policy if such persons:

(a) apply in writing within the first 30 days of eligibility;
(b) meet Our underwriting rules; and
(c) are on Active Service, as defined in Section 1.

After the Effective Date of the Policy, the insurance of eligible employees will take effect on the first day of the month following the month in which the employee is employed in an eligible status.

Employees who want to apply for this insurance must apply for coverage that will provide benefits according to the applicable class set out in the Policyholder's application.

If an employee is not on Active Service due to an Accident or Sickness when his or her coverage would otherwise take effect, it will take effect on the first day of the calendar month after the date the employee goes back to Active Service.

Any change in the amount of benefits will take effect on the requested Effective Date or the date We approve the written application (subject to Our underwriting rules), whichever is later.

The new benefit amount will apply to new periods of disability which begin after such date, subject to all the provisions of the Policy.
SECTION 3
DISABILITY BENEFITS

Disability Payments will be provided if You furnish Proof of Loss that You are Disabled and under the Regular and Appropriate Care of a Physician. Disability must:

(a) be due to a covered Injury or Sickness; and
(b) begin while Your coverage is in force.

Disability Payments will be provided for each period You remain Disabled due to a covered Disability and under the Regular and Appropriate Care of a Physician which continues beyond the Elimination Period.

No Disability Payment will be provided for any period in which You are not under the Regular and Appropriate Care of a Physician.

Disability Payments will be provided for only one Disability when:

(a) more than one Disability exists at the same time; or
(b) a Disability results from two or more causes.

If any Disability Payment is to be paid for less than a full month, the amount of benefit will be reduced pro rata on the basis that one day's benefit equals one-thirtieth (1/30) the Disability Benefit.

Disability will be considered to have begun on the date You were seen and treated by a Physician following continuous cessation of work.

SUCCESSIVE DISABILITIES are those Disabilities which result from the same or related causes for which benefits are payable under the Policy and will be considered one period of Disability unless the Disabilities are separated by Your return to:

(a) Active Employment; or
(b) any other Gainful Occupation,

for at least 3 consecutive months. A Disability due to a different or unrelated cause will be considered a new period of Disability.

Any Disability which begins after termination of coverage:

(a) will not be considered a Successive Disability; and
(b) will not be covered under the Policy.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING

Your Disability Payment will be the Disability Benefit described in the Schedule less any Deductible Sources of Income You receive or are entitled to receive.

DEDUCTIBLE SOURCES OF INCOME

Deductible Sources of Income will include all of the following:

(a) Other group disability income.
(b) Governmental or other retirement system, whether due to disability, normal retirement or voluntary election of retirement benefits.
(c) United States Social Security Act or similar plan or act, including any amounts due Your dependent(s) on account of Your Disability.
(d) State Disability.
(e) Unemployment compensation.
(f) Sick leave or other salary or wage continuance plans provided by the Employer.

In the case of other group disability insurance which provides for a reduction of benefits payable under this group disability income policy, Our liability under this group disability income policy shall equal its pro rata share of the Disability Payment. The pro rata share shall be determined by dividing the Disability Payment by the total of the monthly benefit payable under all group disability income policies under which You are entitled to receive benefits and multiplying that result by the Disability Payment.

If We determine that You may qualify for benefits under items (b), (c), or (f) listed above, We may estimate the amount of benefits You may be entitled to receive.

Your Disability Payment will not be reduced by the estimated amount if You:

(a) apply for benefits under items (b), (c), and/or (f) listed above and submit proof of application to Us; and
(b) appeal any denial received to all administrative levels We feel are necessary; and,
(c) sign the reimbursement agreement form, which states You promise to repay any overpayment caused by receipt of benefits from a Deductible Source of Income for a period previously paid by Us at the time the benefits are received.

If Your Disability Payment has been reduced by an estimated amount, We will adjust the Disability Payment when proof is received:

(a) of the amount awarded; or
(b) that benefits have been denied and all appeals We feel necessary have been completed.

REIMBURSEMENT OF OVERPAYMENT: If You receive a lump sum payment from a Deductible Source of Income for a period previously paid by Us, any resulting overpayment made by Us will be due to Us on a lump sum basis.

LUMP SUM RETIREMENT WITHDRAWALS: If You have the option of taking retirement benefits on a monthly basis but choose to receive retirement benefits on a lump sum basis or withdraw Your retirement contributions, We will assume You are receiving retirement benefits based upon the standard monthly retirement plan benefit available prior to lump sum withdrawal.

INCREASES OF INCOME DUE TO COST OF LIVING ADJUSTMENTS: The Disability Payment will not be reduced due to a cost of living increase if the increase takes effect after the onset of Disability and while benefits are payable under the Policy.

MINIMUM DISABILITY BENEFIT: The Disability Payment payable will be no less than the Minimum Disability Benefit amount indicated in the Schedule.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND WORKING

We will provide a Disability Payment if You are Disabled and Your monthly Disability Earnings, if any, are less than 20% of Your Monthly Pay due to the same Sickness or Injury.

If You are Disabled and Your Disability Earnings are greater than 20% of Your Monthly Pay due to the same Sickness or Injury, We will figure Your payment as follows:

During the first 24 months of payments, while Disabled and working, Your Disability Payment will not be reduced as long as the Disability Earnings plus the gross Disability Benefit does not exceed 80% of Your Monthly Pay.

If the Disability Earnings plus the gross Disability Benefit exceeds 80% of Your Monthly Pay, the Disability Payment will be reduced by the amount exceeding 80% of Your Monthly Pay.

After 24 months of payments, while Disabled and working, You will receive payments based on the percentage of Monthly Pay You are losing due to Your Disability computed as follows:
(a) subtract Your Disability Earnings from Your Monthly Pay;
(b) divide the answer in item (a) by Your Monthly Pay. This is Your percentage of lost earnings; and
(c) multiply Your Disability Payment by the answer in item (b).

We will stop payments and Your claim will end, if at any time You are no longer Disabled or if Your Disability Earnings exceed 80% of Your Monthly Pay.

DISABILITY EARNINGS means the gross monthly earnings You receive while Disabled and working.

The Elimination Period cannot be satisfied with days You are Disabled and working.

FAMILY CARE BENEFIT

If You are Disabled and Working, qualify to receive a Disability Payment from Us, and have one or more eligible Family Members, You may be eligible to receive a Family Care Benefit. We will provide a Family Care Benefit of up to 25% of Your Monthly Disability Benefit provided the total of Your Disability Earnings, the gross Disability Benefit, and the Family Care Benefit do not exceed 100% of Your Monthly Pay.

The Family Care Benefit:

(a) will not exceed the expenses incurred for the care of eligible Family Members; and
(b) will be reduced by the amount exceeding 100% of Your Monthly Pay if the total of Your Disability Earnings, Your gross Disability Benefit, and the Family Care Benefit exceed 100% of Your Monthly Pay.

An eligible Family Member is:

(a) Your child (natural, step, or adopted) living in Your household and under age 13; or
(b) Your family member who is:

(1) living in Your household;
(2) dependent upon You for support; and
(3) in need of supervision or assistance due to physical or mental incapacity.

Care for Your eligible Family Member must be provided by a licensed childcare provider or a licensed caregiver who is not related to You by blood or marriage.

Payment of the Family Care Benefit will end on the earlier of the following:

(a) the date You no longer incur Family Member expenses; or
(b) the date You no longer qualify as Disabled and Working; or
(c) the date Disabled and Working benefits have been paid for a total of 24 months.

TERMINATION OF BENEFITS

Disability Payments will end on the earliest of these dates:

(a) the date You are no longer Disabled;
(b) the date Your Disability Earnings are more than 80% of Your Monthly Pay; Disability Earnings means the gross monthly earnings You receive while Disabled and Working;
(c) the date You die;
(d) the last day Disability Payments are made according to the Schedule;
(e) the date You fail to provide Us with written proof of Your Disability, satisfactory to Us;
(f) the date You cease to be under the Regular and Appropriate Care of a Physician, refuse to undergo an examination by a Physician, or refuse vocational testing when We require such examination or testing;
(g) the date You refuse to receive medical treatment that is generally acknowledged by Physicians to cure or improve Your condition so as to reduce its disabling effect;
(h) the date You refuse to try or attempt to work with the assistance of:

1. modifications made to Your work environment, functional job elements or work schedule; or
2. adaptive equipment or devices,

that a Physician has indicated will allow a return to Your own occupation and which accommodations are approved by Your Employer.

ACCIDENTAL DEATH BENEFIT

The Accidental Death Benefit stated in the Schedule will be paid if:

(a) You die as the direct result of an Injury; and
(b) death occurs within 90 days after the date of the Injury.

If You die and the Accidental Death Benefit applies, such benefit will be increased 1% for each full month that Your Certificate was continuously in force just prior to death. The total increase shall not be more than 60%.

SUPPLEMENTAL PENSION BENEFITS

In the event You are employed by Oklahoma State University and are participating in or would otherwise meet the eligibility criteria of retirement from Your Employer’s plan on the date disability begins and You receive a regular Disability Benefit payable under the Policy for 1 year following satisfaction of the Elimination Period, We shall establish and contribute to an individual account with Teachers Insurance and Annuity Association and College Retirement Equities Fund on Your behalf a monthly contribution equal to 7% of Your monthly base pay.

Such contributions shall immediately terminate on:

(a) the date You activate the annuity or withdraw any contribution;
(b) the date You terminate as provided in Section 6;
(c) the date You are no longer disabled;
(d) the date You cease to be eligible for a Disability Payment; or
(e) the date of Your death.

Distributions of the Supplemental Pension fund cannot begin until You cease to be eligible for contributions to the fund.

WAIVER OF PREMIUM

If You become Disabled due to a covered Injury or Sickness, and are eligible to receive a Disability Payment, Your insurance will be continued without payment of premium beginning the first of the month following satisfaction of the Elimination Period, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins.

Waiver of Premium will continue until:

(a) the end of Your Disability;
(b) the end of the Maximum Benefit Period;
(c) the date You are no longer eligible to receive a Disability Payment;
(d) the date the Policy terminates; or
(e) the date Your employment with the Policyholder or subscribing Employer unit ends, whichever occurs first.

We will require proof on an annual basis that You remain Disabled during said period.
SECTION 4
LIMITATIONS AND EXCLUSIONS

MENTAL ILLNESS, ALCOHOLISM AND DRUG ADDICTION LIMITED BENEFIT

Benefits for Disability due to Mental Illness, alcoholism or drug addiction, will not exceed 2 years unless You meet one of these situations.

(a) You are in a Hospital at the end of the 2-year period. The Disability Payment will be paid during the confinement.

If You are still Disabled when discharged from the Hospital, the Disability Payment will be paid for a recovery period of up to 90 days.

If You become reconfined during the recovery period for at least 14 days in a row, benefits will be paid for the Hospital confinement and another recovery period up to 90 more days.

(b) You continue to be Disabled and become Hospital confined:

(1) after the 2-year period; and
(2) at least 14 days in a row.

The Disability Payment will be payable during the Hospital confinement.

The Disability Payment will not be payable beyond the Maximum Disability Period.

MENTAL ILLNESS means Disability due to or resulting from psychiatric or psychological conditions, regardless of cause, such as:

(a) schizophrenia;
(b) depression;
(c) manic depressive or bipolar illness;
(d) anxiety;
(e) personality disorders; and/or
(f) adjustment disorders or other conditions, usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs or other similar modalities used in the treatment of the above conditions.

The term Mental Illness does not apply to dementia, if due to:

(a) stroke;
(b) trauma;
(c) viral infection;
(d) Alzheimer’s disease; or
(e) other such conditions not listed above which are not usually treated by a mental health provider using psychotherapy, psychotropic drugs, or other similar modalities.

SPECIAL CONDITIONS LIMITED BENEFIT

If You are Disabled due to a Special Condition and You are under the Regular and Appropriate Care of a Physician, Disability Payments will be provided for a period of 2 years. The Disability Payment will not be payable beyond the maximum Disability Period.

Special Condition means:

(a) Chronic Fatigue Syndrome.
(b) Fibromyalgia.
(c) Environmental allergic illness, including, but not limited to sick building syndrome and multiple chemical sensitivity.

(d) Self-Reported Symptoms. Self-Reported Symptoms means the manifestations of Your condition that You tell Your Physician that are not verifiable using tests, procedures or clinical examinations standardly accepted in the practice of medicine. Examples of Self-Reported Symptoms include, but are not limited to headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness, and loss of energy.

PRE-EXISTING CONDITION LIMITATION

No Disability Benefit will be payable if Disability is caused by or resulting from a Pre-Existing Condition and begins before You have been continuously covered under the Policy for 12 months.

This provision will not apply if You have:

(a) gone treatment-free;
(b) incurred no expense
(c) taken no medication; and
(d) received no diagnosis or advice from a Physician

for 12 consecutive months.

This limitation will not apply to a Disability resulting from a Pre-Existing Condition that begins after You have been continuously covered under the Policy for 12 months.

PRE-EXISTING CONDITION means a disease, Injury, Sickness, physical condition or mental illness for which You have experienced any of the following:

(a) treatment;
(b) incurred expense;
(c) took medication;
(d) received care or services including diagnostic testing or related measures; or
(e) received a diagnosis or advice from a Physician,

during the 12-month period immediately before the Effective Date of Your coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Injury, Sickness, physical condition or mental illness.

EXCLUSIONS

The Policy does not cover any loss, fatal or non-fatal, which results from any of the following:

(a) Intentionally self-inflicted Injury while sane or insane.
(b) War or acts of war when serving as a member of any military, airforce, naval organization, or an auxiliary unit thereto. This exclusion includes Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war or act of war. We will refund the prorata unearned premium for any such period You or Your dependent(s) are not covered.
(c) Injury sustained or Sickness contracted while in the service of the armed forces of any country.
(d) Committing a felony.
(e) Penal incarceration. We will not pay benefits for Disability or any other loss during any period for which You are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.
(f) Injury or Sickness arising out of and in the course of any occupation for wage or profit or for which You are entitled to Workers' Compensation*.
*The term “entitled to Workers’ Compensation” shall also include Workers’ Compensation claim settlements that occur via compromise and release. Further, no benefits will be paid under this Policy for any period during which You are entitled to Workers’ Compensation benefits.

EXC
SECTION 5
TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

(a) the date You do not meet the Eligibility requirements as defined in Section 2;
(b) the date You retire;
(c) the date You cease to be on Active Employment as defined in Section 1, except as provided for under the Leave of Absence provision in this Section;
(d) the end of the last period for which premium has been paid;
(e) the date the Policy is discontinued; or
(f) the date Your employment terminates.

If:

(a) Your coverage ends as a result of Your termination of Active Employment;
(b) such termination is caused by an Injury or Sickness for which Disability Benefits would be payable; and
(c) Disability is established prior to the termination of Active Employment,

then Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no effect on Disability Payments that began before such termination.

We may end Your coverage if You make a fraudulent claim.

We, or the Policyholder, may end the Policy and/or optional benefit riders on any premium due date. Thirty-one days advance written notice of such termination must be given.

LEAVE means an approved Leave of Absence granted in writing by and according to the guidelines of the employer. If You do not have a continuing assignment or approved leave, coverage will be terminated at the end of the last approved assignment.

APPROVED LEAVE

If You go on Sabbatical Leave, Workers’ Compensation, or other approved Leave with a temporary reduction in hours of work and/or pay, coverage may continue during such Leave. Continuation of coverage during Leave or temporary reduction in hours of work is limited to a maximum of 12 months.

If You receive partial pay while on approved Leave:

(a) the amount of Your coverage will not change;
(b) benefits payable for Total Disability which occurs while on Leave will be based on the eligible coverage prior to the Leave;
(c) the premium due for benefits payable for Total Disability which occurs while on Leave will be deducted from Your benefit, during the time coverage is being continued in accordance with this provision.

Benefits for a covered disability which began while on Leave of Absence are payable and will begin on the first day following the applicable Elimination Period which began while You were on Leave of Absence.

CONVERSION OPTION

If You end Your employment You may be eligible to continue coverage under Our group conversion policy. You are eligible to apply for conversion coverage if:

(a) You have been continuously covered under the Policy for at least 12 consecutive months prior to the date Your employment terminated;
(b) You are not Disabled;
(c) You are not covered under any other group disability income plan;
(d) You are employed and working at least 25 hours per week, excluding self-employment, on the date Your conversion coverage becomes effective;
(e) You are not on a leave of absence;
(f) Your employment was not terminated due to retirement; and 
(g) You are less than age 70.

You must apply for conversion coverage and pay the first premium within 30 days after the date Your employment ends. Coverage will be issued without evidence of insurability. To receive a group conversion application please contact Our office.

Upon receipt of Your application and premium payment, a Certificate will be issued to You. The conversion policy may not provide the same coverage You had under Your Employer’s plan. Your Disability Benefit under the conversion policy will not be greater than the Disability Benefit under this plan when your coverage ended.
SECTION 6
PREMIUM CALCULATION AND PAYMENT

Premiums will be figured on the basis stated in the Policyholder’s application.

The first premium is due on or before Your Effective Date of coverage. Premiums after the first are due on or before the premium due date stated in the Policyholder’s application. Premiums may be paid to:

(a) Our Home Office; or
(b) an authorized entity of Ours.

The premium may be changed based on experience at the first anniversary date of the Policy or any premium due date after that. No such increase in rate will be made unless 31 days prior notice is given to the Policyholder.

If a change in benefit increases Our liability, premium rates may be changed on the date the liability is increased.

PREMIUM REFUND

In the event of death of any person covered under the Policy, a Premium Refund may be due. Such refund will be made if death occurs prior to the end of the period for which premium has been paid. The Premium Refund will be figured on a daily pro rata basis and will be provided within 90 days from the date valid Proof of Death is received.

PROOF OF DEATH means an original, notarized death certificate.
ENTIRE CONTRACT-CHANGES: The entire contract shall include:

(a) the Policy;
(b) the application of the Policyholder and each Employer Participation Agreement (if applicable);
(c) Your application, if any, attached to the Certificate; and
(d) all endorsements and amendments.

Statements made by the Policyholder or You are representations and not warranties, if fraud was not intended. No such statements will be used to avoid the insurance, reduce benefits, or defend a claim under the Policy unless:

(a) the statement is in writing; and
(b) a copy of that statement is given to You.

The terms of the Policy can be changed only by endorsement or amendment signed by an executive officer of Ours. Any amendment that reduces or eliminates coverage must be requested in writing or signed by the Policyholder. No agent may change the Policy or waive its provisions.

TIME LIMIT ON CERTAIN DEFENSES: After 2 years from Your Effective Date of coverage, no statements in the application, except fraudulent misstatements, can be used to:

(a) avoid the coverage; or
(b) deny a claim for loss incurred or Disability (as defined in the Policy) that starts after such 2-year period.

GRACE PERIOD: A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will stay in force during this time. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Policyholder or subscribing Employer unit must still pay all unpaid premium. This includes the premium due for the grace period.

The Policyholder or subscribing Employer unit may, by writing to Us, cancel the coverage under the Policy:

(a) on any future premium due date; or
(b) on any date during the grace period.

If coverage is canceled on a premium due date, the grace period will not apply. If cancellation is during the grace period, the Policyholder or subscribing Employer unit will be liable for any unpaid premium including the pro rata premium for that part of the grace period while coverage was in force.
NOTICE OF CLAIM: Written Notice of Claim must be given to Us at 2000 N. Classen Boulevard, Oklahoma City, Oklahoma, 73106, or to Our agent. Such Notice should be made within 30 days after any loss covered by the Policy. If it is not reasonably possible to give Notice within that time, the claim may not be denied or reduced due to the delay.

PROOF OF LOSS: Proof of Loss must be given to Us within 90 days after the loss. Late proof may be accepted if:

(a) it was not reasonably possible to give Proof in that time; and
(b) the proof is given within one year from the date of loss. This 1-year limit will not apply in the absence of legal capacity.

Proof of Loss, provided at Your expense, must show:

(a) that You are under the Regular and Appropriate Care of a Physician;
(b) the date Your Disability began;
(c) the cause of Your Disability;
(d) the appropriate documentation of Your Monthly Pay;
(e) the extent of Your Disability, including restrictions and limitations preventing You from performing Your Regular Occupation; and
(f) the name and address of any Hospital or institution where You received treatment, including all attending Physicians.

CLAIM FORMS: Claim forms should be used for filing Proof of Loss. They will be sent to the claimant within 15 days of receipt of Notice of Claim. If Claim Forms are not supplied within 15 days, a claimant can give proof as follows:

(a) in writing;
(b) containing the required information as indicated in the Proof of Loss Provision; and
(c) within the time stated in the Proof of Loss Provision.

TIME OF PAYMENT OF CLAIMS: All accrued benefits for loss for which the Policy provides periodic payment will be paid each month, subject to written Proof of Loss. Any balance not paid when liability ends will be paid immediately upon receipt of written Proof. Benefits for any other covered loss will be paid as soon as We receive written proof of such Proof of Loss.

PAYMENT OF BENEFITS: All benefits will be paid to You. Accrued benefits that are not paid at Your death will be paid to Your beneficiary or estate. If a benefit is to be paid to Your estate, or to You and You are not competent to give a valid release, We may pay up to $1,000 of such benefit to one of Your relatives who are deemed by Us to be justly entitled to it. Such payment, made in good faith, fully discharges Us to the extent of the payment.

PHYSICAL EXAMINATION: While a claim is pending, We have the right to have You:

(a) examined as often as is reasonably necessary. We will pay for such examination; and/or
(b) interviewed by an authorized Company representative to determine the extent of any Sickness or Injury for which You have made a claim. This right may be used as often as reasonably required.
LEGAL ACTION: No legal action may be brought to recover under the Policy:

(a) within 60 days after written Proof of Loss has been furnished as required; or
(b) more than 3 years from the time written Proof of Loss is required to be furnished.

CERTIFICATES: An Individual Certificate will be issued to You. The Certificate will describe:

(a) the benefits under the Policy;
(b) to whom benefits will be paid; and
(c) the limitations and terms of the Policy.

If more than one Certificate is issued under the Policy to You, only the last one issued will be in effect.

MISSTATEMENT OF FACTS: If relevant facts regarding You are not accurate:

(a) a fair adjustment of premium will be made; and
(b) the true facts will decide if and in what amount of insurance coverage is valid.

CONFORMITY WITH STATE LAWS: A provision of the Policy that conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law.

CLAIM OVERPAYMENT: We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You may be required to sign when You become eligible for benefits under this Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

(a) recover such overpayments from:

(1) You;
(2) any other person to or for whom payment was made;
(3) Your estate;
(4) Your beneficiary;
(5) any other organization; and
(6) any other insurance company;

(b) reduce or offset against any future benefits payable to You, Your Estate, Your Survivors, or Your Beneficiary, including the Minimum Monthly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;

(c) refer Your unpaid balance to a collection agency; and
(d) pursue and enforce all legal and equitable rights in court.

Other than fraud, we cannot request a refund of an overpayment made to You more than 24 months after such payment is made unless You have agreed in writing to reimburse such overpayment.
NOTICE OF PROTECTION PROVIDED BY OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

This notice provides a brief summary of the Oklahoma Life and Health Insurance Guaranty Association (“the Association”) and the protection it provides for policyholders. This safety net was created under Oklahoma law, which determines who and what is covered and the amounts of coverage. The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Oklahoma law, with funding from assessments paid by other insurance companies.

The basic protections provided by the Association are:

- **Life Insurance**
  - $300,000 in death benefits
  - $100,000 in cash surrender or withdrawal values

- **Health Insurance**
  - $500,000 in hospital, medical and surgical insurance benefits
  - $300,000 in disability income insurance benefits
  - $300,000 in long-term care insurance benefits
  - $100,000 in other types of health insurance benefits

- **Annuities**
  - $300,000 in withdrawal and cash values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is $300,000, except that with regard to hospital, medical and surgical insurance benefits, the maximum amount that will be paid is $500,000.

**NOTE: Certain policies and contracts may not be covered or fully covered.** For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Oklahoma law.

To learn more about the above protections, please visit the Association’s website at www.mdlifega.org, or contact:

Oklahoma Life & Health Insurance Guaranty Association  
201 Robert S. Kerr, Suite 600  
Oklahoma City, OK 73102  
Phone: (405) 272-9221

Oklahoma Department of Insurance  
3625 NW 56th Street, Suite 100  
Oklahoma City, OK 73112  
1-800-522-0071 or (405) 521-2828

Insurance companies and agents are not allowed by Oklahoma law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and Oklahoma law, then Oklahoma law will control.
NOTICE OF THE RIGHT TO APPEAL

You, Your beneficiary, or a duly authorized representative may appeal any denial of a claim for benefits by filing a written request to American Fidelity Assurance Company. In connection with such a request, documents pertinent to the administration of the Plan may be reviewed, and issues outlining the basis of the appeal may be submitted. You may have representation throughout this review procedure.

Your request for review must be filed within 90 days after receipt of the written notice of denial of a claim. A decision will be rendered by American Fidelity Assurance Company, within 90 days after receipt of your request for review. If special circumstances exist or additional information is needed, the decision shall be rendered as soon as possible, but no later than 90 days after receipt of the additional information necessary to evaluate your appeal. The decision, after the review, shall be in writing and shall include specific reasons for the decision. This decision shall also include specific references to the pertinent plan provisions on which the decision was based.