
Member's Signature

Your benefit plan has been designed to provide financial help for you when an insured loss occurs. The plan is established through a Group Policy issued by Principal Life Insurance Company to the Iowa State University of Science and Technology (the University).

As an insured Member of the plan, your rights and benefits are determined by the provisions of Group Policy GLT 1460. A copy of the Group Policy is on file at the Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall, Iowa State University. This copy is available for your inspection at the office during regular office hours. This booklet briefly describes those rights and benefits. It outlines what you must do to be insured. It explains how to file claims. It is your certificate while you are insured.

FUTURE OF PLAN. It is expected that this plan will be continued indefinitely. However, Iowa State University does reserve the right to change or terminate the plan at any time.

PLEASE READ YOUR BOOKLET CAREFULLY. Several words and phrases used to describe your plan are capitalized whenever they are used in this booklet. These words and phrases have special meanings as explained in the DEFINITIONS section. It is suggested that you start with a review of the terms listed in the DEFINITIONS section (beginning on page 18 of this booklet). The meanings of these terms will help you understand the provisions of your plan.

ACCELERATED BENEFITS – Benefits paid as shown in this booklet-certificate for Accelerated Benefits are an advance of a portion of your Life Insurance benefit. This provision:

- accelerates and reduces your death benefit;
- is not intended to be used as long-term care insurance.

Effect on Government Benefits. If you receive payment of Accelerated Benefits, you may lose your right to receive certain public funds, such as Medicare, Medicaid, Social Security, Supplemental Security, Supplemental Security Income (SSI), and possibly others.

PRINCIPAL LIFE
INSURANCE COMPANY
Des Moines, IA 50392-0001

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HOW TO BE INSURED

ELIGIBILITY

To be eligible for insurance you must be a Member.

Member means any faculty, administrative, professional and scientific, or supervisory merit system employee who is employed by the University and regularly scheduled to work for the University on a budgeted appointment of 1/3 time or more for at least nine months, or any employees of University Affiliates.

Member excludes students, graduate students, post doctoral associates, non-supervisory merit system employees, and members of the Armed Services assigned to the staff of the University.

You will be eligible on the first of the calendar month that next follows the date you complete one year of Active Work.

Coverage is available during the first year subject to an approved statement of health questionnaire. The University will pay the full cost of coverage.

EFFECTIVE DATE FOR INITIAL INSURANCE

1. You must request initial insurance on a form provided by the University and furnish the requested information on a statement of health questionnaire.
2. If coverage for the first year of employment is approved, your insurance will normally be in force on the first of the calendar month that next follows the date proof is approved by Principal Life Insurance Company.
3. For employees electing not to complete initial questionnaire, your insurance will normally be in force on the first of the calendar month that next follows the date you complete one year of Active Work.

However, if you are not Actively at Work on the date insurance would otherwise be effective, your insurance will not be in force until the day you return to Active Work.

CONTRIBUTIONS

You are not required to contribute toward the cost of your Long Term Disability Insurance.

BENEFIT CREDITS

Your compensation in effect during October of each year will be used to determine the benefit credits for January 1 of the following year.

EFFECTIVE DATE FOR BENEFIT CHANGES

A change in your benefit amount because of a change in your status (Insurance Class or compensation) will normally be effective on the date of the change.

However, if you are not Actively at Work on the date the change would otherwise be effective, the change will not be in force until the day you return to Active Work.

OPEN CHANGE

During the open change period you may change your Benefit Payable option.

During open change, proof of good health will be required if you elect to change plan options from the 50% Option to the 75/60% Option.

The options you elect initially will remain in effect until you elect to change them during open change. You may change options for insurance only during the annual change period set near the close of each calendar year. Your insurance or plan option change will become effective on the following January 1 or upon notification from Principal Life Insurance Company.

If you are not Actively at Work on January 1 of each year, the plan election in force for you prior to that date will continue to apply until the day of return to Active Work. When you return to Active Work, the new election will then be in force for you.

TERMINATION

Your insurance will cease on the earliest of:

- the date the Group Policy terminates; or
- the end of the calendar month in which you cease to belong to a class for which insurance is provided; or
- the end of the calendar month in which you cease to be a Member; or
- the end of the calendar month in which you cease Active Work.

If you cease Active Work because of sickness or injury, your plan might provide for limited continuation.

If you cease Active Work because of layoff or leave of absence, coverage may be continued on a limited basis.

If you arrange to take an approved leave of absence without pay, you will be eligible to keep your insurance in force during such leave of absence provided you pay all required premiums to continue the insurance. Arrangements for paying the premiums should be made in the Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall, Iowa State University.

If you elect to discontinue your insurance while you are on an approved leave of absence, you may re-enroll by completing a statement of health questionnaire within 31 days after the date of expiration of the leave of absence. Re-enrollment is subject to approval by Principal Life Insurance Company, or you will automatically be re-enrolled on the 1st of the calendar month that next follows the date you complete one year of Active Work.

Your coverage may also be:

- continued as described under the continuation provisions; and
- reinstated as described under the reinstatement provisions;

in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA) described on page 4 and subject to the provisions of your Group Plan.

If you are interested in continuing your insurance beyond the date it would normally terminate, you should consult with the Department of Human Resource Services, Benefits Office before your insurance terminates.

FEDERAL FAMILY AND MEDICAL LEAVE ACT (FMLA)

Continuation

Federal law requires that Eligible Employees be provided a continuation period in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA).

This is a general summary of the FMLA and how it affects your Group Plan. See your employer for details on this continuation provision.

FMLA and Other Continuation Provisions

If your employer is an Eligible Employer and if the continuation portion of the FMLA applies to your coverage, these FMLA continuation provisions:

- are in addition to any other continuation provisions of this plan, if any; and
- will run concurrently with any other continuation provisions of this plan for sickness, injury, layoff, or approved leave of absence, if any.

If continuation qualifies for both state and FMLA continuation, the continuation period will be counted concurrently toward satisfaction of the continuation period under both the state and FMLA continuation periods.

Eligible Employer

Eligible Employer means any employer who is engaged in commerce or in any industry or activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year.

Eligible Employee

Eligible Employee means an employee who has worked for the Eligible Employer:

- for at least 12 months; and
- for at least 1,250 hours (approximately 24 hours per week) during the year preceding the start of the leave; and
- at a work-site where the Eligible Employer employs at least 50 employees within a 75-mile radius.

For this purpose, "employs" has the meaning provided by the Federal Family and Medical Leave Act (FMLA).

Mandated Unpaid Leave

Eligible Employers are required to allow 12 workweeks of unpaid leave during any 12-month period to Eligible Employees for one or more of the following reasons:

- The birth of a child of an Eligible Employee and in order to care for the child.
- The placement of a child with the Eligible Employee for adoption or foster care.
- To care (physical or psychological care) for the spouse, child, or parent of the Eligible Employee, if they have a "serious health condition."
- A "serious health condition" that makes the Eligible Employee unable to perform the functions of his or her job.

Reinstatement

An Eligible Employee's terminated coverage may be reinstated in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA), subject to the Actively at Work requirements of the Group Plan.

See your employer for details on this reinstatement provision.

DESCRIPTION OF BENEFITS

LONG TERM DISABILITY INSURANCE

BENEFITS PAYABLE FOR TOTAL DISABILITY

If you are Totally Disabled and all of the Benefit Qualifications listed below are met, benefits will be payable to you during each month of a Payment Period. The Benefit Payable to you for each full month of a Payment Period will be your Primary Monthly Benefit less Income From Other Sources, subject to the Disability Escalator.

The Benefit Payable for each day of any part of a Payment Period that is less than a full month will be the monthly benefit divided by 30.

The determination of Income From Other Sources will be subject to the requirements discussed in the CLAIM PROCEDURES Section.

BENEFITS PAYABLE FOR PARTIAL DISABILITY WITH WORK INCENTIVE BENEFIT

Subject to the Effective Date provisions on page 1 and the Benefit Qualifications listed below:

- For the first 12 months of Partial Disability, the benefit payable will be the lesser of:
 - 100% of Predisability Earnings less:
 - Income From Other Sources; and
 - earnings from your regular job or any occupation; or
 - the Primary Monthly Benefit (defined on page 20) less Income From Other Sources.
- Thereafter, your Primary Monthly Benefit (defined on page 20) less:
 - Income From Other Sources; multiplied by
 - your Income Loss Percentage;not to exceed the Monthly Payment Limit as described in this section.

EXAMPLE:

You have multiple sclerosis. Because of your medical condition, you have had to reduce your work schedule from 40 hours per week to 16 hours per week. For the first 12 months of your Partial Disability, your monthly benefit will be calculated as follows:

Predisability Earnings:	\$ 4,000
Monthly Disability Benefit	
(Primary Monthly Benefit):	2,550
Current Part-time Earnings:	1,600
Income Loss Test (\$1,600/\$4,000):	40%

Work Incentive Benefit:

100% of Predisability Earnings:	\$	4,000
Less Current Part-time Earnings:	-	1,600
Work Incentive Benefit	\$	2,400

After the first 12 months of receiving Work Incentive Benefits, you continue to work part-time, 16 hours per week. Your monthly benefit will be calculated as follows:

Predisability Earnings:	\$	4,000
Monthly Disability Benefit (Primary Monthly Benefit):		2,550
Current Part-time Earnings:		1,600
Income Loss Test (\$1,600/\$4,000):		40%
Income Loss Percent (\$4,000-\$1,600/\$4,000)		60%

Income Loss Benefit:

Monthly Disability Benefit (Primary Monthly Benefit):	\$	2,550
Multiplied by Income Loss Percent (60%):	\times	.60
Income Loss Benefit:	\$	1,530

Total income replacement is \$3,130 (Income loss benefit of \$1,530 plus part-time earnings of \$1,600).

MONTHLY PAYMENT LIMIT

In no event will the sum of amounts payable for:

- Total Disability; and
- Partial Disability with Work Incentive Benefit; and
- Income From Other Sources; and
- earnings from your regular job or any occupation;

exceed 100% of Predisability Earnings. If the Member is eligible for a Partial Disability benefit, the Monthly Payment Limit will be increased to 100% of Indexed Predisability Earnings for the first 12 months of Partial Disability.

INDEXED PREDISABILITY EARNINGS

For purposes of administering the Partial Disability benefit, your monthly Predisability Earnings will be adjusted to reflect changes in the cost of living based on the Consumer Price Index as published by the United States Department of Labor. The maximum adjustment made will be subject to an annual maximum of 10%. Adjustments made as a result of changes in the Index will be effective as of March 1 of each year.

If you have been Disabled for less than one year, the amount of increase will be determined by multiplying the ratio of:

- the number of completed months that you have been Disabled;
- divided by 12 months.

DISABILITY ESCALATOR

The Disability Escalator applies to all Members who are Disabled and may be applied each year on the July 1 following completion of one year of continuous Disability. The Disability Escalator payments will be administered as follows:

- For Total Disability Benefits, the Disability Escalator, if applicable, will be applied to the Primary Monthly Benefit less Income From Other Sources.
- For Partial Disability Benefits, the Disability Escalator, if applicable, will be applied to the Primary Monthly Benefit less Income From Other Sources. Therefore, the Disability Escalator is applied prior to application of the Income Loss Percentage.
- The Disability Escalator will be based upon the annual Consumer Price Index (CPI), as determined by the United States Department of Labor. The amount of any increase will be determined by comparing the arithmetic mean of the CPI for January, February, and March of the current year to the corresponding period of the prior year.
- The amount of the Disability Escalator will equal the established Consumer Price Index (CPI) changes, but will not exceed 5% per year, except as may be modified by the "carry over provision" described in the following item.
- In those years when the Disability Escalator is less than 5%, the difference between the amount actually paid and 5% may be carried over and applied in future years in addition to the normal 5% increase. However, in no year may the increase exceed 10% regardless of the amount carried over. The increase, if any, will be effective on July 1 of each year.
- There will be no decrease in benefits at any time for any reason, unless the Group Policy is amended or terminated with respect to Escalator Benefits.

BENEFIT QUALIFICATIONS

To qualify for benefit payment, all of the following must occur:

- You must become Disabled while insured for Long Term Disability Insurance.
- Your Disability must not be subject to any of the limitations listed later in this section.
- You must complete a Benefit Waiting Period and establish a Payment Period.
- You must be under the regular care and attendance of a Physician.
- You must not be receiving sick pay benefits from the University, except as provided under Continued Payments.
- You must satisfy the requirements listed in the CLAIM PROCEDURES Section.

A Benefit Waiting Period will start on the later of the date your Physician certifies your Disability began, or the day after your last day of Active Work. A Benefit Waiting Period will be completed on the later of:

- the date following 90 consecutive working days; or
- the exhaustion of your accumulated sick pay benefits;

after the date your Disability began, during which time the University is in operation (including summer and holidays, if such holidays fall on what would normally be a working day), and during which time you have not worked for wage or profit, other than as allowed under the definition of Disability (page 18).

A Payment Period will be established on the later of:

- the date you complete a Benefit Waiting Period; or
- the date six months before Principal Life Insurance Company receives written proof of your Disability.

SOCIAL SECURITY FREEZE

During a Payment Period, all Social Security amounts included in your Income From Other Sources will be based on the provisions of the Social Security Act in force on your date of entitlement under that Act. Future adjustments during a Payment Period will be made only to reflect changes in Social Security amounts resulting from changes in the status of your Dependents. Social Security cost of living increases during a Payment Period will not be included in your Income From Other Sources.

PAYMENT TERMINATION

Except as described below in Continued Payments, your Payment Period will end on the earliest of:

- the date of your death; or
- the day before the date of your retirement; or
- the date your Disability ends; or
- the date you fail to provide any required proof of your Disability; or
- the date you fail to submit to any required medical examination; or
- the date you fail to report Income From Other Sources; or
- if your Disability begins before you are age 61, the later of the date five years after your Payment Period begins or the June 30th following the date you are age 65; or
- if your Disability begins on or after you are age 61 and before you are age 69, the earlier of the date five years after your Payment Period begins or the June 30th following the date you are age 70 (except that the Payment Period will not be less than 12 months); or

- if your Disability begins on or after you are age 69, the date 12 months after your Payment Period begins; or
- the date you cease to be under the regular care and attendance of a Physician.

CONTINUED PAYMENTS

In some instances your Payment Period may be continued beyond the normal termination date. These instances are discussed under these headings:

- **Recurring Disability**
- **Sick Pay Benefit Exceptions**

Recurring Disability

A **Recurring Disability** will exist if you become Disabled again, after returning to Active Work for less than six continuous months, provided you already completed a Benefit Waiting Period and your current Disability and the Disability for which you completed the Benefit Waiting Period result from the same or a related cause.

All Recurring Disabilities will be treated as if your initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not need to complete a new Benefit Waiting Period for a Recurring Disability. Benefits will be payable immediately, but only for the remainder of the Payment Period you established for the initial Disability.

Sick Pay Benefit Exceptions

If you are receiving a sick pay benefit from the University, the Benefit Payable under this Long Term Disability Insurance will be payable if the sick pay benefit is interrupted by the summer break (the Benefit Payable under the Long Term Disability Insurance would only be continued in this situation until the sick pay benefit is resumed in the fall).

These continued payments will be subject to all of the other Payment Termination provisions and Benefit Qualification provisions listed earlier.

LIMITATIONS

Benefits will not be paid for any Disability that:

- results from willful self-injury; or
- results from war or act of war; or
- results from participation in an assault or felony.

**LONG TERM DISABILITY INSURANCE
(TEACHERS INSURANCE AND ANNUITY ASSOCIATION – COLLEGE RETIREMENT
EQUITIES FUND (TIAA-CREF) WAIVER OF ANNUITY CONTRIBUTION BENEFIT)**

BENEFITS PAYABLE FOR TOTAL DISABILITY

If you are Totally Disabled and all of the Benefit Qualifications listed below are met, benefits will be payable by Principal Life Insurance Company to the TIAA-CREF during each month of a Payment Period. Benefits Payable to the TIAA-CREF are for the explicit purpose of payment of your contributions under the University's retirement program with the TIAA-CREF. Principal Life Insurance Company is not responsible for the payment of your contributions to the TIAA-CREF. The Benefit Payable for each full month of a Payment Period will be your Primary Monthly Benefit, subject to the Disability Escalator.

The Benefit Payable for each day of any part of a Payment Period that is less than a full month will be the monthly benefit divided by 30.

BENEFITS PAYABLE FOR PARTIAL DISABILITY

If you are Partially Disabled and all of the Benefit Qualifications listed below are met, Partial Disability benefits will be payable by Principal Life Insurance Company to the TIAA-CREF during each month of a Payment Period. Benefits Payable to the TIAA-CREF are for the explicit purpose of payment of your contributions under the University's retirement program with the TIAA-CREF. Principal Life Insurance Company is not responsible for the payment of your contributions to the TIAA-CREF.

The Partial Disability Benefit Payable for each full month of a Payment Period will be your Primary Monthly Benefit less:

- your contributions based on your part-time earnings paid by the University; plus
- the University's contributions based on your part-time earnings paid by the University.

If you work for another employer on a part-time basis, full contributions will be made to the TIAA-CREF retirement program.

DISABILITY ESCALATOR

The Disability Escalator applies to all Members who are Disabled and may be applied each year on the July 1 following completion of one year of continuous Disability. The Disability Escalator payments will be administered as follows:

- The Disability Escalator, if applicable, will be applied to the then current Disability payment, as determined by the Monthly Disability Benefit Payable.
- The Disability Escalator will be based upon the annual Consumer Price Index (CPI), as determined by the United States Department of Labor. The amount of any increase will be determined by comparing the arithmetic mean of the CPI for January, February, and March of the current year to the corresponding period of the prior year.
- The amount of the Disability Escalator will equal the established Consumer Price Index (CPI) changes, but will not exceed 5% per year.

TIAA-CREF, CSRS, and/or FERS Participants

- The increase, if any, will be effective on July 1 of each year.
- There will be no decrease in benefits at any time for any reason, unless the Group Policy is amended or terminated with respect to Escalator Benefits.

BENEFIT QUALIFICATIONS

To qualify for benefit payment, all of the following must occur:

- You must become Disabled while insured for Long Term Disability Insurance.
- You must be a participant in the TIAA-CREF; or the Civil Service Retirement System (CSRS); or the Federal Employees Retirement System (FERS).
- Your Disability must not be subject to any of the limitations listed later in this section.
- You must complete a Benefit Waiting Period and establish a Payment Period.
- You must not be receiving sick pay benefits from the University, except as provided under Continued Payments.
- You must be under the regular care and attendance of a Physician.
- You must satisfy the requirements listed in the CLAIM PROCEDURES Section.

A Benefit Waiting Period will start on the later of the date your Physician certifies your Disability began, or the day after your last day of Active Work. A Benefit Waiting Period will be completed on the later of:

- the date following 90 consecutive working days; or
- the exhaustion of your accumulated sick pay benefits;

after the date your Disability began, during which time the University is in operation (including summer and holidays, if such holidays fall on what would normally be a working day), and during which time you have not worked for wage or profit, other than as allowed under the definition of Disability (page 18).

A Payment Period will be established on the later of:

- the date you complete a Benefit Waiting Period; or
- the exhaustion of your accumulated sick pay benefits; or
- the date six months before Principal Life Insurance Company receives written proof of your Disability.

PAYMENT TERMINATION

Except as described below in Continued Payments, your Payment Period will end on the earliest of:

- the date of your death; or

TIAA-CREF, CSRS, and/or FERS Participants

- the day before the date of your retirement; or
- the date your Disability ends; or
- the date you fail to provide any required proof of your Disability; or
- the date you fail to submit to any required medical examination; or
- if your Disability begins before you are age 61, the later of the date five years after your Payment Period begins or the June 30th following the date you are age 65; or
- if your Disability begins on or after you are age 61 and before you are age 69, the earlier of the date five years after your Payment Period begins or the June 30th following the date you are age 70 (except that the Payment Period will not be less than 12 months); or
- if your Disability begins on or after you are age 69, the date 12 months after your Payment Period begins; or
- the date you cease to be a participant in the TIAA-CREF; or the Civil Service Retirement System (CSRS); or the Federal Employees Retirement System (FERS); or
- the date you cease to be under the regular care and attendance of a Physician.

CONTINUED PAYMENTS

In some instances your Payment Period may be continued beyond the normal termination date. These instances are discussed under these headings:

- **Recurring Disability**
- **Sick Pay Benefit Exceptions**

Recurring Disability

A **Recurring Disability** will exist if you become Disabled again, after returning to Active Work for less than six continuous months, provided you already completed a Benefit Waiting Period and your current Disability and the Disability for which you completed the Benefit Waiting Period result from the same or a related cause.

All Recurring Disabilities will be treated as if your initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not need to complete a new Benefit Waiting Period for a Recurring Disability. Benefits will be payable immediately, but only for the remainder of the Payment Period you established for the initial Disability.

Sick Pay Benefit Exceptions

If you are receiving a sick pay benefit from the University, the Benefit Payable under this TIAA-CREF Waiver of Annuity Contribution Benefit will be payable if:

- the sick pay benefit is interrupted by the summer break (the Benefit Payable under the Long Term Disability Insurance would only be continued in this situation until the sick pay benefit is resumed in the fall); or

TIAA-CREF, CSRS, and/or FERS Participants

- the sick pay benefit is zero (\$0.00) due to coordination with Social Security, Workers' Compensation and/or other integrated income.

These continued payments will be subject to all of the other Payment Termination provisions and Benefit Qualification provisions listed earlier.

LIMITATIONS

Benefits will not be paid for any Disability that:

- results from willful self-injury; or
- results from war or act of war; or
- results from participation in an assault or felony.

CLAIM PROCEDURES

Claim Forms

Contact the Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall for the forms and assistance in filing claims.

Payment, Denial, and Review

Federal law permits up to 90 days for processing claims and up to 60 days for reviewing denied claims. Both time limits may be extended if unusual factors exist.

In actual practice, most claims will be processed by the day following completion of your Benefit Waiting Period, provided Principal Life Insurance Company receives a completed claim form from the University at least 30 days prior to this date. Further, if a claim cannot be paid, Principal Life Insurance Company will promptly explain why.

If you disagree with a claim denial, a review may be requested. In order for Principal Life Insurance Company to review a denied claim, the University must receive a written request from you within 120 days of receipt of notice of the denial. All added facts should be given to the University within one year of receipt of notice of the denial. The University will send this information to Principal Life Insurance Company. Principal Life Insurance Company will then conduct the review. You will be advised of the final decision and the reasons.

Prompt Filing

Completed claim forms and other information needed to prove loss should be filed promptly. Claims should be sent to Iowa State University, Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall, Ames, IA 50011-2033, within 90 days after the date of loss. Written proof that Disability exists and has been continuous must be sent to Iowa State University, Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall, Ames, IA 50011-2033, within six months after you complete your Benefit Waiting Period. Claims sent later will be accepted only if there is reasonable cause for the delay.

Determination of Income From Other Sources

If you file a claim for Long Term Disability benefits, your Income From Other Sources will be determined in this way:

- You must, when requested, report all such income to Principal Life Insurance Company. Your report must include proof that you have applied for all income for which you are eligible and proof of rejection if any application is declined.
- If any income is payable to you in a lump sum, Principal Life Insurance Company will convert and apply that income on a monthly equivalent basis.
- Until exact amounts are known, Principal Life Insurance Company will estimate the Social Security benefits for which you and your Dependents are eligible and will include that estimate in your Income From Other Sources.

If Principal Life Insurance Company believes that it is reasonable that you would be entitled to Disability benefits under the Federal Social Security Act, Principal Life Insurance Company will require that you:

- apply for these benefits within ten days after receipt of written notice from Principal Life Insurance Company requesting you to apply for such benefits; and
- give satisfactory proof within 30 days after receipt of Principal Life Insurance Company's notice that you have applied for these benefits within the ten-day period; and
- request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial of reconsideration if an appeal appears reasonable.

Excess Long Term Disability Payment

If excess benefits are paid because your Income From Other Sources is understated, Principal Life Insurance Company will have the option to:

- reduce your future benefits payable by the full amount of the excess payment; or
- recover the excess payment directly from you.

Long Term Disability Payment

Long Term Disability benefits will be payable at the end of each month of a Payment Period, provided complete and proper proof of Disability has been received by Principal Life Insurance Company. Any unpaid balance that remains after a Payment Period ceases will be immediately payable.

Benefits will normally be paid directly to you. However, in the special instances listed below, payment will be as indicated:

- If payment amounts become or remain due upon death, those amounts will be made to the first of the following: (1) your spouse if living; or (2) child(ren) if living; or (3) parent(s) if living; or (4) brother(s) and sister(s) if living; or (5) estate.
- If Principal Life Insurance Company believes a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, Principal Life Insurance Company may pay whoever has assumed the care and support of the person. Any payment due a minor will be at the rate of not more than \$200 a month.

Medical Examinations

Principal Life Insurance Company may have the Member whose loss is the basis for claim examined by a Physician. Principal Life Insurance Company will pay for these examinations and will choose the Physician to perform them.

Legal Action

Legal action for a claim may not be started earlier than 90 days after a claim is filed. Further, no legal action may be started later than three years after proof is required to be filed.

Time Limits

All time limits listed in this section will be extended to meet any minimums required by law.

NOTE: For additional Claims Procedures information, see GH 198 ERISA Claims.

DEFINITIONS

Active Work/Actively At Work means the active performance of all of a Member's normal job duties at the University's usual place or places of business.

Affiliates mean companies who delegate their payroll administration to the University, which provides these companies with the opportunity to participate in the University's group benefit plans.

Annual Budgeted Salary means the current salary amount appearing opposite your name in the University's budget and/or on your official letter of intent. It is the salary amount for the academic year if payable during nine months or for the fiscal year if payable during 12 months. If you are paid on an hourly rate your Annual Budgeted Salary is determined by multiplying your budget hourly rate by your normal working hours in the fiscal year. Annual Budgeted Salary, for the purposes of this insurance, excludes:

- compensation for summer session, overtime, correspondence study, or other irregular service; and
- compensation in the form of non-cash items such as board, room, laundry, or premiums paid by the University for the benefit of any Member.

Benefit Waiting Period means the period of time you must be Disabled before benefits are payable. A Benefit Waiting Period must be satisfied for each separate period of Disability.

Covered Monthly Earnings mean:

- For the 50% Option, 1/12 of your Annual Budgeted Salary up to but not exceeding \$192,000; or
- For the 75/60% Option, 1/12 of your Annual Budgeted Salary up to but not exceeding \$197,000.

Dependent means your spouse and children if they qualify for benefits under the Federal Social Security Act as a result of your Disability.

Disability/Disabled means Total or Partial Disability as defined in this section.

Income From Other Sources will be the sum of:

- all Disability payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act; and
- if you are age 65 or older, all retirement payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act; and
- if you are less than age 65, all retirement payments for the month that you and your Dependents receive under the Federal Social Security Act; and

- all loss of wages payments for the month (other than payments from the Veterans' Administration) that you receive under a Workers' Compensation Act or other similar law; and
- all payments for the month that you receive from any salary continuance or pension plan sponsored by the University (including Federal Civil Service Disability benefits).

Income Loss Percentage is:

- your Indexed Predisability Earnings less any earnings from your regular job or other occupation; divided by
- your Indexed Predisability Earnings.

Indexed Predisability Earnings is your Predisability Earnings adjusted for increases in the Consumer Price Index.

Insurance Class means type of compensation, salaried vs. hourly; exempt vs. non-exempt; union vs. non-union.

Member means any faculty, administrative, professional and scientific, or supervisory merit system employee who is employed by the University and regularly scheduled to work for the University on a budgeted appointment of 1/3 time or more for at least nine months, or any employees of University Affiliates. **Member** excludes students, graduate students, post doctoral associates, non-supervisory merit system employees, and members of the Armed Services assigned to the staff of the University.

Partial Disability means you are working on a limited or part-time basis and your inability, solely and directly because of sickness or injury:

- during the Benefit Waiting Period and the two-year period immediately following the Benefit Waiting Period, to perform the majority of the material duties of your normal job, and you are unable to earn more than 70% of your Indexed Predisability Earnings; and
- after completion of the Benefit Waiting Period and the two-year period immediately following the Benefit Waiting Period, to perform the majority of the material duties of any job for which you are or may reasonably become qualified based on your education, training, or experience; and you are unable to earn more than 70% of your Indexed Predisability Earnings.

Physician means:

- a licensed Doctor of Medicine or Osteopathy; and
- any other licensed health care practitioner that state law requires be recognized as a Physician under your benefit plan.

Predisability Earnings mean your Covered Monthly Earnings in effect on the date Disability begins.

Primary Monthly Benefit (for TIAA-CREF Waiver of Annuity Contribution Benefit) means:

FOR MEMBERS WHO HAVE COMPLETED LESS THAN FIVE YEARS OF ACTIVE WORK:

On any date the sum of:

- 10% of the first \$400 of your Covered Monthly Earnings as of the date Disability starts; plus
- 15% of your Covered Monthly Earnings in excess of \$400 as of the date Disability starts.

FOR MEMBERS WHO HAVE COMPLETED FIVE OR MORE YEARS OF ACTIVE WORK:

On any date, 15% of your Covered Monthly Earnings as of the date Disability starts.

Primary Monthly Benefit (for other than TIAA-CREF Waiver of Annuity Contribution Benefit) means on any date:

FOR MEMBERS ELECTING THE 75/60% OPTION:

- 75% of the first \$1,000 of your Covered Monthly Earnings as of the date Disability starts; plus
- 60% of your Covered Monthly Earnings in excess of \$1,000 as of the date Disability starts;

up to a maximum benefit payable of \$10,000.

FOR MEMBERS ELECTING THE 50% OPTION:

- 50% of your Covered Monthly Earnings not to exceed \$8,000 as of the date Disability starts.

Total Disability/Totally Disabled means you are not working for wage or profit and your inability, solely and directly because of sickness or injury:

- during the Benefit Waiting Period and the two-year period immediately following the Benefit Waiting Period, to perform the majority of the material duties of your normal job; and
- after completion of the Benefit Waiting Period and the two-year period immediately following the Benefit Waiting Period, to perform the majority of the material duties of any job for which you are or may reasonably become qualified based on your education, training or experience.

University means Iowa State University of Science and Technology and shall include any affiliate or subsidiary of the University participating in this plan.

SUPPLEMENT TO YOUR BOOKLET-CERTIFICATE

The Employee Retirement Income Security Act (ERISA) requires that certain information be furnished to each participant in an employee benefit plan. Your booklet-certificate and this Supplement are the Summary Plan Description for purposes of ERISA.

1. **Employer Identification Number:**

EIN: 42-6004224
PN: 501

2. **Type Of Administration:**

Insurance Contract.

3. **Plan Administrator:**

Iowa State University of Science and Technology
Department of Human Resource Services, Benefits Office
3770 Beardshear Hall
Ames, IA 50011-2033

4. **Plan Sponsor:**

Iowa State University of Science and Technology
Department of Human Resource Services, Benefits Office
3770 Beardshear Hall
Ames, IA 50011-2033

5. **Agent For Legal Services:**

Iowa State University of Science and Technology
Department of Human Resource Services, Benefits Office
3770 Beardshear Hall
Ames, IA 50011-2033
Telephone: (515) 294-7680

Legal process may also be served upon the plan administrator.

6. **Type Of Participants Covered Under The Plan:**

All persons who are Members as defined on page 1 under the Eligibility portion of the How To Be Insured Section of this booklet.

7. **Sources And Methods Of Contributions To The Plan:**

Employer pays all of Member's contribution for Long Term Disability Insurance.
Employer pays all of Member's contribution for the TIAA-CREF Waiver of Annuity Contribution Benefit.

8. **Ending Date Of Plan's Calendar Year:**

December 31.

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Any Change of Beneficiary or Change of Name forms should also be attached to this page after having been properly recorded and returned to you.

You should also attach any riders to this page.

Notes



BOOKLET-CERTIFICATE RIDER

Subject: Employee Retirement Income Security Act (ERISA) Claims Procedures for Life, STD, and LTD Insurance

Effective January 1, 2002, the provisions described below will replace the provisions described in your booklet-certificate.

The Department of Labor has promulgated regulations regarding claims procedure requirements. If your plan of benefits include Life, STD and/or LTD, the Claims Procedures section of your group booklet-certificate has been changed to comply with the above referenced regulation.

Note: Changes have been made only to reflect the requirements of the ERISA. Any special state requirements relating to payment of claims remain unchanged unless they prevent the application of the ERISA requirements.

CLAIM PROCEDURES

Notice of Claim

Written notice of claim must be given to Principal Life Insurance Company within 20 days (3 months for LTD) after the date of loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

Claim Forms

Claim forms and other information needed to provide proof of loss must be filed with Principal Life Insurance Company in order to obtain payment of benefits. The Employer will provide appropriate claim forms to assist you in filing claims. If the forms are not provided within 15 days after Principal Life Insurance Company receives notice of claim, you will be considered to have complied with the requirements of the Group Policy regarding proof of loss upon submitting, within the time specified below for filing proof of loss, written proof covering the occurrence, character and extent of the loss.

Proof of Loss

For Life Insurance booklet-certificates

Claim forms and other information needed to prove loss should be filed promptly. Written proof of loss should be sent to Principal Life Insurance Company within 90 days after the date of loss. Proof required includes the date, nature, and extent of the loss. Principal Life Insurance Company may

request additional information to substantiate your loss or require a signed unaltered authorization to obtain that information from the provider. Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the appropriate claim form is received by Principal Life Insurance Company.

For STD and LTD Insurance policies

Claim forms and other information needed to prove loss should be filed promptly. Written proof of loss should be sent to Principal Life Insurance Company within 90 days after you complete your Elimination Period. (For Long Term Disability Insurance, written proof that Disability exists and has been continuous must be sent to Principal Life Insurance Company within six months after you complete your Elimination Period.) Proof required includes the date, nature, and extent of the loss. Principal Life Insurance Company may request additional information to substantiate your loss or require a signed unaltered authorization to obtain that information from the provider. Your failure to comply with such request could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employment Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the Elimination Period has been completed and the appropriate claim form is received by Principal Life Insurance Company.

Payment, Denial, and Review

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, Principal Life Insurance Company will send a written explanation prior to the expiration of the 45 days. A claimant is then allowed up to 45 days to provide all additional information requested. Principal Life Insurance Company is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to a claimant regarding the extension.

In actual practice, benefits will be payable sooner, provided Principal Life Insurance Company receives complete and proper proof of loss. Furthermore, if a claim is not payable or cannot be processed, Principal Life Insurance Company will submit a detailed explanation of the basis for the denial.

A claimant may request an appeal of a claim denial by written request to Principal Life Insurance Company within 180 days of receipt of notice of the denial. Principal Life Insurance Company will make a full and fair review of the claim. Principal Life Insurance Company may require additional information to make the review. Principal Life Insurance Company will notify a claimant in writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because Principal Life Insurance Company did not receive the requested additional information, Principal Life Insurance Company is permitted a 45-day extension for the review. Written notification will be sent to a claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, for Life insurance policies, “claimant” means you, your Dependent or beneficiary. For STD and LTD insurance policies, “claimant” means you.

Legal Action

Legal action with respect to a claim may not be started earlier than 90 days after proof of loss is filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after proof is required to be filed.

Please keep this rider with your booklet-certificate(s). Your booklet-certificate(s) will be updated sometime in the future to incorporate these provisions.

Nothing in this rider will vary, alter, or extend any provision or condition of the group policy(ies) other than as stated in this rider.

**PRINCIPAL LIFE INSURANCE COMPANY
DES MOINES, IOWA 50392-0302**