REQUEST FOR PROPOSALS FOR

Short Term Disability Program Services

ISSUING OFFICE

Pennsylvania Turnpike Commission

Human Resources Department

RFP NUMBER

RFP 09-10380-1930

DATE OF ISSUANCE

May 20, 2009

REQUEST FOR PROPOSALS FOR

SHORT TERM DISABILITY PROGRAM SERVICES
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DOCUMENTS BELOW ARE AVAILABLE UPON WRITTEN REQUEST. REFER TO ISSUING OFFICE IN PART I FOR CONTACT INFORMATION.

APPENDIX C – Reports

- Employee Census (An eligibility file will be issued monthly to the selected vendor on an ongoing basis.)
- Short Term Disability Utilization Report for January 2008 through March 2009

PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for **Short Term Disability Program Services.**

I-2. Issuing Office. This RFP is issued for the Commission by the **Human Resources Department. The mailing address is Post Office Box 67676, Human Resources, Harrisburg, PA 17106, 717-939-9551. Mr. Robert Nisley, Compensation and Benefits Supervisor in the Human Resources Department** will be the contact person for this project. Mr. Nisley's contact information is as follows:

Phone number: (717) 939-9551, extension 4262
Fax number: (717) 986-8760
Email address: rnisley@paturnpike.com

The Issuing Office is the sole point of contact in the Commission for this RFP.

I-3. Scope. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. Problem Statement. Provide Short Term Disability insurance and administration for the Commission within the guidelines of the Collective Bargaining Agreement and operating policies and procedures.

I-5. Type of Contract. It is proposed that if a contract is entered into as a result of this RFP, it will be a cost for services contract. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

I-6. Rejection of Proposals. The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-7. Subcontracting. Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, that were not previously identified in the proposal, must be approved in advance in writing by the Commission.

I-8. Incurring Costs. The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I-9. Questions and Answers. Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted to the Issuing Office at the address indicated above to be received no later than June 4, 2009 by 12:00 p.m. local time. All questions and written answers will be issued as an addendum to and become part of this RFP.

I-10. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 p.m. local time, June 18, 2009.** The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail delivery does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

I-12. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **eight (8) hard** copies and **two (2) CDs** to the Contract Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least **180** days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

I-13. Economy of Preparation. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

I-14. Discussions for Clarification. Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-15. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. Prime Proposer Responsibilities. The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-17. Proposal Contents. Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a contract is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

I-18. Debriefing Conferences. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer's request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers, other than the position of its proposal in relation to all other proposals.

I-19. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-20. Commission Participation. Unless specifically noted in this section, Proposers must provide all services to complete the identified work. Human Resources will provide an administrative contact/liaison for oversight of billing and coordination of benefits.

I-21. Cost Submittal. The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

I-22. Term of Contract. The term of the contract will commence on December 1, 2009 and will end three (3) years from that date with options of up to two (2) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. Proposer's Representations and Authorizations. Each Proposer by submitting its proposal understands, represents, and acknowledges that:

a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.

b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.

d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.

h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Sections II-1 through II-7 hereof; (ii) Cost Submittal, in response to Section II-8 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work as outlined in Part V of this RFP. Please formulate your response in detail to ensure a full understanding of your capabilities.

II-4. Prior Experience. Include experience in **Short Term Disability insurance and administration with a fully insured and/or self-insured option or both**. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-5. Personnel. Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in **Short Term Disability insurance and administration, with specific experience in administering the program in a public sector and predominantly union environment**. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. DBE/MBE/WBE Information. The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. The minimum participation level for DBE/MBE/WBEs in this contract will be 10% total. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. If the selected firm does not meet the minimum requirement for DBE/MBE/WBE participation, they will be required to demonstrate good faith efforts to achieve the required level. The Commission recognizes the following small, disadvantaged , woman and minority-owned business certifications for this RFP:

PA Unified Certification Program www.paucp.com
PA Department of General Services www.dgs.state.pa,us
National Minority Supplier Development Council www.nmsdcus.org
Women Business Enterprise National Council www.wbenc.org
U.S. Small Business Administration small disadvantaged businesses or 8(a) small disadvantaged business concerns

If further information is desired concerning DBE/MBE/WBE participation, direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.

II-8. Cost Submittal. The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal.

Proposers may submit a fully-insured and/or ASO self-insured arrangement.

The total cost you are proposing must be broken down into the following components:

a. Rates and Funding Arrangements
b. Retention
c. Network Access
d. Utilization Management
e. Case Management
f. Worksite Evaluation
g. Accommodation Program
h. Communication Materials
i. Implementation
j. Types of billings
k. Employer/Employee Online Services
l. Reporting and any Special Reporting
m. FICA administration costs
n. Run-out and the Length of Time for the Run-out
o. Broker/Consultant
p. Other Services (not listed above)
q. Total Cost

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

PART III
CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

III-2. Proposals will be reviewed and evaluated by a committee of qualified personnel selected by the Commission. This committee will recommend for selection the proposal that most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-3. The following criteria will be used in evaluating each proposal:

a. Understanding the Problem. This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

c. Personnel Qualifications. This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

d. Soundness of Approach. Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

e. Cost. While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

PART IV

WORK STATEMENT

IV-1. Objectives.

a. General. The Pennsylvania Turnpike Commission (PTC) is soliciting proposals from qualified vendors to establish a term contract with renewable options through competitive negotiations for the insurance and administration of its Short Term Disability program.

b. Specific. The PTC is soliciting competitive proposals to reduce Short Term Disability costs; effectively manage, control and adjudicate non-work related claims, provide high quality service, and to provide return to work and fraud and abuse services.

IV-2. Nature and Scope of the Project.

Background
The PTC is an independent agency of the Commonwealth of Pennsylvania. As a government agency, the PTC is not governed by the rules, regulations, or legislative requirements of ERISA.

The PA Turnpike is a key transportation route within the state of Pennsylvania and a vital link in the network of the eastern United States. The Turnpike is 531 miles in length with 57 fare collection facilities, 21 service plazas, two traveler information centers, 21 maintenance facilities, 8 State Police barracks and 5 tunnels. (www.paturnpike.com)

Scope
The Short Term Disability Program includes STD coverage and administration for non-work related and work-related claims for full time employees of the PTC. Work related claims initially denied but later paid by Worker's Compensation will be subject to repayment as outlined in the employee repayment agreement. The policy must have partial return to work provisions that apply only to those employees that are not part of a collective bargaining agreement. The PTC provides income replacement of 65% of weekly wages for up to 364 days, for full time employees who meet the eligibility requirements outlined in the STD Program Procedures. Currently there are approximately 2,038 employees (450 Management/Local 30S and 1,588 bargaining unit employees) who are eligible; they work in over 110 locations including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA and the Western Regional Office in New Stanton, PA. This is an employer-paid Program; employees are not required to make contributions in order to participate in the Program.

The plan year runs from December 1 through November 30.

IV-3. Requirements. The plan must be administered exactly as required by the Collective Bargaining Agreement and current PTC operating procedures. You should be able to provide online reporting and access including but not limited to: claims verification/status, application packets, payment verification, reports, forms, etc. You should be able to provide check cutting services, including tax withholding and reporting. Your proposal should include a minimum of a 12-month rate guarantee from the effective date. Please indicate your ability to provide multiple year administrative fee guarantees. The proposal must include statements of compliance with state and federal laws, such as ADA, HIPAA, Worker's Compensation, etc. (Note: Proposals should not include administration or

certification of FMLA leave. This is handled by the PTC.) Your proposal should include a performance guarantee, covering the quality, timeliness and accuracy of your processes and outcome achieved through the execution of your contracted services.

You must provide an annual accounting, not later than 120 days after the end of the policy year to include:

Premiums accrued
Claim charges
Contract expenses and/or or risk charges

All fees, rates and renewals submitted to the PTC by the vendor must be approved by the Commission in advance of application to the contract. You must be legally licensed in the Commonwealth of Pennsylvania to provide services by the effective date. You shall provide an annual audit report upon request by the Commission's Internal Audit department.

IV-4. Reports and Project Control.

a. **Task Plan.** Indicate the activities, responsibilities (both yours and the PTC's), timetable and services you will provide in implementation. Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship. Provide a list of the information you will need from the PTC for implementation.

b. **Status Report.** A monthly progress report covering activities, problems, and recommendations regarding implementation and the transition.

c. **Problem Identification Report.** An "as required" report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

d. **Ongoing Reports (as applicable).** On an ongoing basis, the vendor will be expected to provide quarterly electronic reports that include the following data elements for each STD claim. For a given claim, data should be provided given time period in which the claim was open and the employee was eligible, with the information reflecting experience to date from the time the claim was opened.

1) Employee ID Number
2) Gender
3) Work location
4) Union designation
5) Gross weekly benefit before offsets
6) Offsets for other income, legislation and/or overpayments and amounts
7) Title
8) First day of disability
9) Last day worked
10) Date employee first seen by physician
11) Benefit payment commencement date
12) Status of claimant (approved, expired, pending, etc.)
13) If Claimant accommodated, type of accommodation
14) Total days of absence

15) Case closed date
16) Reason for closure
17) Other cases specific expenses; IME's, surveillance, etc.
18) Diagnoses code (principle and secondary)

Additionally, on an ongoing basis, for the first year, the vendor will be expected to provide quarterly electronic reports to measure performance (as applicable):

1) Case management activities during this period, i.e. known cases, open cases, case status, recurrent claims
2) Claims duration, along with comparison to prior quarter and special list of claims open greater than 90 days
3) Summary of major diseases, chronic cases, multiple diagnoses
4) Number of IMS's, surveillance activities, etc.
5) Claims turnaround time – defined as clean claims
6) Claims accuracy
7) Appeals, successful versus denied
8) Customer service (speed of answer, abandonment rate, resolution of inquiries, etc.)
9) Timeliness of rehabilitation efforts and return to work efforts
10) Disability/case management services
11) Social security advocacy services
12) Account Management

PART V

QUESTIONNAIRE

A. COMPANY BACKGROUND

Please include specific information regarding your company, such as:

Years in Group Short Term Disability Administration
Number of total Short Term Disability Groups
Number of total Short Term Disability Membership
Average Loss Ratio (paid and incurred) for Short Term Disability over the past three years
Company financial information and ratings
Explain your future plans for Short Term Disability Administration
Explain what differentiates you from your competitor

B. CUSTOMER SERVICE

Include information regarding location, days, hours of operation
Describe employee experience and training requirements
Provide background on key personnel
Provide statistical data with regard to:
- Time to Answer
- Abandonment Rate
- Customer Satisfaction Rate
- Claim processing turnaround

Describe ability to provide dedicated toll-free phone line
Describe ability to offer one-point representative for employees
Please include a copy of your appeals process
Please provide Performance Guarantees (Time to Answer Calls, Abandonment Rate, Customer Satisfaction Rate, etc.) and indicate any cost in the cost section (Part II-8)

C. CLAIMS PROCESSING

Describe system capabilities
Are customer service notes and utilization management information integrated with claims system?
Provide statistical data relative to turnaround time and accuracy
How many short term disability claims were processed in 2008?
Advise if there will be any major system changes and how you will ensure minimal disruption to the participant
Please provide details on your “other party liability” functions including documentation of quantifiable savings
Describe your subrogation process
Please provide details on your subrogation functions including documentation of quantifiable savings

Please provide Performance Guarantees (Timeliness, Accuracy, etc.) and indicate any related cost in the cost section (Part II-8)
Describe vendor communication with employer and employees
Describe ability to provide customized notification letters for employees and indicate any related cost in the cost section (Part II-8)
Describe your electronic capabilities with respect to electronic and online claims data, claims status, claim forms, and payment verification
Describe ability to provide automated employer notifications when the following occurs: 1) new claim initiated, 2) approval/denial of claim, 3) request for extension (prior to approval/denial decision)
Describe your procedure for handling dual claims (Worker's Compensation and short term disability)
Describe your appeal process
Describe your procedure for handling fraudulent claims
Describe your procedure for handling claims by separated employees
Describe your claims management procedures including any variance if the program is fully insured versus self insured
Describe your policy for contract run outs
Provide your written procedures and documentation regarding FICA and reporting, federal, state and local withholding procedures, FUTA/SUTA reporting, and the handling of W-2 forms. What reports will be available to the PTC in this regard?
Describe your guidelines/restrictions on retroactive approvals

D. ACCOUNT MANAGEMENT

Provide background and location of Account Management Team
Provide biographies on all individuals responsible for Account Management
Will one point of contact be available?
Please provide contacts for:

- Implementation Services
- Daily Account (high-level) Management
- Claims and Billing Resolution

E. IMPLEMENTATION

Describe your implementation process and include a timeline of action items for the employer as well as the carrier
Indicate each team member's role in the implementation process
Will your staff attend onsite meetings?

F. BILLING

Confirm electronic billing is available
Describe billing process

G. REPORTING

Explain what standard reports are available
Describe online reporting capability for the employer
Describe custom report capabilities and turnaround

H. MISCELLANEOUS

Please describe in detail how the credibility of the group's experience is determined
Advise how you handle new legislative changes
Explain your audit process in detail
Explain your HIPAA compliance procedures and the impact of the regulation on communications with the Commission
Describe your cancellation policy
Describe any additional resources offered
Describe your process for handling part-time return to work
Explain your procedure for handling work-site evaluations/modifications
Describe your process for ensuring cost control
Describe how the IBNR Reserve (Incurred but not Reported) are returned or recovered in the renewal. How and when is it adjusted? How are the surpluses over that limit refunded? How are deficits handled that exceed the limit? What interest rate is credited to the IBNR Reserve?
What happens to balances in the IBNR if the group chooses to terminate coverage?

I. REFERENCES

Provide three references of current employer groups of similar size and scope
Provide three references of former employer groups of similar size and scope

J. SAMPLE DOCUMENTS

Claims management reports
Contracts
Claim reports
Employer and employee communication samples
Medical release forms
Most recent annual report
Flow chart of your procedure for claims processing from initial claim through closing of case including timeframes and responsibilities of employer
Your standard short term disability plan design

K. Administrative Services Only (ASO)

Under an ASO arrangement, is an advance deposit, cash advance, or letter of credit required? If so, how is the initial amount determined? How is each subsequent year determined?

Are there any payment options available that would eliminate the need for an advance deposit, cash advance, or letter of credit (i.e., weekly billing)?
For which costs would the Pennsylvania Turnpike Commission be responsible when under an ASO or self-funded arrangement; i.e. printing costs, mailing costs, reporting costs, legal fees, subrogation costs or other party liability, etc?
What is your procedure for administering all payments, tax reporting and billing?

SICK AND ACCIDENT (STD) EXCERPTS FROM THE COLLECTIVE BARGAINING AGREEMENT

ARTICLE 15-LEAVES OF ABSENCE

F. The current policy relevant to hospitalization coverage during the S & A period will remain at one hundred eighty (180) days.

G. Employees shall be eligible for Sick and Accident benefits after twelve (12) calendar days in accordance with the Insurance Carrier's policy requirements. Any employee granted S & A benefits may first utilize his accrued unused sick leave prior to commencing said benefits up to and including the required twelve (12) days in lieu of going on leave without pay status. In the event that the employee's unused accrued sick balance is insufficient to satisfy the twelve (12) day requirement, he may then utilize his vacation entitlement in lieu of going on leave without pay status.

H. The Commission may have a physician, nurse or other medical authority investigate the circumstances of any employee's illness or injury to determine whether the employee is taking appropriate steps to expedite his/her recovery and return to work.

ARTICLE 29-COMPENSATION CLAIMS

B. An employee who has returned to his regular duties after sustaining a compensable injury who is required by the Worker's Compensation doctor to receive additional medical treatment during his regularly scheduled working hours shall receive his regular hourly rate of pay for such time which shall be chargeable to his sick leave. An employee who claims Worker's Compensation benefits and Sick and Accident benefits shall not be entitled to receive both benefits at the same time but shall be permitted to apply for and receive Sick and Accident benefits during the pendency of any claim petition or other litigation filed by an employee because of the denial of Worker's Compensation benefit to him. If the employee is subsequently found to be entitled to receive Worker's Compensation benefits, the Commission shall be entitled to receive a credit for the compensation benefits awarded for all Sick and Accident wage loss benefits it has paid to the employee.

APPENDIX A
WAGES – FRINGE BENEFITS

7. SICK AND ACCIDENT COVERAGE

The Commission will provide Sick and Accident benefits as follows: The plan will provide 65% of employee's regular salary during the period of disability up to a maximum of fifty-two (52) weeks; however, an employee must return to work for ninety (90) days before an additional fifty-two (52) weeks of said benefits will be paid for disability due to the same cause. The Commission will pay hospitalization coverage for employees on disability up to a maximum of one hundred eighty (180) days. Included in said Sick and Accident plan is $10,000.00 accidental death and dismemberment coverage.

Appendix B

SHORT TERM DISABILITY PROGRAM PROCEDURES

Policy Statement

The Pennsylvania Turnpike Commission's Short Term Disability (STD) Program, which is administered by the Human Resources Department, is intended to assist employees who are unable to work because of a disability which prevents them from performing the material duties of their regular work assignment. After an initial waiting period, the program provides for payment of 65% of an employee's regular salary or base weekly earnings, excluding overtime and other special compensation. Payment may continue for a maximum of 52 weeks.

Disability

A personal injury or sickness that results in an employee's being unable to perform the material duties of his regular work assignment.

Eligible Participant

An eligible participant is either:

1. A full-time, permanent bargaining-unit employee of the PTC with a disability who has completed the appropriate probationary period and who is in compensable status; or
2. A full-time management or first-level supervisory 'Meet and Discuss' unit employee of the PTC with a disability who has worked in excess of 90 consecutive days and who is in compensable status.

Benefit

An eligible participant will receive 65% of his base salary for a maximum of 52 weeks. An eligible participant will receive PTC paid medical benefits for up to 26 weeks of the 52-week period. He may elect to receive the PTC medical benefit for the remaining 26 weeks if needed but must do so at his own cost.

Transitional Return to Work

Only Management/Local 30S employees are eligible for consideration under the partial return to work provision. An employee must be able to work at least 20 hours per week and may not work more than 80% of his/her regular schedule (32 hours per week). The employee may not receive more than 80% of his/her pre-disability earnings. The employee's benefits under the disability plan and from all other sources of income may not exceed 100% of eligible earnings prior to the employees' disability. Eligibility is also dependent upon the department's ability to accommodate a reduced work schedule, the employee's ability to safely work and the STD benefit carrier's approval of the employee's request for RTW. The total short term disability benefit is 364 days which includes full and partial days. Partial days are counted as full days under the guidelines.

Plan Administrator

The plan administrator is the PTC and its designated representatives.

Waiting Period

An eligible participant will be required to serve a 12-calendar day waiting period before receiving benefits. He will begin receiving STD benefits on the 13th calendar day continuing throughout the duration of the disability up to a maximum of 52 weeks for one period of disability.

Period of Disability

Benefits are payable up to 52 weeks during any one period of disability. Periods of disability caused by the same illness or injury, separated by less than 90 calendar days, shall be considered one period of disability. After an eligible participant has exhausted his 52-week benefit entitlement, he will be required to be in compensable status for 90 calendar days within a rolling 12-month period in order to become eligible for another 52-week benefit period for the same illness or injury. Subsequent periods of disability due to a different cause which begin after an eligible participant returns to his job for at least one full day, will entitle him to an additional 52 weeks of benefit payments after he serves a 12-calendar-day waiting period.

Claim Process

An eligible participant will be required to complete a claim form as specified by the Plan Administrator which shall include a medical data release provision permitting the Plan Administrator to obtain medical information to verify the claim. During any period of disability, the eligible participant must be under the care of a doctor of medicine, doctor of osteopathy or other qualified medical professional.

Medical Verification/Case Management

The Commission may have a physician, nurse or other medical authority investigate the circumstances of any employee's illness or injury to determine whether the employee is taking appropriate steps to expedite his recovery and return to work.

Right of Subrogation

When an employee's illness or injury is caused, in whole or in part by the act or omission of a third party, the Commission shall be subrogated to the right of the employee, his personal representative, his estate or his dependents, as to the recovery or settlement in a third party action initiated by the employee for reimbursement of any disability benefits and/or medical expenses paid by the Commission.

The Commission, however, will only exercise its right to subrogation with claims initiated by the employee, his personal representative, estate or dependents. The Commission waives its right of subrogation to any rights or causes of action that the employee may have under his personal insurance policy (auto, homeowners, etc.). In those cases where the third party recovery is not commensurate with the subrogation being claimed by the Commission, the Commission shall make every reasonable effort to adjust its claim so that the employee, the Commission and the attorney who represents the employee shall receive an equitable portion of the total recovery. The Commission will pay that portion of the attorney's fee at the same rate entered into by the employee, his personal representative, estate or dependents on the subrogated share of the total

settlement, award, etc., plus a pro rata share of other proper disbursements incurred in the recovery of effectuating a compromise settlement.

Benefit Limitations

Benefits will not be paid for:

1. Disabilities which are subsequently found to be compensable under the Worker's Compensation Laws and Regulations of the Commonwealth of Pennsylvania. Employees who have received Sickness and Accident benefits in this situation will have their Worker's Compensation benefits offset by an amount equal to the amount of STD benefits that he/she has received.
2. Claims resulting from any disability for which an employee is entitled to indemnity or compensation under any state disability benefit law.

Misuse of Benefits

In addition to the loss of this benefit, any employee who misuses this benefit entitlement shall be subject to appropriate disciplinary action up to and including suspension or termination.

Termination of Benefits

An employee will no longer be eligible for benefits if:

1. He ceases to be a full-time, permanent employee;
2. The plan is terminated in accordance with collective bargaining; or
3. The plan is terminated in accordance with law.

Appendix B

If an eligible employee is disabled on the date the plan is terminated, provided such disability continues without interruption, his weekly benefit will continue but not go beyond the earliest of: (a) the date he ceases to be totally disabled; (b) the 91st day following the termination of the plan; or (c) the date he receives the 52nd consecutive weekly benefit.

ADDENDUM NO. 1

RFP 09-10380-1930

Short Term Disability Program Services

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

QUESTIONS and ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of June 4, 2009. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

CLAIMS/RATE QUESTIONS AND ANSWERS

Answer to all claims/rate questions (1-10) below:

No rate information will be provided. Updated claims/enrollment/volume history will be sent to all carriers who have already submitted questions or already requested the census and utilization reports. For all others, this information is available upon written request to the Issuing Office as listed in the RFP.

1. Please request the historical lives/rate/volume for past 2-3 years.

2. How much are you paying PEPM?

3. Three or more years of premium & claims experience broken out by Month.

4. Three or more years of enrollment history broken out by month.

5. Current/Renewal rates (3 years of rate history would be preferred)

6. Do you have the current rate for the STD or how much premium you pay?

7. Can we get Paid Claims vs. paid premium from 1/1/07 through current?

8. What is the in force rate?

9. Request the following additional information:
   - Paid claims for 2006, 2007 (same format as 2008 report)
   - Paid premium, volume and covered lives by month for each of the above years

10. Based on the Utilization Report, it appears that 110 claims received benefit payment in the first quarter of 2008, with 96 in the second quarter, etc. Is it a reasonable assumption that this reflects your open/pending claim volume for each time period?

GENERAL QUESTIONS AND ANSWERS

11. On page 9 there are a number of items listed from a-q. Are you looking for all of these services to be available? Worksite evaluations, case management, utilization management etc?

    Not necessarily. Please provide costs for what you are proposing in your response.

12. Would the PTC be willing to consider a proposal for advice-to-pay services only?

    All proposals submitted will be considered.

13. Should this be quoted Net of Commissions?

    Commissions/Broker Fees should be broken out separately in your cost proposal.

14. Effective date with current carrier.

    December 1, 2005 through November 30, 2009.

15. Copy of current carrier's policy.

    Policy will not be provided.

16. Current method of claims intake (i.e.: paper, web, telephonic, etc.)

    Telephonic.

17. Reason for RFP (i.e.: dissatisfaction with current insurance carrier, dissatisfaction with current broker, checking rates with other vendors, etc.)

    Current contract expires November 30, 2009.

18. Is a copy of the in force policy available? If not, can you confirm what the weekly maximum benefit is?

    Policy will not be provided. The maximum weekly benefit is $2,500.

19. The RFP mentions a flat 10,000 AD&D benefit is included. Should we provide an AD&D quote or is this benefit self insured by the Turnpike?

The Commission provides AD&D outside of short-term disability. No AD&D quotes will be considered.

20. Per the benefit summary and contract language, an employee is entitled to up to 52 weeks (364 days) of STD benefit payment for a qualifying condition. If an employee is still disabled at the end of this period, is there a transition to LTD or is their employment terminated?

Employees can request up to one year of additional unpaid medical leave. We do not have a long-term disability program. Disability retirement is available through the State Employees' Retirement System.

21. Is there a benefit booklet available?

Benefit booklet is attached.

All other terms, conditions and requirements of the original RFP dated May 20, 2009 remain unchanged unless modified by this Addendum.

MANAGEMENT AND LOCAL 30S

(450 employees)

GROUP BENEFIT PLAN

Short Term Disability Class 2

SCHEDULE OF INSURANCE

Final interpretation of all provisions and coverages will be governed by the Group Insurance Policy on file with Hartford Life at its home office.

Policyholder:	PENNSYLVANIA TURNPIKE COMMISSION
Group Insurance Policy:	GRH-675546
Plan Effective Date:	December 1, 2005

This plan of Short Term Disability Insurance provides you with short term income protection if you become Disabled from a covered accident, sickness or pregnancy.

Must you contribute toward the cost of coverage?
You do not contribute toward the cost of coverage.

Who is eligible for coverage?

Eligible Class(es):	All Active Full-time Management and First Level Supervisory "Meet and Discuss" Employees of Pennsylvania Turnpike Commission who are not subject to a collective bargaining agreement and who are U.S. citizens or U.S. residents, excluding Supplemental, temporary and seasonal employees
Full-time Employees:	40 hours weekly

The **Weekly Benefit** will be the lesser of:
- 65% of your Weekly Earnings; or
- $2,500,

reduced by Other Income Benefits.

The **Minimum Weekly Benefit** will be the greater of:
- $10; or
- 10% of the Weekly Benefit before the deduction of Other Income Benefits.

The **Maximum Duration of Benefits** for a Disability is:
- 52 week(s) if caused by Accident;
- 52 week(s) if caused by Sickness.

Benefits Commence for Disability caused by:
- Accident: on the 13th day of Total Disability
- Sickness: on the 13th day of Total Disability

When will You become eligible? (Eligibility Waiting Period)
You will be eligible for coverage on the date on which You complete a waiting period of 90 days of continuous service.

The waiting period will be reduced by the period of time you were an Active Full-time Employee with the Employer under the Prior Plan.

ELIGIBILITY AND ENROLLMENT

Who are Eligible Persons?
All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

When will you become eligible?
You will become eligible for coverage on either:
1. the Plan Effective Date, if you have completed the Eligibility Waiting Period; or if not
2. the date on which you complete the Eligibility Waiting Period.

See the Schedule of Insurance for the Eligibility Waiting Period.

How do you enroll?
Eligible Persons will be enrolled automatically by the Employer.

WHEN COVERAGE STARTS

When does your coverage start?
If you are not required to contribute toward the plan's cost, your coverage will start on the date you become eligible.

DEFERRED EFFECTIVE DATE

Will coverage become effective if a disabling condition causes you to be absent from work on the date it is to start?
If you are absent from work due to your:
1. accidental bodily injury;
2. sickness;
3. pregnancy;
4. Mental Illness; or
5. Substance Abuse,

on the date your insurance or increase in coverage would otherwise have become effective, the effective date of the coverage or increase in coverage will be deferred until you have been Actively at Work for one full work-day.

CHANGES IN COVERAGE

Do coverage amounts change if there is a change in your class or your rate of pay?
Your coverage may increase or decrease on the date there is a change in your class or Weekly Earnings. However, no increase in coverage will be effective unless on that date you:
1. are an Active Full-time Employee; and
2. are not absent from work due to your being Disabled.

If you were so absent from work, the effective date of such increase will be deferred until you are Actively at Work for one full day.

No change in your Weekly Earnings will become effective until the date we receive notice of the change.

What happens if the Employer changes the Plan?
Any increase or decrease in coverage because of a change in the Schedule of Insurance will become effective on the date of the change, except that the limitations on increases stated in the Deferred Effective Date provision will apply.

BENEFITS

How do benefits become payable for Total Disability?
If, while covered under this Benefit, you become Totally Disabled, and furnish proof to us that you remain Totally Disabled, we will pay the Weekly Benefit shown in the Schedule of Insurance.

The amount of any Weekly Benefit payable shall be reduced by the total amount of all Other Income Benefits, including any amount for which you could collect but did not apply.

See the Schedule of Insurance for the Weekly Benefit, the Minimum Weekly Benefit, the Maximum Duration of Benefits, and when Benefits Commence.

No benefits will be payable unless you are under the care of a Physician other than yourself or a member of your immediate family. A member of your immediate family is your spouse, father, mother, brother, sister, son or daughter.

PROPORTIONAL DISABILITY BENEFITS

How are benefits paid for Proportional Disability?
After benefits have commenced for Total Disability, if you return to work on a part-time or limited duty basis because you are Proportionally Disabled, the following calculation is used to determine your Weekly Benefit:

Weekly Benefit = **((A - B) / A) x C**

Where

A = Your pre-disability Weekly Earnings.
B = Your Current Weekly Earnings.
C = The Weekly Benefit payable if you were Totally Disabled.

Your Weekly Benefit, however, will not be less than the Minimum Weekly Benefit shown in the Schedule of Insurance.

If you are participating in a program of Rehabilitative Employment approved by us, your Weekly Benefit will be determined by the Rehabilitative Employment Benefit.

How is a benefit calculated for a period of less than a week?
If a Weekly Benefit is payable for less than a week, we will pay 1/7 of the Weekly Benefit for each day you were Disabled.

When will benefit payments cease?
Benefit payments will stop on the first to occur of:
1. the date you are no longer Disabled;
2. the date you fail to furnish proof that you continue to be Disabled;
3. the date you refuse to be examined, if we require an examination;
4. the last day benefits are payable according to the Maximum Duration of Benefits shown in the Schedule of Insurance;
5. the date you die; or
6. the date You receive retirement benefits from any employer's Retirement plan, unless:
   a) You were receiving them prior to becoming Disabled; or
   b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

RECURRENT DISABILITY

What happens to your benefits if you return to work as an Active Full-time Employee and then become Disabled again?
If you return to work as an Active Full-time Employee for 90 consecutive days or more, any recurrence of a disability will be treated as a new Disability with respect to when Benefits Commence and the Maximum Duration of Benefits, as shown in the Schedule of Insurance.

If recurrent periods of Disability are:
1. due to the same or a related cause; and
2. separated by less than 90 consecutive days of work as an Active Full-time Employee,

they will be considered to be the same period of Disability.

MULTIPLE CAUSES

How long will benefits be paid if a period of Disability is extended by another cause?
If a period of Disability is extended by a new cause while weekly benefits are payable, weekly benefits will continue while you remain Disabled, subject to the following:
1. weekly benefits will not continue beyond the end of the original Maximum Duration of Benefits; and
2. the Exclusions will apply to the new cause of Disability.

VOCATIONAL REHABILITATION

What is Vocational Rehabilitation?

Vocational Rehabilitation means employment or services that prepare you, if Disabled, to resume gainful work.

Our Vocational Rehabilitative Services include, when appropriate, any necessary and feasible:
1. vocational testing;
2. vocational training;
3. work-place modification;
4. prosthesis; or
5. job placement.

WORKPLACE MODIFICATION BENEFIT

Will our Rehabilitation program provide for modifications to the workplace to accommodate a Disabled employee's return to work?
We will provide reasonable modifications to your workplace to accommodate your Disability and enable you to return to work as an Active Full-time Employee. To qualify for this benefit:
1. your Disability must be covered by this plan;
2. the Employer must agree to allow modifications to the workplace in order to reasonably accommodate your return to work and the performance of the essential duties of your job; and
3. any proposed modifications must be approved by us.

Benefits paid for such workplace modification shall not exceed the amount equal to your Pre-disability Earnings multiplied by the Initial Benefit Period Percentage for which you enrolled.

We have the right, at our expense, to have you examined or evaluated by:
1. a physician or other health care professional; or
2. a vocational expert or rehabilitation specialist,

of our choice so that we may evaluate the appropriateness of any proposed modification.

This Workplace Modification benefit will not be payable if:
1. there is no cost incurred in making the modification; or
2. we have not approved the modification.

Workplace Modification means change in your work environment, or in the way a job is performed, to allow you to perform, while Disabled, the Essential Duties of your job. Payment of this benefit will not reduce or deny any benefit you are eligible to receive under the terms of this plan.

REHABILITATIVE EMPLOYMENT

Rehabilitative Employment means employment that is part of a program of Vocational Rehabilitation. Any program of Rehabilitative Employment must be approved, in writing, by us.

Do earnings from Rehabilitative Employment affect the Weekly Benefit?
If you are Disabled and are engaged in an approved program of Rehabilitative Employment, your Weekly Benefit will be:
1. the amount calculated for Total Disability; but
2. reduced by 50% of the income received from each week of such Rehabilitative Employment.

The sum of your Weekly Benefit and total income received under this provision may not exceed 100% of your pre-disability Weekly Earnings. If this sum exceeds your pre-disability Weekly Earnings, the Weekly Benefit paid by us will be reduced proportionately.

EXCLUSIONS

What Disabilities are not covered?
The plan does not cover, and no benefit shall be paid for, any:
1. injury, sickness, Mental Illness, Substance Abuse, or pregnancy not being treated by a Physician or surgeon;
2. Disability caused or contributed to by war or act of war (declared or not);
3. Disability caused by your commission of or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal occupation;
4. Disability caused or contributed to by an intentionally self-inflicted injury;
5. any non-medically necessary surgery; or
6. sickness or injury for which workers' compensation benefits are paid, or may be paid, if duly claimed.

If you are receiving, or are eligible to receive, benefits for a Disability under a prior plan of disability benefits that:
1. was sponsored by the Employer; and
2. was terminated on the day before the Effective Date of this plan,

then no benefits will be payable for the Disability under this plan.

TERMINATION

When does your insurance terminate?
Your insurance will terminate on the earliest of:
1. the date the Group Insurance Policy terminates;
2. the date the Group Insurance Policy no longer insures your class;
3. the date premium payment is due but not paid by the Employer;
4. the last day of the period for which you make any required premium contribution, if you fail to make any further required contribution;
5. the date on which you cease to be an Active Full-time Employee in an eligible class, including:
   a) temporary layoff;
   b) leave of absence; or
   c) work stoppage (including a strike or lockout); or
   d) the date your Employer ceases to be a Participant Employer, if applicable.

May coverage be continued during a family or medical leave?
If you are granted a leave of absence according to the Family and Medical Leave Act of 1993, your Employer may continue your insurance for up to 12 weeks, or longer if required by state law, following the date your coverage would have terminated, subject to the following:
1. the leave authorization must be in writing;
2. the required premium for you must be paid;
3. your benefit level, or the amount of earnings upon which your benefit may be based, will be that in effect on the day before said leave commenced; and
4. such continuation will cease immediately if one of the following events should occur:
   a) the leave terminates prior to the agreed upon date;
   b) the termination of the Group Insurance Policy;
   c) non-payment of premium when due by the Policyholder or you;
   d) the Group Insurance Policy no longer insures your class; or
   e) the date your Employer ceases to be a Participant Employer, if applicable.

May coverage be continued during a leave of absence?
If you are granted a paid or unpaid temporary or indefinite administrative or involuntary leave of absence or paid sick leave, your Employer may continue your insurance for 90 day(s) following the date coverage would have terminated, subject to the following:
1. the leave authorization must be in writing, or must be documented as a leave for military purposes;
2. the required premium for you must be paid;
3. your benefit level, or the amount of earnings upon which your benefits may be based, will be that in effect on the day before said leave commenced; and
4. such continuation will cease immediately if one of the following events should occur:
   a) the leave terminates prior to the agreed upon date;
   b) the termination of the Group Insurance Policy;
   c) non-payment of premium when due by the Policyholder or you;
   d) the Group Insurance Policy no longer insures your class; or
   e) the date your Employer ceases to be a Participant Employer, if applicable.

A period when you are absent from active work as part of a severance or other employment termination agreement is not considered a leave of absence.

Does your insurance continue while you are Disabled and no longer an Active Full-time Employee?
If you are no longer an Active Full-time Employee because you are Disabled, your Short Term Disability Insurance will be continued:
1. while you remain Disabled; and
2. until the end of the period for which you are entitled to receive Short Term Disability Benefits.

After Short Term Disability benefit payments have ceased, your insurance will be reinstated, provided:
1. you return to work for one full day as an Active Full-time Employee in an eligible class;
2. the Group Insurance Policy remains in force; and
3. the premiums for you were paid during your Disability, and continue to be paid.

Do benefits continue if the Group Insurance Policy terminates?
If you are entitled to benefits while Disabled and the Group Insurance Policy terminates, benefits:
1. will continue as long as you remain Disabled by the same disabling condition; but
2. will not be provided beyond the date we would have ceased to pay benefits had the insurance remained in force.

Termination for any reason of the Group Insurance Policy will have no affect on our liability under this provision.

GENERAL PROVISIONS

What happens if facts are misstated?
If material facts about you were not stated accurately:
1. your premium may be adjusted; and
2. the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement made by you relating to your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during your lifetime. In order to be used, the statement must be in writing and signed by you.

When should we be notified of a claim?
You must give us written notice of a claim within 30 days after Disability starts. If notice cannot be given within that time, it must be given as soon as reasonably possible. Such notice must include your name, your address and the Group Insurance Policy number.

Are special forms required to file a claim?
Proof of loss is typically provided by telephone; however, if forms are required, they will be sent to You for providing Proof of Loss within 15 days after We receive a notice of claim.

When must proof of loss be given?
Written proof of your Disability must be sent to us within 90 days after the start of the period for which we owe payment. After that, we may require further written proof that you are still Disabled. If proof is not given by the time it is due, it will not affect the claim if:
1. it was not possible to give proof within the required time; and
2. proof is given as soon as reasonably possible; but
1. not later than 1 year after it is due, unless you are not legally competent.

We have the right to require, as part of the proof of loss:
1. your signed statement identifying all Other Income Benefits; and
2. proof satisfactory to us that you and your dependents have duly applied for all Other Income Benefits which are available.

May additional proof be required?
We may have you examined to determine if you are Disabled. Any such examination will be:
1. at our expense; and
2. as reasonably required by us.

We reserve the right to determine if your proof of loss is satisfactory.

Who gets the benefit payments?
All payments are payable to you. Any payments owed at your death may be paid to your estate. If any payment is owed to your estate, we may pay up to $1,000 to any of your relatives who is entitled to it in our opinion. Any such payment shall fulfill our responsibility for the amount paid.

When are payment checks issued?
If written proof of loss is furnished, accrued benefits will be paid at the end of each week that you are Disabled. If payment is due at the end of a claim, it will be paid as soon as the written proof of loss is received.

What notification will you receive if your claim is denied?
If a claim for benefits is wholly or partly denied, you will be furnished with written notification of the decision. This written decision will:

1. give the specific reason(s) for the denial;
2. make specific reference to the policy provisions on which the denial is based;
3. provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
4. provide an explanation of the review procedure.

What recourse do You have if Your claim is denied?
On any claim, you or your representative may appeal to us for a full and fair review. You may:

1. request a review upon written application within 180 days of the claim denial;
2. request copies of all documents, records, and other information relevant to your claim; and
3. submit written comments, documents, records and other information relating to your claim.

We will make a decision no more than 45 days after we receive your appeal unless we determine special circumstances exist that require an extension of time to process the appeal. If your appeal requires extension, we will make our decision no more than 90 days after we receive your appeal. The written decision will include specific references to the Policy provisions on which the decision is based.

When can legal action be started?
Legal action cannot be taken against us:

1. sooner than 60 days after due proof of loss has been furnished; or
2. later than the expiration of:
   a) 3 years; or if longer
   b) the period of time stated in the applicable Statute of Limitations,

   after the time written proof of loss is required to be furnished according to the terms of the Group Insurance Policy.

What are our subrogation rights?
If you:

1. suffer a Disability because of the act or omission of a third party;
2. become entitled to and are paid benefits under the Group Insurance Policy in compensation for lost wages; and
3. do not initiate legal action for the recovery of such benefits from the third party in a reasonable period of time,

then we will be subrogated to any rights you may have against the third party and may, at our option, bring legal action to recover any payments made by us in connection with the Disability.

Who interprets policy terms and conditions?
We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of the Group Insurance Policy.

DEFINITIONS

The terms listed will have these meanings:

Active Full-time Employee means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. Such employee must work the number of hours in the Employer's normal work week. This must be at least the number of hours for Full-time Employment shown in the Schedule of Insurance.

Actively at Work
You will be considered to be actively at work with the Employer on a day which is one of the Employer's scheduled work days if you are performing, in the usual way, all of the regular duties of your job on a Full-time basis on that day. You will be deemed to be actively at work on a day which is not one of the Employer's scheduled work days only if you were actively at work on the preceding scheduled work day.

Current Weekly Earnings means the Weekly Earnings you receive from any employer or for any work while Disabled and eligible for Proportional Disability benefits under this plan.

Disability means Total or Proportional Disability.

Disabled means Totally or Proportionally Disabled.

Employer means the Policyholder.

Mental Illness means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations or psychological, behavioral or emotional disorders without demonstrable organic origin.

Other Income Benefits mean the amount of any benefit for loss of income, provided to you or to your family as a result of the period of Disability for which you are claiming benefits under this plan. This includes any such benefits for which you or your family are eligible, or that are paid to you, your family, or to a third party on your behalf. This includes the amount of any benefit for loss of income from:

1. the United States Social Security Act, the Civil Service Retirement System, the Railroad Retirement Act, the Jones Act, the Canada Pension Plan, the Quebec Pension Plan or similar plan or act that you, your spouse, or your children are eligible to receive because of your Disability;
2. any plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the Employer, or as a result of membership in or association with any group, association, union or other organization;
3. the Veteran's Administration or any other foreign or domestic governmental agency for the same Disability;
4. any governmental law or program that provides disability or unemployment benefits as a result of your job with the Employer;
5. any temporary or permanent disability benefits under a workers' compensation law, occupational disease law, or similar law; or
6. individual insurance policy where the premium is wholly or partially paid by the Employer.

Other Income Benefits will also include the amount of any benefits for loss of income from the portion of a settlement or judgement, minus associated costs, of a lawsuit that represents or compensates for your loss of earnings.

Any general increase in benefits required by law that you are entitled to receive under any Federal Law will not reduce the Short Term Disability Benefit payable for a period of Total Disability that began prior to the date of such increase.

If you are paid Other Income Benefits in a lump sum, we will pro-rate the lump sum:

1. over the period of time it would have been paid if not paid in a lump sum; or
2. if such period of time cannot be determined, over a period of 260 weeks.

Proportional Disability or Proportionally Disabled means that, immediately following a period of Total Disability for which you were eligible to receive a Weekly Benefit, you are:

1. still prevented by the same disabling condition from performing essential duties of your occupation; but
2. you have recovered to the extent that you are:
   a) able to perform some, but not all, of the essential duties of your occupation; and
   b) as a result, you are earning more than 20% but no more than 80% of your pre-disability Weekly Earnings.

Physician means a practitioner of a healing art, which we are required by law to recognize, who is properly licensed, and practicing within the scope of that license.

Prior Plan means the short term disability plan carried by the Employer on the day before the Plan Effective Date.

Sickness vs. Accident
A Disability shall be deemed to be caused by sickness, and not by accident, if:
1. it is caused or contributed to by:
   a) any condition, disease or disorder of the body or mind;
   b) any infection, except a pus-forming infection of an accidental cut or wound;
   c) hernia of any type unless it is the immediate result of an accidental injury covered by this plan;
   d) any disease of the heart;
   e) Mental Illness;
   f) Substance Abuse;
   g) pregnancy;
   h) any medical treatment for items (a) through (g) above; or
2. it is caused directly or indirectly by accident, but commences more than 30 days after the date of the accident.

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:
1. impairments in social and/or occupational functioning;
2. debilitating physical condition;
3. inability to abstain from or reduce consumption of the substance; or
4. the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

Total Disability or Totally Disabled means that you are prevented by:
1. accidental bodily injury;
2. sickness;
3. Mental Illness;
4. Substance Abuse; or
5. pregnancy,

from performing the essential duties of your occupation, and as a result, you are earning less than 20% of your pre-disability Weekly Earnings.

We, us or **our** means the Hartford Life and Accident Insurance Company.

For Operations Center Duty Officer:
If you are paid hourly, **Weekly Earnings** means your usual hourly rate of pay multiplied by the number of hours you are regularly scheduled to work per week, not to exceed 48 hours, not counting:
1. commissions;
2. bonuses;
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you do not have regularly scheduled work hours, **Weekly Earnings** means your usual hourly rate of pay, multiplied by the average number of hours worked per week during the most recent 52 week period prior to the date your disability began; or over the number of weeks you worked for the Employer prior to becoming Disabled, not to exceed 48 hours, not counting;
1. commissions;
2. bonuses
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you become Disabled, your Weekly Earnings will be the rate in effect on your last day as an Active Full-time Employee before becoming Totally Disabled.

For all other Employees:
If you are paid hourly, **Weekly Earnings** means your usual hourly rate of pay multiplied by the number of hours you are regularly scheduled to work per week, not to exceed 40 hours, not counting:

1. commissions;
2. bonuses;
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you do not have regularly scheduled work hours, **Weekly Earnings** means your usual hourly rate of pay, multiplied by the average number of hours worked per week during the most recent 52 week period prior to the date your disability began; or over the number of weeks you worked for the Employer prior to becoming Disabled, not to exceed 40 hours, not counting;

1. commissions;
2. bonuses
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you become Disabled, your Weekly Earnings will be the rate in effect on your last day as an Active Full-time Employee before becoming Totally Disabled.

You or **your** means the insured person to whom this Booklet-certificate is issued.

STATUTORY PROVISIONS

NEW YORK

SHORT TERM DISABILITY

The following provision is applicable to residents of New York and is included to bring your Booklet-certificate into conformity with New York state law.

Subrogation

The provision entitled "What are our subrogation rights?" is deleted.

UNION

GROUP BENEFIT PLAN

Short Term Disability Class 1

SCHEDULE OF INSURANCE

Final interpretation of all provisions and coverages will be governed by the Group Insurance Policy on file with Hartford Life at its home office.

Policyholder:	PENNSYLVANIA TURNPIKE COMMISSION
Group Insurance Policy:	GRH-675546
Plan Effective Date:	December 1, 2005

This plan of Short Term Disability Insurance provides you with short term income protection if you become Disabled from a covered accident, sickness or pregnancy.

Must you contribute toward the cost of coverage?
You do not contribute toward the cost of coverage.

Who is eligible for coverage?

Eligible Class(es):	All Active Full-time Employees of the Pennsylvania Turnpike Commission who are subject to a collective bargaining agreement who are U.S. citizens or U.S. residents, excluding Supplemental, temporary and seasonal employees
Full-time Employees:	40 hours weekly

The **Weekly Benefit** will be the lesser of:
- 65% of your Weekly Earnings; or
- $2,500,

reduced by Other Income Benefits.

The **Minimum Weekly Benefit** will be the greater of:
- $10; or
- 10% of the Weekly Benefit before the deduction of Other Income Benefits.

The **Maximum Duration of Benefits** for a Disability is:
- 52 week(s) if caused by Accident;
- 52 week(s) if caused by Sickness.

Benefits Commence for Disability caused by:
- Accident: on the 13th day of Total Disability
- Sickness: on the 13th day of Total Disability

When will You become eligible? (Eligibility Waiting Period)
You will be eligible for coverage on the date on which You complete a waiting period of 90 days of continuous service.

The waiting period will be reduced by the period of time you were an Active Full-time Employee with the Employer under the Prior Plan.

ELIGIBILITY AND ENROLLMENT

Who are Eligible Persons?
All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

When will you become eligible?
You will become eligible for coverage on either:
1. the Plan Effective Date, if you have completed the Eligibility Waiting Period; or if not
2. the date on which you complete the Eligibility Waiting Period.

See the Schedule of Insurance for the Eligibility Waiting Period.

How do you enroll?
Eligible Persons will be enrolled automatically by the Employer.

WHEN COVERAGE STARTS

When does your coverage start?
If you are not required to contribute toward the plan's cost, your coverage will start on the date you become eligible.

DEFERRED EFFECTIVE DATE

Will coverage become effective if a disabling condition causes you to be absent from work on the date it is to start?
If you are absent from work due to your:
1. accidental bodily injury;
2. sickness;
3. pregnancy;
4. Mental Illness; or
5. Substance Abuse,

on the date your insurance or increase in coverage would otherwise have become effective, the effective date of the coverage or increase in coverage will be deferred until you have been Actively at Work for one full work-day.

CHANGES IN COVERAGE

Do coverage amounts change if there is a change in your class or your rate of pay?
Your coverage may increase or decrease on the date there is a change in your class or Weekly Earnings. However, no increase in coverage will be effective unless on that date you:
1. are an Active Full-time Employee; and
2. are not absent from work due to your being Disabled.

If you were so absent from work, the effective date of such increase will be deferred until you are Actively at Work for one full day.

No change in your Weekly Earnings will become effective until the date we receive notice of the change.

What happens if the Employer changes the Plan?
Any increase or decrease in coverage because of a change in the Schedule of Insurance will become effective on the date of the change, except that the limitations on increases stated in the Deferred Effective Date provision will apply.

BENEFITS

How do benefits become payable for Total Disability?
If, while covered under this Benefit, you become Totally Disabled, and furnish proof to us that you remain Totally Disabled, we will pay the Weekly Benefit shown in the Schedule of Insurance.

The amount of any Weekly Benefit payable shall be reduced by the total amount of all Other Income Benefits, including any amount for which you could collect but did not apply.

See the Schedule of Insurance for the Weekly Benefit, the Minimum Weekly Benefit, the Maximum Duration of Benefits, and when Benefits Commence.

No benefits will be payable unless you are under the care of a Physician other than yourself or a member of your immediate family. A member of your immediate family is your spouse, father, mother, brother, sister, son or daughter.

How is a benefit calculated for a period of less than a week?
If a Weekly Benefit is payable for less than a week, we will pay 1/7 of the Weekly Benefit for each day you were Disabled.

When will benefit payments cease?
Benefit payments will stop on the first to occur of:
1. the date you are no longer Disabled;
2. the date you fail to furnish proof that you continue to be Disabled;
3. the date you refuse to be examined, if we require an examination;
4. the last day benefits are payable according to the Maximum Duration of Benefits shown in the Schedule of Insurance;
5. the date you die; or
6. the date You receive retirement benefits from any employer's Retirement plan, unless:
   a) You were receiving them prior to becoming Disabled; or
   b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

WORKPLACE MODIFICATION BENEFIT

Will our Rehabilitation program provide for modifications to the workplace to accommodate a Disabled employee's return to work?
We will provide reasonable modifications to your workplace to accommodate your Disability and enable you to return to work as an Active Full-time Employee. To qualify for this benefit:
1. your Disability must be covered by this plan;
2. the Employer must agree to allow modifications to the workplace in order to reasonably accommodate your return to work and the performance of the essential duties of your job; and
3. any proposed modifications must be approved by us.

Benefits paid for such workplace modification shall not exceed the amount equal to your Pre-disability Earnings multiplied by the Initial Benefit Period Percentage for which you enrolled.

We have the right, at our expense, to have you examined or evaluated by:
1. a physician or other health care professional; or
2. a vocational expert or rehabilitation specialist,

of our choice so that we may evaluate the appropriateness of any proposed modification.

This Workplace Modification benefit will not be payable if:
1. there is no cost incurred in making the modification; or

2. we have not approved the modification.

Workplace Modification means change in your work environment, or in the way a job is performed, to allow you to perform, while Disabled, the Essential Duties of your job. Payment of this benefit will not reduce or deny any benefit you are eligible to receive under the terms of this plan.

RECURRENT DISABILITY

What happens to your benefits if you return to work as an Active Full-time Employee and then become Disabled again?
If you return to work as an Active Full-time Employee for 90 consecutive days or more, any recurrence of a disability will be treated as a new Disability with respect to when Benefits Commence and the Maximum Duration of Benefits, as shown in the Schedule of Insurance.

If recurrent periods of Disability are:
1. due to the same or a related cause; and
2. separated by less than 90 consecutive days of work as an Active Full-time Employee,

they will be considered to be the same period of Disability.

MULTIPLE CAUSES

How long will benefits be paid if a period of Disability is extended by another cause?
If a period of Disability is extended by a new cause while weekly benefits are payable, weekly benefits will continue while you remain Disabled, subject to the following:
1. weekly benefits will not continue beyond the end of the original Maximum Duration of Benefits; and
2. the Exclusions will apply to the new cause of Disability.

EXCLUSIONS

What Disabilities are not covered?
The plan does not cover, and no benefit shall be paid for, any:
1. injury, sickness, Mental Illness, Substance Abuse, or pregnancy not being treated by a Physician or surgeon;
2. Disability caused or contributed to by war or act of war (declared or not);
3. Disability caused by your commission of or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal occupation;
4. Disability caused or contributed by an intentionally self-inflicted injury;
5. any non-medically necessary surgery; or
6. sickness or injury for which workers' compensation benefits are paid, or may be paid, if duly claimed.

If you are receiving, or are eligible to receive, benefits for a Disability under a prior plan of disability benefits that:
1. was sponsored by the Employer; and
2. was terminated on the day before the Effective Date of this plan,

then no benefits will be payable for the Disability under this plan.

TERMINATION

When does your insurance terminate?
Your insurance will terminate on the earliest of:
1. the date the Group Insurance Policy terminates;
2. the date the Group Insurance Policy no longer insures your class;
3. the date premium payment is due but not paid by the Employer;
4. the last day of the period for which you make any required premium contribution, if you fail to make any further required contribution;
5. the date on which you cease to be an Active Full-time Employee in an eligible class, including:
   a) temporary layoff;
   b) leave of absence; or
   c) work stoppage (including a strike or lockout); or
   d) the date your Employer ceases to be a Participant Employer, if applicable.

May coverage be continued during a family or medical leave?
If you are granted a leave of absence according to the Family and Medical Leave Act of 1993, your Employer may continue your insurance for up to 12 weeks, or longer if required by state law, following the date your coverage would have terminated, subject to the following:
1. the leave authorization must be in writing;
2. the required premium for you must be paid;
3. your benefit level, or the amount of earnings upon which your benefit may be based, will be that in effect on the day before said leave commenced; and
4. such continuation will cease immediately if one of the following events should occur:
   a) the leave terminates prior to the agreed upon date;
   b) the termination of the Group Insurance Policy;
   c) non-payment of premium when due by the Policyholder or you;
   d) the Group Insurance Policy no longer insures your class; or
   e) the date your Employer ceases to be a Participant Employer, if applicable.

May coverage be continued during a leave of absence?
If you are granted a paid or unpaid temporary or indefinite administrative or involuntary leave of absence or paid sick leave, your Employer may continue your insurance for 90 day(s) following the date coverage would have terminated, subject to the following:
1. the leave authorization must be in writing, or must be documented as a leave for military purposes;
2. the required premium for you must be paid;
3. your benefit level, or the amount of earnings upon which your benefits may be based, will be that in effect on the day before said leave commenced; and
4. such continuation will cease immediately if one of the following events should occur:
   a) the leave terminates prior to the agreed upon date;
   b) the termination of the Group Insurance Policy;
   c) non-payment of premium when due by the Policyholder or you;
   d) the Group Insurance Policy no longer insures your class; or
   e) the date your Employer ceases to be a Participant Employer, if applicable."

A period when you are absent from active work as part of a severance or other employment termination agreement is not considered a leave of absence.

Does your insurance continue while you are Disabled and no longer an Active Full-time Employee?
If you are no longer an Active Full-time Employee because you are Disabled, your Short Term Disability Insurance will be continued:
1. while you remain Disabled; and
2. until the end of the period for which you are entitled to receive Short Term Disability Benefits.

After Short Term Disability benefit payments have ceased, your insurance will be reinstated, provided:
1. you return to work for one full day as an Active Full-time Employee in an eligible class;
2. the Group Insurance Policy remains in force; and
3. the premiums for you were paid during your Disability, and continue to be paid.

Do benefits continue if the Group Insurance Policy terminates?
If you are entitled to benefits while Disabled and the Group Insurance Policy terminates, benefits:
1. will continue as long as you remain Disabled by the same disabling condition; but
2. will not be provided beyond the date we would have ceased to pay benefits had the insurance remained in force.

Termination for any reason of the Group Insurance Policy will have no affect on our liability under this provision.

GENERAL PROVISIONS

What happens if facts are misstated?
If material facts about you were not stated accurately:
1. your premium may be adjusted; and
2. the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement made by you relating to your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during your lifetime. In order to be used, the statement must be in writing and signed by you.

When should we be notified of a claim?
You must give us written notice of a claim within 30 days after Disability starts. If notice cannot be given within that time, it must be given as soon as reasonably possible. Such notice must include your name, your address and the Group Insurance Policy number.

Are special forms required to file a claim?
Proof of loss is typically provided by telephone; however, if forms are required, they will be sent to You for providing Proof of Loss within 15 days after We receive a notice of claim.

When must proof of loss be given?
Written proof of your Disability must be sent to us within 90 days after the start of the period for which we owe payment. After that, we may require further written proof that you are still Disabled. If proof is not given by the time it is due, it will not affect the claim if:
1. it was not possible to give proof within the required time; and
2. proof is given as soon as reasonably possible; but
1. not later than 1 year after it is due, unless you are not legally competent.

We have the right to require, as part of the proof of loss:
1. your signed statement identifying all Other Income Benefits; and
2. proof satisfactory to us that you and your dependents have duly applied for all Other Income Benefits which are available.

May additional proof be required?
We may have you examined to determine if you are Disabled. Any such examination will be:
1. at our expense; and
2. as reasonably required by us.

We reserve the right to determine if your proof of loss is satisfactory.

Who gets the benefit payments?
All payments are payable to you. Any payments owed at your death may be paid to your estate. If any payment is owed to your estate, we may pay up to $1,000 to any of your relatives who is entitled to it in our opinion. Any such payment shall fulfill our responsibility for the amount paid.

When are payment checks issued?
If written proof of loss is furnished, accrued benefits will be paid at the end of each week that you are Disabled. If payment is due at the end of a claim, it will be paid as soon as the written proof of loss is received.

What notification will you receive if your claim is denied?
If a claim for benefits is wholly or partly denied, you will be furnished with written notification of the decision. This written decision will:

1. give the specific reason(s) for the denial;
2. make specific reference to the policy provisions on which the denial is based;
3. provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
4. provide an explanation of the review procedure.

What recourse do You have if Your claim is denied?
On any claim, you or your representative may appeal to us for a full and fair review. You may:

1. request a review upon written application within 180 days of the claim denial;
2. request copies of all documents, records, and other information relevant to your claim; and
3. submit written comments, documents, records and other information relating to your claim.

We will make a decision no more than 45 days after we receive your appeal unless we determine special circumstances exist that require an extension of time to process the appeal. If your appeal requires extension, we will make our decision no more than 90 days after we receive your appeal. The written decision will include specific references to the Policy provisions on which the decision is based.

When can legal action be started?
Legal action cannot be taken against us:

1. sooner than 60 days after due proof of loss has been furnished; or
2. later than the expiration of:
   a) 3 years; or if longer
   b) the period of time stated in the applicable Statute of Limitations,

   after the time written proof of loss is required to be furnished according to the terms of the Group Insurance Policy.

What are our subrogation rights?
If you:

2. suffer a Disability because of the act or omission of a third party;
3. become entitled to and are paid benefits under the Group Insurance Policy in compensation for lost wages; and
4. do not initiate legal action for the recovery of such benefits from the third party in a reasonable period of time,

then we will be subrogated to any rights you may have against the third party and may, at our option, bring legal action to recover any payments made by us in connection with the Disability.

Who interprets policy terms and conditions?
We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of the Group Insurance Policy.

DEFINITIONS

The terms listed will have these meanings:

Active Full-time Employee means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. Such employee must work the number of hours in the Employer's normal work week. This must be at least the number of hours for Full-time Employment shown in the Schedule of Insurance.

Actively at Work
You will be considered to be actively at work with the Employer on a day which is one of the Employer's scheduled work days if you are performing, in the usual way, all of the regular duties of your job on a Full-time basis on that day. You will be deemed to be actively at work on a day which is not one of the Employer's scheduled work days only if you were actively at work on the preceding scheduled work day.

Disability means Total Disability.

Disabled means Totally Disabled.

Employer means the Policyholder.

Mental Illness means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations or psychological, behavioral or emotional disorders without demonstrable organic origin.

Other Income Benefits mean the amount of any benefit for loss of income, provided to you or to your family as a result of the period of Disability for which you are claiming benefits under this plan. This includes any such benefits for which you or your family are eligible, or that are paid to you, your family, or to a third party on your behalf. This includes the amount of any benefit for loss of income from:

1. the Civil Service Retirement System, the Railroad Retirement Act, the Jones Act, the Canada Pension Plan, the Quebec Pension Plan or similar plan or act that you, your spouse, or your children are eligible to receive because of your Disability;
2. any plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the Employer, or as a result of membership in or association with any group, association, union or other organization, not including benefits received from any statutory disability income plan;
3. the Veteran's Administration or any other foreign or domestic governmental agency for the same Disability;
4. any governmental law or program that provides disability or unemployment benefits as a result of your job with the Employer, not including benefits from the United States Social Security Act;
5. any temporary or permanent disability benefits under a workers' compensation law, occupational disease law, or similar law; or
6. individual insurance policy where the premium is wholly or partially paid by the Employer.

Other Income Benefits will also include the amount of any benefits for loss of income from the portion of a settlement or judgement, minus associated costs, of a lawsuit that represents or compensates for your loss of earnings.

Any general increase in benefits required by law that you are entitled to receive under any Federal Law will not reduce the Short Term Disability Benefit payable for a period of Total Disability that began prior to the date of such increase.

If you are paid Other Income Benefits in a lump sum, we will pro-rate the lump sum:

1. over the period of time it would have been paid if not paid in a lump sum; or
2. if such period of time cannot be determined, over a period of 260 weeks.

Physician means a practitioner of a healing art, which we are required by law to recognize, who is properly licensed, and practicing within the scope of that license.

Prior Plan means the short term disability plan carried by the Employer on the day before the Plan Effective Date.

Sickness vs. Accident
A Disability shall be deemed to be caused by sickness, and not by accident, if:
1. it is caused or contributed to by:
   a) any condition, disease or disorder of the body or mind;
   b) any infection, except a pus-forming infection of an accidental cut or wound;
   c) hernia of any type unless it is the immediate result of an accidental injury covered by this plan;
   d) any disease of the heart;
   e) Mental Illness;
   f) Substance Abuse;
   g) pregnancy;
   h) any medical treatment for items (a) through (g) above; or
2. it is caused directly or indirectly by accident, but commences more than 30 days after the date of the accident.

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:
1. impairments in social and/or occupational functioning;
2. debilitating physical condition;
3. inability to abstain from or reduce consumption of the substance; or
4. the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

Total Disability or Totally Disabled means that you are prevented by:
1. accidental bodily injury;
2. sickness;
3. Mental Illness;
4. Substance Abuse; or
5. pregnancy,

from performing the essential duties of your occupation, and as a result, you are earning less than 20% of your pre-disability Weekly Earnings.

We, **us** or **our** means the Hartford Life and Accident Insurance Company.

If you are paid hourly, **Weekly Earnings** means your usual hourly rate of pay multiplied by the number of hours you are regularly scheduled to work per week, not to exceed 40 hours, not counting:
1. commissions;
2. bonuses;
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you do not have regularly scheduled work hours, **Weekly Earnings** means your usual hourly rate of pay, multiplied by the average number of hours worked per week during the most recent 52 week period prior to the date your disability began; or over the number of weeks you worked for the Employer prior to becoming Disabled, not to exceed 40 hours, not counting;
1. commissions;
2. bonuses
3. overtime pay; or
4. any other fringe benefit or extra compensation.

If you become Disabled, your Weekly Earnings will be the rate in effect on your last day as an Active Full-time Employee before becoming Totally Disabled.

You or **your** means the insured person to whom this Booklet-certificate is issued.

STATUTORY PROVISIONS

NEW YORK

SHORT TERM DISABILITY

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The provision entitled "What are our subrogation rights?" is deleted.