

# ManhattanLife

POLICY SERVICES  
P O BOX 926169  
HOUSTON, TX 77092

ONslow COUNTY SCHOOLS  
MONTHLY  
200 Broadhurst Rd  
Jacksonville, NC 285403551



**ManhattanLife Assurance Company of America**  
*Administrative Office: 10777 Northwest Freeway, Houston, TX 77092 800-669-9030*  
*Home Office: Little Rock, AR*

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**GROUP DISABILITY INCOME INSURANCE POLICY**

POLICY NUMBER: 898580-W24MDIP1  
ISSUED TO POLICYHOLDER: ONSLOW COUNTY SCHOOLS MONTHLY  
INITIAL EFFECTIVE DATE: January 1, 1997  
PREMIUMS PAYABLE: Monthly  
SITUS STATE: North Carolina

This Policy is a legal contract between ManhattanLife Assurance Company of America ("Company") and the Policyholder. All the provisions on this page and the following are part of this Policy.

The insurance offered by the Company is shown on the Application for this Policy. Insurance selected by the Policyholder and issued by the Company is shown on the Schedule. Insurance on Covered Persons is shown in their Certificates.

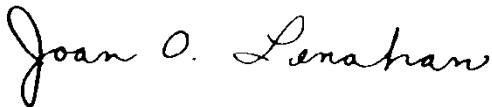
This Policy may be renewed on each Policy Renewal Date by agreement between the Company and the Policyholder. Any change in the terms will be shown on an amendment or amended Schedule.

This Policy is non-participating. This means that it will not share in the Company's profits or surplus earnings and the Company will pay no dividends on it.

This Policy is issued in and governed by the laws of the Situs State.

The Policy application may have been captured electronically or on paper. Please carefully review answers to questions on the Application to make sure they are answered correctly. If an error exists, please notify Us immediately.

Signed for the Company



**Joan O. Lenahan**  
Vice President and Corporate Secretary



**Bruce Broussard**  
President

**PLEASE READ YOUR POLICY CAREFULLY**

**Important Cancellation Information Please Read The Provision Entitled "Policy Termination," Found On Page 12**

**NO RECOVERY FOR PRE-EXISTING CONDITIONS — READ CAREFULLY. THIS POLICY DOES NOT PROVIDE BENEFITS DURING THE FIRST TWELVE MONTHS AFTER THE EFFECTIVE DATE FOR CONDITIONS THAT WERE IN EXISTENCE PRIOR TO THE EFFECTIVE DATE.**

**THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. IF YOU OR YOUR EMPLOYEES ARE MEDICARE, REVIEW THE “GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE” AVAILABLE AT THE COMPANY.**

GROUP DISABILITY INCOME INSURANCE POLICY

Non-Participating

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**SCHEDULE**

**DISABILITY INCOME BENEFITS**

Employees:	All Associates
Minimum Total Disability Monthly Benefit Amount:	\$300
Minimum Partial Disability Monthly Benefit Amount:	\$150
Maximum Total Disability Monthly Benefit Amount:	60% or up to \$5,000
Maximum Partial Disability Monthly Benefit Amount:	60% or up to \$2,500

**Benefit Groups**

Accident/Sickness:

Elimination Periods: 30, 0, 14/30, 7, 14

Benefit Periods: 12, 12, 12 Months, Months, Months

Note: Not all Elimination Periods may be available with all Benefit Periods

Waiver of Premium Benefit

Waives Certificate Premiums when Covered Employee is Totally Disabled for more than 90 days or the Elimination Period, if longer

This benefit will provide \$100 for each visit to a Licensed physical therapist up to a maximum of 5 visits per disability.

Evidence of Insurability may be required if an Amount applied for exceeds Our normal limits.

**ELIGIBILITY**

**Classes of Eligible Employees:**

All Associates

**ELIGIBILITY REQUIREMENTS FOR THE ELIGIBLE EMPLOYEES**

In order to Enroll, the Eligible Employee must be Actively at Work (Active Employment):

for the All Associates Actively At Work means 20 hours per week

Waiting Periods for Eligible Employees are as follows:

All Associates are Eligible to Enroll on Date of Employment

However, if an Eligible Employee is not Actively At Work at the end of the Waiting Period, the Waiting Period will be extended until the Eligible Employee resumes work in a pattern that will establish Active Employment.

Eligible Employees must be Age 18 but not more than Age 70. The Maximum Renewal Age is to Age 70. However, the Employee who remains Actively At Work after Age 70 will remain an Eligible Employee.

### **EFFECTIVE DATES FOR CHANGES IN AMOUNTS OF INSURANCE**

Increases in the amount of insurance based on Policy provisions will occur on the first day of the Calendar Month following the change.

If Evidence of Insurability is not required, increases requested by the Insured will occur on the first of the month following the change request.

If Evidence of Insurability is required, increases requested by the Insured will occur on the first day of the Calendar Month after We approve the Evidence of Insurability.

Decreases requested by the Insured will occur on the first day of the Calendar Month following receipt of the written request by the Policyholder.

### **ELIGIBILITY TO ENROLL**

A person is Eligible to Enroll when He:

- is a member of a Class of Eligible Employees listed on the Schedule; and
- meets the Eligibility Requirements shown on the Schedule.

### **EFFECTIVE DATE OF INSURANCE**

Subject to payment of Premium, insurance starts when a person:

- joins a Class of Eligible Employees;
- meets the Eligibility Requirements shown on the Schedule; and
- completes an Enrollment Form, if required.

However, if the Eligible Employee does not Enroll, insurance will not become effective until the first day of the Calendar Month following a later Enrollment.

We may require Evidence of Insurability if Enrollment takes place more than 30 days after the Employee first becomes Eligible.

The Benefit Amount available without Evidence of Insurability is shown on the Schedule.

### **EFFECTIVE DATE FOR POLICY PROVISION CHANGES**

Changes will occur on the Policy Anniversary Date.

### **BENEFITS**

Benefit Amounts selected by the Policyholder and approved by the Company are shown on the Schedule of this Policy.

Benefits shown on the Certificate are available:

- to persons Eligible;
- who have Enrolled for the Benefits;
- are covered under the terms and conditions of this Policy; and
- for whom premiums are paid.

The Monthly Benefit Amount of insurance based on Age, Class or other factors agreed to by the Company and the Policyholder are shown on the Schedule.

All Benefits of this Policy are subject to the Benefit Conditions, Limitations and Exclusions provision.

## **DISABILITY INCOME BENEFITS**

### **TOTAL DISABILITY INCOME BENEFIT**

We will pay the Employee the Total Disability Income Benefit when He submits Proof of Loss after the Elimination Period ends.

We will pay the applicable benefit if the Employee becomes Totally Disabled while insured under this Policy.

The Monthly Benefit Amount for Total Disability will begin to accrue with the first day after the applicable Elimination Period expires.

Partial months of Total Disability will be prorated based on a 30-day month. The Employee will receive benefits as long as He remains Totally Disabled, up to the applicable Maximum Benefit Period for any one Total Disability.

The Monthly Benefit Amount and Elimination Period are shown on the Schedule of Benefits in each Employee's Certificate.

### **WAIVER OF PREMIUM BENEFIT**

We will waive premiums from the first date of Total Disability if the Disability of the Employee continues:

- for more than 90 days; or
- the Elimination Period, if greater.

Premiums will be waived using the payment mode in effect on the day before Total Disability started.

Waiver of Premium will continue while the Employee is receiving a Total Disability Income Benefit of this Policy.

When the Employee is no longer eligible for Waiver of Premiums, He must resume payment of premiums to keep his Policy in force.

### **PARTIAL DISABILITY BENEFIT**

We will pay the Employee the Partial Disability Monthly Benefit Amount when He:

- becomes Partially Disabled while insured under this Policy;
- satisfies the Elimination Period;
- has received a Total Disability Income Benefit for at least one day; and
- submits Proof of Loss.

This Benefit amount will be the lesser of:

- the Partial Disability Monthly Benefit Amount shown on the Schedule; or
- Occupational Income minus Compensation payable for the same period.



If the optional 24-Hour Coverage Disability Benefit is in force on the date of loss, this Benefit will be the lesser of:

- the Partial Disability Monthly Benefit Amount shown on the Schedule; or
- Occupational Income minus the sum of Compensation and Other Income payable for the same period.

We will never pay less than the Minimum Partial Disability Monthly Benefit Amount shown on the Schedule.

#### **RECURRENT DISABILITY BENEFIT**

No new Elimination Period will be required for a Recurrent Disability for which Benefits are payable.

We will pay the Employee benefits for the remaining Benefit Period.

#### **CONCURRENT TOTAL DISABILITIES**

If Total Disability results from more than one Accident and/or Sickness at the same time, it will be considered the same Total Disability and the Employee will be entitled to a Monthly Benefit Amount for only one Total Disability. We will pay only up to the Maximum Benefit Period shown on the Schedule for concurrent or partially concurrent periods of Total Disability resulting from two or more causes.

The existence of Concurrent Total Disabilities will not extend the Maximum Benefit Period shown on the Schedule or increase the Monthly Benefit Amount for Total Disability.

#### **CONTINUOUS OR SUCCESSIVE TOTAL DISABILITIES**

We will pay only up to the Maximum Benefit Period shown on the Schedule for continuous or successive periods of Total Disability due to different and/or unrelated causes. To be continuous or successive such periods must be separated by a return to work at the Employee's Regular Occupation for at least 30 consecutive regularly scheduled working days.

#### **LIMITATIONS AND EXCLUSIONS**

Benefits are not payable for losses contributed to or caused by:

- the Employee's employment;
- Services or supplies for the treatment of an Occupation Injury or sickness which are paid under the North Carolina Workers' Compensation Act only to the extent such services or supplies are the liability of the Employee, Employer or workers' compensation insurance carrier according to a final adjudication under the North Carolina Worker's Compensation Act or an order of the North Carolina

Industrial Commission approving a settlement agreement under the North Carolina Workers' Compensation Act;

- Pre-Existing Conditions causing a loss within 12 months after the Date of Certificate;
- suicide, attempted suicide or intentionally self-inflicted Injury, whether sane or insane;
- voluntary inhalation of or asphyxiation by gas or fumes;
- voluntary ingestion or injection of any drug, narcotic, sedative or poison, unless prescribed by and taken in accordance with the directions of the prescribing Physician;
- Mental or Emotional Disease or Disorder;
- Alcoholism or Drug Addiction;
- being intoxicated or under the influence of alcohol, drugs or any narcotic (including overdose) unless administered on, and take in accordance with, instructions of Physician;
- participating in a riot or civil insurrection;
- war or act of war (whether declared or undeclared);
- travel or flight in or descent from any aircraft other than as a fare-paying passenger on a regularly scheduled airline;
- Injury sustained or Sickness contracted as a result of full-time active duty (other than for 30 days or less training) in any branch of the military forces;
- engaging in an illegal occupation; or
- Committing or attempting to commit a felony or an assault.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

Written notice of claim must be given to Us within 30 days after the date of a loss. If that is not possible, We must be notified as soon as it is reasonably possible to do so. Notice given by or on behalf of the Insured or the beneficiary to Us at P.O. Box 14330 Lexington KY 40512, or to Our authorized agent, with information sufficient to identify the Insured shall be deemed notice of Claim.

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

### **PROOF OF LOSS**

Proof of Loss must be given to Us within 180 days after a loss occurs or starts.

If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible. Proof of Loss may not be given later than one year after the time such proof is otherwise required, except if the individual is legally unable to provide it.

Proof of Loss includes a claim form or other documents satisfactory to Us.

Proof of Loss may also include statements completed by the Insured and/or the claimant, the Policyholder and the attending Physician documenting:

- the nature of the loss;
- the date, or inclusive dates, of loss; and
- the cause of loss.

For the Waiver of Premium Benefit, We may require Proof of Loss on a monthly basis. We will not require such Proof of Loss on a monthly basis when it is no longer reasonably necessary to do so.

On request, We will tell the Insured or other claimant what forms or documents are required.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

We will give the Insured or the claimant a claim form upon request. He is responsible for any costs to complete the claim form.

We may ask for other Proof of Loss from Hospitals and Physicians. We will pay the reasonable cost of obtaining these records.

### **PAYMENT OF CLAIMS**

Benefits will be paid to the Insured. If He does not live to receive payment, any Benefit will be paid to His:

- beneficiary, if one is named; or
- estate.

If Benefits are payable to the Insured's estate or to a beneficiary who cannot give Us a valid release, We can pay up to \$1,000 to someone related to him, by blood or marriage, whom We find is justly entitled to payment. Such a payment made in good faith will discharge Us to the extent of the amount paid.

### **TIME PAYMENT OF CLAIMS**

Payment will be issued upon receipt of Proof of Loss acceptable to Us but not later than 30 days after receipt of Proof of Loss.

### **EXAMINATION**

We, at Our own expense, will have the right and opportunity to have a claimant examined by a healthcare professional of Our choice. This right may be exercised as often as reasonably required.

### **PRE-EXISTING CONDITIONS LIMITATION**

Total Disability caused by Pre-existing Conditions is not covered for 12 months after the Date of Certificate of the Employee. However, Benefits may be paid for a loss due to a Pre-existing Condition of a Covered Person who was covered:

- by a Replaced Policy; and
- by this Policy on its Initial Effective Date.

We will determine payment of claim using the following:

1. We will review the claim. If this Policy's Pre-Existing Condition Exclusion does not apply, We will pay the Benefits of this Policy.
2. If the Covered Person does not satisfy this Policy's Pre-Existing Condition Exclusion, but can satisfy the Replaced Policy's Pre-Existing Condition Exclusion giving credit for all time insured under both policies; then We will pay the lesser of:
  - (a) this Policy's Benefit without applying the Pre-Existing Condition Exclusion; or
  - (b) the Benefit of the Replaced Policy.

Any payment under "(a)" or "(b)" above will be in accord with all terms of the relevant policy.

3. If the Covered Person does not satisfy the Pre-Existing Condition Exclusion of this Policy or that of the Replaced Policy, no Benefit will be paid.
4. If the replaced certificate provided a benefit that this Policy does not provide, no benefit will be paid.

## **PREMIUM PROVISIONS**

### **PREMIUMS**

Premiums are payable to the Company.

The first Premium is due on the Initial Effective Date. Later premiums are due according to the mode of Premium payment shown on the face page of this Policy.

We actuarially determine the premiums. We reserve the right to change the premiums as stated in the Change in Premium provision.

### **CHANGE IN PREMIUM**

We may change the Premium rates:

- when the number of Employee covered changes by 20% or more after the Initial Effective Date, or the Anniversary Date, if later;
- when Policy terms or conditions are modified;
- when there is a material change in the risk insured;
- when the Policyholder is sold or merges with another entity;
- when the Policyholder purchases, acquires or establishes a new affiliate or subsidiary; or
- on any Premium Due Date.

This Policy has an initial Rate Guarantee period of 12 months, We will not change Premiums except at the end of this Rate Guarantee period, and not more frequently than every 6 months thereafter.

We will provide the Policyholder with at least 45 days advance notice of any Premium rate change.

### **POLICY TERMINATION**

The Policyholder has the right to cancel this Policy on any Premium due date. Written notice must be given to Us at least 30 days before the date this Policy is to end.

We have the right to cancel this Policy on any Premium due date. However, if We have given a Rate Guarantee, We will not cancel this Policy prior to the end of such Rate Guarantee period. We will give the Policyholder at least 45 days notice before this Policy is to end.

This Policy and its insurance shall end if the Policyholder fails to pay the Premium before the end of the Grace Period.

Termination is without prejudice to any Claim that takes place or starts prior to the date of termination.

### **TERMINATION OF THE EMPLOYEE INSURANCE**

The Employee will cease to be insured under this Policy on the earliest of the following dates:

- the date on which the Employee requests termination, if this Policy provides contributory insurance;
- the date on which this Policy is terminated;
- the date on which the Employee is no longer in an eligible class;
- the date on which the Employee's class is no longer included for insurance;
- the end of the period for which the last required contribution for the Employee's insurance has been paid; or
- the date on which Active Employment ends, or the Employee's Retirement Date.

Termination of the Employee's insurance is without prejudice to any claim that occurred or commenced prior to the date of such termination.

## **GENERAL PROVISIONS**

### **AGREEMENTS AND POLICY CHANGES**

No change in this Policy shall be valid unless made by endorsement or amendment. Such a change is valid only if signed by Our Chairman, Chief Executive Officer, President, a Vice President or the Secretary.

No other person can waive any Policy terms or make any agreements about this policy that are binding on Us.

### **CERTIFICATES**

We will give a Certificate to the Policyholder for delivery to each Employee stating:

- the insurance protection provided; and
- to whom the insurance Benefits are payable; and
- the Portability rights provided by this Policy.

### **CLERICAL ERROR**

No Clerical Error by the Policyholder will:

- delay the Effective Date of the Employee's insurance;
- end insurance otherwise validly in force;
- continue insurance otherwise validly terminated; or
- provide coverage for an ineligible Employee.

### **CONFORMITY WITH STATE STATUTES**

Any Policy wording that, on the Initial Effective Date, is in conflict with the statutes of the Situs State is hereby amended to meet the minimum requirements of such statutes.

### **DATA REQUIRED**

The Policyholder will give Us all data and proof that We may reasonably need to administer this Policy.

### **DATE OF BIRTH OR TOBACCO USE**

If the Employee's date of birth or tobacco use is misstated, We will adjust the Benefits payable. The Benefits will be those which We would have issued based on the correct information and based on the premiums that were paid.

### **ENTIRE CONTRACT**

This Policy, the Certificate, the Application, Enrollment forms and Evidence of Insurability as well as any endorsements and amendments shall make up the entire contract.

Statements made by the Policyholder or the Employee shall be deemed representations and not warranties.

### **EVIDENCE OF INSURABILITY**

We may require evidence that a person has this insurance.

### **GRACE PERIOD**

This Policy has a Grace Period of 31 days for the payment of any Premium due except the first.

During the Grace Period, this Policy is in force, unless the Policyholder gives Us written notice to cancel it before the end of the Grace Period. The Policyholder shall be liable to Us for the payment of a pro-rata premium for the time this Policy was in force during the Grace Period.

### **INCONTESTABILITY**

The validity of this Policy will not be contested except for nonpayment of premiums after it has been in force for two years from its Initial Effective Date.

No statement made by the Employee shall be used in any contest unless a copy of the statement is or has been furnished to:

- the Employee; or,
- in the event of death or incapacity of the Employee, to His beneficiary or personal representative.

Except for claims incurred within two years after the Employee's Effective Date of Insurance, no statement made by any Employee when applying for insurance will be used to contest the validity of that insurance after:

- the insurance has been continuously in force for two years during the lifetime of the covered person; and
- unless it is contained in a written form signed by the Employee .

The two year period will be extended by any period for which the Employee is Totally and/or Partially Disabled.

This provision shall not preclude the assertion at any time of defenses based upon Policy provisions that relate to eligibility for coverage.

### **LEGAL ACTIONS**

Legal action cannot be taken against Us:

- sooner than 60 days after due Proof of Loss has been filed; or
- more than three (3) years after the time written Proof of Loss is required to be filed according to the terms of the Policy.

### **NON-PARTICIPATING**

This Policy is a non-participating policy. We will not pay dividends on this Policy.

### **DEFINITIONS**

**Accident** means a sudden, unexpected, violent and external event that causes bodily Injury to the Employee.

**Actively at Work (Active Employment)** means that the Employee is performing the normal duties of His Regular Occupation or Any Occupation:

- on a full-time basis;
- at the Employer's usual place of business; and
- Is not Partially Disabled.

The Employee is deemed to be Actively at Work on each day of regular paid vacation or legal holiday if He:

- is not Totally Disabled or Partially Disabled; and
- was Actively at Work on the last working day before such vacation or legal holiday.

**Age** means the Age of the Employee on His last birthday as of the Certificate Effective Date and any subsequent Certificate anniversary date.

**Alcoholism** means a combination of symptoms including tolerance of, physical dependence on and pathological organ changes caused by alcohol consumption.

**Any Occupation** means a job, profession or activity for wages or profit that the Employee is or becomes fitted to perform based on His education, training and experience.

**Benefit Period** means the period of time for which Monthly Income Benefits are payable for disability due to the same cause. It starts on the day after the Elimination Period ends. It continues until the earliest of the following:

- the date the Employee is no longer Totally Disabled;
- the end of the Benefit Period shown on the Schedule; or
- the date of His death.

**Certificate Effective Date** means the date that coverage begins under the Certificate once premiums are paid.

**Class** means a group of Employees categorized together for rating purposes under this Policy form.

**COBRA** means the Consolidated Omnibus Budget Reconciliation Act of 1985.

**Compensation** means the Employee's monthly salary, wages and/or commissions received from an Employer.

**Complication of Pregnancy** means bodily conditions while You are pregnant that are distinct from, but adversely affected or caused by the pregnancy. These conditions include:

- postpartum hemorrhage;
- toxemia of pregnancy;
- rupture or prolapse of the uterus;
- ectopic pregnancy which is terminated;
- emergency (non-elective) cesarean section; and
- spontaneous termination of a pregnancy when a viable birth is not possible.

Not included are conditions associated with the management of a difficult pregnancy which do not constitute a nosologically distinct Complication of Pregnancy. These include:

- caesarean section;
- elective abortion;
- false labor;
- occasional spotting;
- Physician prescribed rest; or
- Morning sickness (hyperemesis gravidarum).

**Date of Policy** means the date shown on the Schedule or in an Endorsement to this Policy.

**Drug Addiction** means the pathological use or abuse of alcohol or other drugs in a manner or to a degree that produces an impairment in personal, social or occupational functioning and which may, but need not, include a pattern of tolerance and withdrawal.

**Effective Date** means the date that coverage begins under the Policy.

**Elimination Period** means the number of days that the Employee must be Totally Disabled before Benefits for Total or Partial Disability are payable.

Days of Total Disability will count toward the Elimination Period if continuous or:

- due to the same or related cause(s), and
- separated from the prior period of Total Disability by less than eight days.

Days of Partial Disability do not count toward the Elimination Period.

Benefits subject to the Elimination Period are shown on the Schedule.

**Employee** means a person who:

- is in Active Employment of the Policyholder; and
- meets the Enrollment Eligibility and Waiting Period provisions shown on the Certificate Schedule.

**Employer** means an entity that employs a workforce of persons in Active Employment. Employer includes any division, subsidiary or affiliated.

**Enroll** means application by the Employee for Policy coverage. By agreement between the Company and the Policyholder, Enrollment may:

- require completion of an Enrollment Form by the Employee; or
- be automatic, in which case it is not necessary for the Employee to complete an Enrollment Form; and
- require Evidence of Insurability.

**Hospital** means an accredited or State tax-supported institution where people receive medical, surgical, or psychiatric treatment and nursing care.

**Initial Effective Date** means the first date that coverage begins for any class under the Policy.

**Injury** means bodily harm caused by an Accident that the Employee sustains which:

- is independent of all other causes, and
- occurs after the Effective Date and while this Policy is in force.

**Insured** means the Employee who is covered by the Policy.

**Maximum Benefit Period** means the period of time for which a Benefit is payable. Maximum Benefit Periods are shown on the Schedule.

After a Benefit is paid for its Maximum Benefit Period, that Benefit is not payable except as may be allowed by the Continuous or Successive Disabilities provision.

**Mental or Emotional Disease or Disorder** means a condition so classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM). We will use the DSM most current as of the date of loss. If the DSM is discontinued or replaced, We will use published data that, in Our opinion, provides the most comparable information.

Mental or Emotional Disease or Disorder does not include any condition excluded from the coverage of this Policy by name or specific description.

Mental or Emotional Disease or Disorder does not include dementia, if caused by:

- stroke;
- trauma;
- infection; or
- Alzheimer's disease.



**Occupational Income** means the Eligible Persons' monthly rate of earnings from His Employer as of the day before the start of Total Disability. Occupational Income does not include:

- overtime pay;
- bonuses; or
- extra compensation other than commissions.

Occupational Income will include commissions averaged over:

- the 12 calendar months ending the month before Total Disability began; or
- the number of full calendar months that the Employee was employed before Total Disability began, if less than 12 months.

**Partial Disability (Partially Disabled)** means that, because of a covered Sickness or Injury, the Employee is:

- working more than 20% but not more than 80% of His normal pre-disability schedule; and
- under the regular care of a Physician.

His normal pre-disability schedule is as defined by the Employee's Employer but does not include overtime.

**Physician** means a medical doctor or other person recognized as a physician by law or regulation in the state where services are provided. The person must be licensed and practicing in the United States.

Physician does not include:

- the Employee;
- a person related to the Employee by blood or marriage; or
- a medical doctor or other person practicing outside of the United States.

**Policy Anniversary Date** means the day the policy is initially issued and is yearly renewed.

**Pre-Existing Condition** means a condition for which medical advice; diagnosis, care, or treatment was received or recommended within the 12-month period immediately preceding the effective date of coverage of the insured person.

A normal pregnancy beginning prior to the Effective Date is considered to be a Pre-Existing Condition, whether or not it was disclosed on the Enrollment Form.

**Recurrent Disability** means Total and/or Partial Disability that:

- is due to the same or related causes as a prior period of disability;
- follows a prior period for which a Monthly Benefit was paid; and
- occurs within 180 days after the end of a prior period for which a Monthly Benefit was paid.

**Regular Occupation** means the Employee's usual job, profession or activity for wages, compensation or profit at the start of a Total Disability covered by this Policy.

**Replaced Policy** means a policy or certificate for which the premiums are paid by or through the Policyholder. It must:

- have a paid-to date within 60 days of the Policy's Date of Application;
- be replaced by this Policy; and
- end upon issue of this Policy.

At Our request, the Policyholder must give Us Proof about the Employee's Replaced Policy or Certificate.

**Sickness** means an illness, disease or complication of pregnancy that first makes itself known after the Effective Date and while this Policy is in force.

Benefits for a normal pregnancy are provided on the same basis as for any other Sickness.

**Successive Disability** means a Total and/or Partial Disability that is:

- not due to the same or related causes as a prior period of disability; and
- separated from any prior period for which Monthly Benefits were paid by 30 consecutive days during which the Employee is Actively at Work and not Partially Disabled.

**Totally Disabled (Total Disability)** means, for the first 24 months of a disability that the Employee is:

- unable to perform the substantial and material duties of His Regular Occupation;
- not working in any other occupation; and
- under the care of a Physician for the disability.

After 24 months of Total Disability, Totally Disabled means that the Employee is:

- unable to perform the duties of Any Occupation; and
- under the care of a Physician for the disability.

We will not require care of a Physician when it is no longer needed for the sound medical care of the condition causing Total Disability.

**United States** means the United States of America, including its states, territories and possessions.

**We, Us, Our and Company** all means ManhattanLife Assurance Company of America.

**You and Your** means the Employee.

Any reference to "He," "Him" or "His" will also refer to "She" or "Her," "They," "Them" or "Their."

**ManhattanLife Assurance Company of America**  
10777 Northwest Freeway, Suite 600  
Houston, Texas 77092

**NOTICE TO INSURANCE FIDUCIARIES  
GROUP LIFE AND GROUP HEALTH INSURANCE**

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL:

- (1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT, AND
- (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

**NOTICE CONCERNING COVERAGE  
LIMITATIONS AND EXCLUSIONS UNDER THE  
NORTH CAROLINA LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health insurance should know that the insurance companies and Health Maintenance Organizations (HMOs) licensed in this state to write these types of insurance are members of the North Carolina Life and Health Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer or HMO becomes financially unable to meet its

obligations. If this should happen, the Guaranty Association will assess its other member companies for the money to pay the claims of the insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

The North Carolina Life and Health Insurance Guaranty Association may or may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in North Carolina. You should not rely on coverage by the North Carolina Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The North Carolina Life and Health Insurance Guaranty Association  
Post Office Box 10218  
Raleigh, North Carolina 27605-0218**

**North Carolina Department of Insurance, Consumer Services Division  
1201 Mail Service Center  
Raleigh, North Carolina 27699-1201**

The state law that provides for this safety-net coverage is called the North Carolina Life and Health Insurance Guaranty Association Act. On the back of this page is a brief summary of this law's coverages, exclusions, and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association.

## **COVERAGE**

Generally, individuals will be protected by the life and health Guaranty Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer or HMO. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are not protected by this Association if:

- \* They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- \* The insurer was not authorized to do business in this state;
- \* Their policy was issued by a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.
- \* They acquired rights to receive payments through a structured settlement factoring transaction.

The Association also does not provide coverage for:

- \* Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- \* Any policy of reinsurance (unless an assumption certificate was issued);
- \* Interest rate yields that exceed the average rate specified in the law;
- \* Dividends;
- \* Experience or other credits given in connection with the administration of a policy by a group contractholder;
- \* Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- \* Unallocated annuity contracts (which give rights to group contractholders, not individuals), unless they fund a government lottery or a benefit plan of an employer, association or union, except that unallocated annuities issued to employee benefit plans protected by the Federal Pension Benefit Guaranty Corporation are not covered.
- \* A policy or contract commonly known as Medicare Part C, Medicare Part D, Medicaid or any regulations issued pursuant thereto.

## **LIMITS ON AMOUNT OF COVERAGE**

The act also limits the amount the association is obligated to pay out as follows:

- (1) The Guaranty Association cannot pay out more than the insurance company would owe under the policy or contract.
- (2) Except as provided in (3), (4) and (5) below, the Guaranty Association will pay a maximum of \$300,000 per individual, per insolvency, no matter how many policies or types of policies issued by the insolvent company.
- (3) The Guaranty Association will pay a maximum of \$500,000 with respect to a health benefit plan.
- (4) The Guaranty Association will pay a maximum of \$1,000,000 with respect to the payee of a structured settlement annuity.
- (5) The Guaranty Association will pay a maximum of \$5,000,000 to any one unallocated annuity contract holder.

# **ManhattanLife Assurance Company of America**

**10777 Northwest Freeway, Suite 600  
Houston, Texas 77092**

## **NOTICE TO INSURANCE FIDUCIARIES GROUP LIFE AND GROUP HEALTH INSURANCE**

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL:

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- (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

(1)