

CERTIFICATE OF INSURANCE

GROUP LONG TERM DISABILITY INSURANCE

CEDAR FALLS COMMUNITY SCHOOL DISTRICT
CEDAR FALLS, IOWA

ALL ELIGIBLE EMPLOYEES (CERTIFIED EMPLOYEES)

Administered by:
NATIONAL  **INSURANCE**
SERVICES
of Wisconsin, Inc.

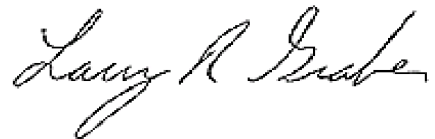
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.
Mailing Address: P.O. Box 5008, Madison, Wisconsin 53705

(HEREIN CALLED THE COMPANY)

Certifies that it has issued the group insurance policy shown below and that, subject to the terms of that policy, the named employee is insured for the benefits described in this Certificate. The initial coverage shown in the Schedule of Benefits is the coverage in effect on the certificate date if the employee is in active service on that date; otherwise, upon his or her return to active service.

Policyholder: TRUSTEE OF THE SCHOOLS INSURANCE FUND

This Certificate will in no way void any of the terms contained in the Group Insurance Policy. It replaces any and all certificates and certificate riders issued for the above named employee under the policy referred to herein.

A handwritten signature in cursive script, appearing to read "Larry R. Grabe".

President

FORM LTD-2 CERT.

Table of Contents To Your Certificate

	<u>Page(s)</u>
Schedule of Benefits	SB
Definitions	1-2
Eligibility and Effective Dates	3
Basic Benefits	4-5
Exclusions and Limitations	5
Individual Termination	5-6
General Policy Provisions	6-8
Other Income Benefits	A(1), A(2), A(3), A(4)
Recurrent Disability	B
Rehabilitation	B
Cumulative Elimination Period*	C
Partial Disability*	D
Survivor Benefit*	E
Specific Loss Benefit*	F
Cost of Living Adjustment*	G or G(1)
Continuity of Coverage Upon Transfer of Insurance	H
Carriers	
All Sources Maximum Benefit*	I
Daily Indemnity Benefit for Injuries*	J
Pre-existing Conditions*	K
Mental Illness	L(1), L(2) or L(5)
Calculation of Periodic Benefits	N(1) or N(2)
Presumptive Disability*	O
Residual Disability*	P
Short Term Disability Benefit*	Q
Lifestyle LTD*	LTD2-RID2
Medical Premium Expense Benefit*	Claims/Rider 2
Subrogation*	Amend 3
Special Conditions Limitation*	Amend 13
Long Term Care*	END 34
Right of Recovery Provision**	Amend 35

*These optional provisions may or may not be part of your group plan. You will not have pages in the Certificate for those not part of your group plan.

**This provision will be included as a standard provision in all states where it has been filed and approved. You will not have pages in the Certificate if it has not been filed and approved in your state.

--TC--

FORM LTD-2 CERT.

SCHEDULE OF BENEFITS

FOR

ALL ELIGIBLE EMPLOYEES (CERTIFIED EMPLOYEES)

CEDAR FALLS COMMUNITY SCHOOL DISTRICT
CEDAR FALLS, IOWA

Carrier Number: 6231

Group Effective Date: July 1, 2001
Benefits Revised Date: August 1, 2010

Benefit Percentage	Maximum Benefit Period		Elimination Period
	<u>Age at Disablement</u>	<u>Duration of Benefits</u>	
60% of Basic earnings	61 or younger	To Age 65	Greater of 90 Consecutive Calendar Days or End of Sick Leave
Some Sources Maximum Benefit Applies	62	3-1/2 years	
	63	3 years	
	64	2-1/2 years	
	65	2 years	
	66	1-3/4 years	
	67	1-1/2 years	
	68	1-1/4 years	
	69 and over	1 year	

Maximum Annual Covered Salary: \$180,000

Maximum Monthly Benefit: \$9,000

Minimum Monthly Benefit: Greater of \$50 or 10% of Gross Monthly Benefit

SPECIAL PROVISIONS FOR ALL ELIGIBLE EMPLOYEES (CERTIFIED EMPLOYEES) OF
CEDAR FALLS COMMUNITY SCHOOL DISTRICT:

Eligibility Date:

Under 'SECTION II – ELIGIBILITY AND EFFECTIVE DATES', under subsection 'B. ELIGIBILITY DATE', item '2.' is hereby deleted in its entirety and replaced with:

'2. the first of the month after you complete the Probationary Period'.

Minimum Hour Requirement For Active Service:

Those employees that work 80% of a Full-Time schedule, or anyone who has been involuntarily reduced to 50% of a Full-Time schedule.

Individual Terminations:

Under 'SECTION V – INDIVIDUAL TERMINATION', under '6.', item 'b.' and item 'c.' are hereby deleted and replaced with:

'b. for paid board-approved leaves of absence, subject to the following:

i. Noncontributory coverage

1. Coverage will continue provided that:

- a. we receive written notice in advance of a leave approved by the Employer which includes the beginning and ending dates of the leave and the amount of your covered salary; and
- b. paid leaves of absence and the right to continue coverage during paid leaves are available to all Employees in the same Eligible Class under the Group Policy; and
- c. the Employer remits the required premium for coverage.

2. The Elimination Period can be satisfied during a paid leave of absence, but benefits will not begin until the later of the end of the Elimination Period or the date the paid leave was scheduled to end. In the event a benefit is payable, it will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the paid leave of absence, or the salary for which premium was paid.

3. Unless you return to active, eligible status on or before the date the leave is scheduled to end, coverage extended during a paid leave will terminate on the earlier of the date the paid leave is scheduled to end or 12 months from the date the paid leave began.

c. for unpaid board-approved leaves of absence, subject to the following:

i. Noncontributory Coverage

1. Coverage will continue provided that:

- a. we receive written notice in advance of an unpaid leave of absence approved by the Employer which includes the beginning and ending dates of the unpaid leave of absence and the amount of your covered salary; and
- b. unpaid leaves of absence and the right to continue coverage during unpaid leaves of absence are available to all Employees in the same Eligible Class under the Group Policy; and
- c. the Employer remits the required premium for coverage.

PAGE TWO OF THE SPECIAL PROVISIONS FOR ALL ELIGIBLE EMPLOYEES (CERTIFIED EMPLOYEES) OF CEDAR FALLS COMMUNITY SCHOOL DISTRICT:

Individual Terminations (Continued):

2. No benefits are payable during an unpaid leave of absence. If you become Disabled during such leave, the Elimination Period will begin on the date the unpaid leave of absence was scheduled to end. The benefit will be based on the lesser of your earnings in effect on your last full day of Active Work prior to the unpaid leave of absence, or the salary for which premium was paid.
3. Unless you return to active, eligible status on or before the date the unpaid leave of absence is scheduled to end, coverage extended during an unpaid leave of absence will terminate on the earlier of the date the unpaid leave of absence is scheduled to end or 12 months from the date the unpaid leave of absence began.'

Probationary Period:

None

Monthly Benefit:

Under the Certificate of Insurance 'SECTION III – BENEFITS', section 'B. MONTHLY BENEFIT' and the 'Other Income Benefits' section are hereby deleted and replaced with:

“The amount of the Monthly Benefit is calculated as the smaller of:

- 60% of your Basic earnings, subject to the Maximum Monthly Benefit, in force on the date your Total Disability begins, less all Income from Specified Sources; or
- 75% of your Basic earnings in force on the date your Total Disability begins, less all Income from General Sources.

Your Income from Specified Sources for each month will be the sum of:

- all disability payments for the month that you and your dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act; and
- if you are age 65 or older, all retirement payments for the month that you and your dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act; and
- if you are less than age 65, all retirement payments for the month that you and your dependents receive under the Federal Social Security Act; and
- 50% of any wage or profit paid to you for the month while under Rehabilitation, and
- all benefits received from IPERS or any other retirement benefit plan of the school system.

Your Income from General Sources for each month will be the sum of:

- all Income from Specified Sources for the month; and
- all loss of wages payments for the month (other than payments from the Veterans' Administration) that you receive under a Worker's Compensation Act or other similar law; and
- all payments for the month that you receive (or would have received if complete and timely application had been made) under a plan that provides benefits for loss of time from work, if the Employer pays a part of the cost or makes payroll deductions for that plan; and
- all payments for the month that you are eligible to receive from any sick pay, salary continuance (including vacation pay) or pension plan sponsored by the Employer; and

PAGE THREE OF THE SPECIAL PROVISIONS FOR ALL ELIGIBLE EMPLOYEES (CERTIFIED EMPLOYEES) OF CEDAR FALLS COMMUNITY SCHOOL DISTRICT:

Monthly Benefit (Continued):

- if you have reached the normal retirement date under IPERS or any other retirement plan of the school system, all benefits which you are eligible to receive under such plan.

After the first deduction for Social Security benefits, the Monthly Benefit will not be further reduced due to any cost of living increases payable under Social Security.

Disability and unreduced retirement benefits received under the Federal Social Security Act will be estimated if such benefits:

- (1) have not been awarded and have not been denied; or
- (2) have been denied, until such time as the denial is appealed through the final administrative appeals level; or
- (3) were at one time awarded but are now being denied, until such time as the denial is appealed through the final administrative appeals level.

If benefits have been estimated, the Monthly Benefit will be adjusted when the Company receives proof:

- (1) of the amount awarded; or
- (2) that benefits have been denied at the final administrative appeals level and the denial is not being appealed to the courts.

In the case of (2) above, a lump sum refund of the estimated amounts will be made.”

Survivor Benefit:

Benefit ‘E’, entitled ‘Survivor Benefit’ shall apply. However, the second and third paragraphs are deleted in their entirety and replaced with:

‘The Company will pay a benefit to your Eligible Survivor when proof is received that you died while receiving a Monthly Benefit.

The benefit will be an amount equal to three times your last monthly benefit.’

Full Maternity Coverage:

Pregnancy, childbirth and related medical conditions shall be regarded as a Sickness and shall be subject to all the provisions of the Policy relating to Sickness. However, your inability to engage in your own or any occupation shall not be due to lack of presentability or childrearing.

Mental Illness Limitation:

Benefit ‘L(5)’ applies. Furthermore, the definition of “Mental or emotional illness” found on this page is hereby deleted in its entirety and replaced with:

“‘Mental or emotional illness’ means any neurosis, psychoneurosis, psychopathy, psychosis and all other mental or emotional illness of any type including, but not limited to, substance abuse or addiction and the use of any hallucinogen. ‘Substance abuse’ includes alcoholism and the taking of a prescription or controlled drug in a manner not prescribed or recommended by a physician.’

SECTION I - DEFINITIONS

"Active service" means you must be working:

1. for the employer on a permanent full-time basis and paid regular earnings;
2. at least 600 hours per year unless otherwise specified in the Schedule of Benefits; and either
3. at the employer's usual place of business; or
4. at a location to which the employer's business requires you to travel.

You will be deemed to be in active service on each day of a regular paid vacation or on a regular nonworking day on which you are not disabled if you were in active service on the last preceding regular working day.

"Basic earnings" means your base wage of earnings received from the employer immediately prior to the date total disability starts. Basic earnings are based on your normal work week, but in no event for a work week of more than 40 hours. Basic earnings do not include bonus, overtime, or any plan of deferred or extra income. If the Schedule of Benefits so states, basic earnings will include base earnings plus earnings for extracurricular activities agreed to as part of your employment contract.

"Company" means Madison National Life Insurance Company, Inc.

"Contract day employee" means an employee who agrees to work on, and is paid on the basis of, a specified number of contract working days per school year. The number of such days is as set forth in the employing district's school calendar or as otherwise agreed to between the employer and the employee. Contract working days include, for example, school attendance days, in-service days, and certain paid legal holidays.

"Eligibility date" means the date you become eligible for insurance under the policy. Classes eligible are shown in the Schedule of Benefits.

"Elimination period" means a period of consecutive dates of total disability for which no benefit is payable. The elimination period is shown in the Schedule of Benefits and begins on the first day of total disability.

"Employee" is as defined in the Schedule of Benefits.

"Employer" means any employer who:

1. executes a Joinder Agreement with the Trustee of The Schools Insurance Fund; and
2. designates the Trustee as the entity to act as policyholder for it in conjunction with providing benefits described in the policy.

"Injury" means bodily injury resulting directly from an accident and independently of all other causes. The injury must occur and total disability must begin while you are insured under the policy.

"Insured" means an employee insured under the policy.

"Joinder Agreement" means an agreement made between an employer and the policyholder and approved by the Company to provide insurance under the policy.

"Monthly benefit" means the amount payable by the Company to you if and when you are a disabled insured.

"Non-contract day employee" means an employee who is not a contract day employee. A non-contract day employee includes, for example, an employee who is paid on an hourly, weekly, monthly, annual, or other periodic basis. He or she is not paid on the basis of contract working days as set forth in the employer's district school calendar or as otherwise agreed to between the employer and the employee.

"Physician" means a person who is:

1. operating within the scope of his or her license; and either
2. licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
3. legally qualified as a medical practitioner and required to be recognized under the policy for insurance purposes, according to the insurance statutes or the insurance regulations of the governing jurisdiction.

It will not include you or your spouse, daughter, son, father, mother, sister or brother.

"Policy" means the Group Long Term Disability Insurance Policy under which your Certificate is issued.

"Policyholder" means the policyholder named in this Certificate.

"Probationary period," as shown in the Schedule of Benefits, means the continuous length of time you must serve in an eligible class to reach your eligibility date.

"Retirement date" means the earlier of:

1. the first date as of which you apply for and receive retirement benefits under any pension plan to which the employer contributes; or
2. the first date as of which you apply for and receive retirement benefits under any state or federal government retirement plan or social security law. This does not include benefits which are payable solely for disability or solely because of employment or service with a state or federal governmental unit.

You must apply for any retirement benefits for which you are eligible no later than your 65th birthday. If no application is made at that time, the benefits under the policy shall be reduced by the estimated amount of benefits for which you are eligible.

"Sickness" means illness or disease which causes total disability. The total disability must begin while you are insured under the policy.

"Total disability" and "totally disabled" mean that because of injury or sickness:

1. you cannot perform each of the substantial and material duties of your regular occupation; and
2. after benefits have been paid for 24 months, you cannot perform each of the substantial and material duties of any gainful occupation for which you are reasonably fitted by training, education or experience; and
3. you are under the regular care and attendance of a physician. "Regular care and attendance" means observation and treatment by a physician. Such care and attendance is as required by current standards of medicine for the injury or sickness causing total disability.

"You" and "your" means the person named in this Certificate.

SECTION II - ELIGIBILITY AND EFFECTIVE DATES

A. ELIGIBLE CLASSES

The classes eligible for insurance are shown in the Schedule of Benefits.

B. ELIGIBILITY DATE

An employee in an eligible class will be eligible for insurance on the later of:

1. the Group Effective Date shown in the Schedule of Benefits; or
2. the day after you complete the probationary period.

C. EFFECTIVE DATES OF INSURANCE

1. Insurance will be effective at 12:01 a.m. on the day determined as follows, but only if your written application for insurance is:
 - a. made with the Company through your employer; and
 - b. on a form satisfactory to the Company.
2. You will be insured on your eligibility date if you are not required to contribute to the cost of your coverage under the policy.
3. If you are required to contribute to the cost of your coverage under the policy, you will be insured on the latest of these dates:
 - a. your eligibility date, if you have made written application for insurance on or before this date;
 - b. the date you make written application for insurance, if you do it on or before the 31st day after your eligibility date;
 - c. the date the Company gives its approval, if you:
 - i. make written application for insurance more than 31 days after your eligibility date; or
 - ii. terminated your insurance while continuing to be eligible.

In the case of i. and ii. above, you must submit an application and evidence of insurability to the Company for approval. This will be at your expense.

4. Delayed Effective Date for Insurance - The effective date of any initial, increased or additional insurance will be delayed for you if you are not in active service because of a disability. The initial, increased or additional insurance will start on the date you return to active service.

SECTION III - BENEFITS

A. TOTAL DISABILITY

When the Company receives proof that you are totally disabled due to sickness or injury, the Company will pay you a monthly benefit after the end of the elimination period. The benefit will be paid for the period of total disability if you give to the Company proof of continued total disability.

The proof must be given upon request and at your expense. The monthly benefit will not:

1. exceed your amount of insurance; nor
2. be paid for longer than the maximum benefit period.

The amount of insurance and the maximum benefit period are shown in the Schedule of Benefits.

B. MONTHLY BENEFIT

To figure the amount of monthly benefit:

1. Multiply your basic monthly earnings by the benefit percentage shown in the Schedule of Benefits.
2. Take the lesser of the amount:
 - a. determined in step 1 above; or
 - b. of the maximum monthly benefit shown in the Schedule of Benefits; and
3. Deduct other income benefits from this amount. Other income benefits are shown in the "Other Income Benefits" provision of this Certificate.

The monthly benefit payable will never be less than the minimum monthly benefit shown in the Schedule of Benefits.

C. PRESUMPTION OF CERTAIN COVERAGES

It is presumed that you:

1. are covered: under the Federal Social Security Act; and a state teacher's retirement fund or a state retirement fund;
2. agree to apply for those benefits and/or any income benefit to which you may be entitled;
3. are getting periodic cash payments under such programs in an amount equal to the amount you or your dependents would receive were they receiving such payments.

If for any reason you are not eligible for Social Security, state teacher's, or state retirement benefits, at time of notice of claim, you must give notice with evidence that you are not so eligible.

D. LUMP SUM PAYMENTS

Other income benefits which are paid in a lump sum will be prorated on a monthly basis over the time period for which the sum is given. If no time period is stated, the sum will be prorated on a monthly basis over your expected lifetime as determined by the Company.

E. TERMINATION OF THE MONTHLY BENEFIT

The monthly benefit will cease on the earliest of:

1. the date you cease to be totally disabled;
2. the date you die; or
3. the end of the maximum benefit period.

F. WAIVER OF PREMIUM

Premium payments for you will be waived during any period for which benefits to you are payable. Premium payments may be resumed following a period during which they are waived.

SECTION IV - EXCLUSIONS AND LIMITATIONS

A. GENERAL EXCLUSIONS

The policy does not cover any total disability:

1. due to war, declared or undeclared, or any act of war;
2. due to any act of international armed conflict or conflict involving the armed forces of any country;
3. while you are in the armed forces of any country or international authority;
4. due to your attempted suicide while sane or insane;
5. as a result of your intentionally self-inflicted injuries;
6. as a result of your committing of or attempting to commit a felony or any type of assault or battery;
7. as a result of your participation in a riot;
8. as a result of your engaging in an illegal activity.

B. If your Certificate contains a pre-existing condition exclusion, it will be found on page K of this Certificate.

C. Your Certificate will contain one of the following pages regarding mental illness coverage and limitations: L(1); L(2); or L(5). Please read this page carefully.

SECTION V - INDIVIDUAL TERMINATION

You will cease to be insured on the earliest of the following dates:

1. the date the policy terminates.
2. the date the employer's Joinder Agreement terminates.
3. the date you are no longer in an eligible class.
4. the date your class is no longer included for insurance.
5. the last day for which you made any required contribution.

6. the date your employment terminates. Cessation of your active employment will be deemed termination of employment, except:
 - a. the insurance will be continued for you if you are absent due to total disability during:
 - i. the elimination period; and
 - ii. the period during which premium is being waived.
 - b. for paid sabbatical leaves, if you are a professional employee, subject to the following:
 - i. premium and benefit payments are based upon your last active salary;
 - ii. 100% of the employees on paid sabbatical leave must be covered; and
 - iii. this coverage is limited to a period of not more than one year.
 - c. unpaid sabbatical leaves, if you are a professional employee, subject to the following:
 - i. coverage would exist, but no benefits will be paid during the year of unpaid leave;
 - ii. unpaid leave is limited to one year, and either a signed contract or some written agreement that you would be returning to work the following year must exist;
 - iii. the elimination period begins with the beginning of the school year when you would have returned to work;
 - iv. premium and benefit payments are based upon your last active salary; and
 - v. 100% of the employees on unpaid leave would be required to participate in this coverage.
 - d. if you are a contract day employee and if you do not terminate your employment prior to the end of the required working days as stated in your contract, your active service will be deemed to continue until the first required working day of the next contract year.
7. your retirement date.

SECTION VI - GENERAL POLICY PROVISIONS

A. STATEMENTS

In the absence of fraud, all statements made in any application are considered representations and not warranties (absolute guarantees). No representation by:

1. the policyholder in applying for the policy will make it void unless the representation is contained in the application; or
2. you in applying for insurance under the policy will be used to reduce or deny a claim unless a copy of the application for insurance is or has been given to you.

No statement of the policyholder, except a fraudulent misstatement, shall be used to void the policy after it has been in force for two years. No statement of yours, except a fraudulent misstatement, shall be used in defense to a claim for total disability after your insurance has been in effect for two years.

B. COMPLETE CONTRACT - POLICY CHANGES

1. The policy is the complete contract. It includes:
 - a. the application of the policyholder;
 - b. each employee's application for insurance.
2. The policy may be changed in whole or in part. Only an officer of the Company can approve a change. The approval must be in writing and endorsed on or attached to the policy.
3. No other person, including an agent, may change the policy or waive any part of it.

C. GRACE PERIOD

If the policyholder does not pay in full any renewal premium on or before its due date, the policyholder will have a grace period in which to pay that renewal premium. The policy will remain in force during the grace period. If the premium is not paid in full before the grace period ends, the policy will end on the last day of the grace period.

The grace period will end 31 days after the premium due date. If the policyholder gives written notice to the Company at its Home Office, before or during the grace period, that it desires to end the policy before the end of the grace period, the policy will end either on the date the notice is received by the Company at its Home Office or on the date stated in the notice, whichever is later.

D. CLERICAL ERROR

Clerical error or omission will not:

1. deprive you of insurance;
2. affect your amount of insurance; or
3. effect or continue your insurance which otherwise would not be in force.

E. MISSTATEMENTS OF FACTS

If relevant facts about you were not accurate:

1. a fair adjustment of premium will be made; and
2. the true facts will decide if and in what amount insurance is valid under the policy.

F. NOTICE OF CLAIM

1. Written notice of claim must be given to the Company within 60 days of the date total disability starts, if that is possible. If that is not possible, the Company must be notified as soon as it is reasonably possible to do so.
2. When the Company has the written notice of claim, it will send you its claim forms. If the forms are not received within 15 days after written notice of claim is sent, you can send the Company written proof of claim without waiting for the form.

G. PROOF OF LOSS

1. Proof of loss must be given to the Company. This must be done no later than 90 days after the end of the period for which the Company is liable.
2. If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. But proof of loss may not be given later than one year after the time proof is otherwise required, except in the absence of legal capacity.

H. PHYSICAL EXAMINATION AND AUTOPSY

The Company, at its own expense, will have the right and opportunity to have you, if your injury or sickness is the basis of a claim, examined by a physician or vocational expert of its choice. This right may be used as often as reasonably required. The Company may also have an autopsy made when it is not forbidden by law.

I. LEGAL ACTIONS

You or your authorized representative cannot start any legal action:

1. until 60 days after proof of loss has been given; nor
2. more than three years after the time proof of loss is required.

J. TIME OF PAYMENT OF CLAIMS

When the Company receives proof of loss, benefits payable under the policy will be paid monthly during any period for which the Company is liable.

K. PAYMENT OF CLAIMS

Benefits will be paid to you. The survivor benefit will be paid to the survivor, if any, as described in the provision "Survivor Benefit." If there is no survivor, they are payable in accordance with the beneficiary designation in effect at the time of payment. If none is then in effect, the benefits will be paid to your estate. Any other benefits unpaid at death may be paid, at the Company's option, either to your beneficiary or estate. If benefits are payable to your estate or a beneficiary who cannot execute a valid release, the Company can pay benefits up to \$1,000.00 to someone related to you or your beneficiary by blood or marriage whom the Company considers to be entitled to the benefits. The Company shall be discharged to the extent of any such payment made in good faith.

L. WORKERS' COMPENSATION

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

M. AGENCY

For all purposes of the policy, the policyholder acts on its own behalf or as agent of the employee. Under no circumstances will the policyholder be deemed the agent of the Company without a written authorization.

N. EMPLOYER'S GROUP NUMBER

Each employer will have its own group number. This number is shown on your Schedule of Benefits.

INSERT PAGES

Continuity of Coverage Upon Transfer of Insurance Benefits

In order to prevent loss of coverage for an employee because of a transfer of insurance carriers, the policy will provide coverage for certain employees as follows:

Failure to be in Active Service Due to Injury or Sickness.

The policy will cover, subject to premium payments, employees:

1. insured with the prior carrier at the time of transfer; and
2. who are not in active service due to injury or sickness.

The benefit payable will be that which would have been paid by the prior carrier had coverage remained in force, less any benefit for which the prior carrier is liable.

Disability Due to a Pre-existing Condition.

Benefits may be payable for a total disability due to a pre-existing condition for an employee who:

1. was insured by the prior carrier at the time of transfer; and
2. was in active service and insured under this policy on its effective date.

The benefit will be determined according to the Schedule of Benefits if the employee satisfies the pre-existing condition exclusion under:

1. this policy; or
2. the prior carrier's policy, giving consideration towards continuous time insured under both policies.

No benefit will be paid if the employee cannot satisfy the pre-existing condition exclusion of 1. and 2. above.

-H-

FORM LTD-2 CERT.

Cumulative Elimination Period

If: (1) during the elimination period, you return to active work at your occupation or any other occupation; and (2) you become totally disabled again from the same or related cause(s); the elimination period shall be determined as follows:

1. If the return to active work is for a total of 10 or less working days: the elimination period shall be counted from the first day of the first period of total disability. The number of days of return to work shall be added to and extend the elimination period by that number of days.
2. If the return to active work is for a total of more than 10 working days: the elimination period shall start over and apply to the new period of total disability.

-C-

FORM LTD-2 CERT.

Calculation of Periodic Benefits
Claim Benefit Method "B"

After serving the elimination period, the monthly benefit will be determined by dividing your yearly pay by twelve.

Basis of Monthly Benefit:

Your amount of monthly benefit is determined by your contract pay of basic earnings on the day you become disabled.

Amount of Benefit for Part of a Month:

A monthly benefit may be payable for less than a full month. If so, the amount of monthly benefit for such time shall be proportionally reduced.

Adjustments in Amount of Monthly Benefit:

The amount of benefit otherwise payable for any month may be reduced. It will be reduced by the amount of other income benefits, if any, as defined in the policy.

-N(2)-

FORM LTD-2 CERT.

Other Income Benefits

Other income benefits mean those benefits shown below which are paid or would be paid if the proper claim were filed:

1. The amount for which you are paid under any:
 - a. Workers' Compensation Law;
 - b. occupational disease; or
 - c. other act or law of like intent.
2. The amount of any disability income benefits for which you are eligible under any compulsory benefit act or law.
3. The amount of any disability income benefits for which you are eligible under:
 - a. any other group insurance plan of the employer;
 - b. any state or federal government disability or retirement plan; or
 - c. any individual policy for which the employer pays some or all of the premiums.
4. The amount of benefits you are eligible to receive under the employer's retirement plan as follows:
 - a. any disability benefits;
 - b. any retirement benefits.
5. The amount of disability or retirement benefits under the United States Social Security Act, as follows:
 - a. disability or unreduced retirement benefits for which:
 - i. you are eligible; and
 - ii. your spouse, child or children are eligible because of your disability; or
 - iii. your spouse, child or children are eligible because of your eligibility for unreduced retirement benefits; or
 - b. reduced retirement benefits received by:
 - i. you; and
 - ii. your spouse, child or children because of your receipt of reduced retirement benefits.

After the first deduction for Social Security benefits, the monthly benefit will not be further reduced due to any cost of living increase payable under Social Security.

6. Any earnings which you are eligible to receive from your employer, any other employer, or self employment for:
 - a. any salary continuation plan;
 - b. commission;
 - c. vacation pay;
 - d. bonus pay;
 - e. any other type of extra pay.
7. Auto insurance based on the principle of "no fault" coverage.

These other income benefits, except retirement benefits; must be payable as a result of the same total disability for which this policy pays a benefit.

Benefits under item 5a. above will be estimated if such benefits:

1. have not been awarded and have not been denied; or
2. have been denied, until such time as the denial is appealed through the final administrative appeals level; or
3. were at one time awarded but are now being denied, until such time as the denial is appealed through the final administrative appeals level.

If benefits have been estimated, the monthly benefit will be adjusted when the Company receives proof:

1. of the amount awarded; or
2. that benefits have been denied at the final administrative appeals level and the denial is not being appealed to the courts.

In the case of 2. above, a lump sum refund of the estimated amounts will be made.

-A(1)-

Form LTD.CERT

Recurrent Disability

“Recurrent disability” means a disability which is related to or due to the same cause(s) of a prior disability for which a monthly benefit was payable.

A recurrent disability will be treated as part of the prior total disability if, after receiving total disability benefits under this policy, you:

1. return to your regular occupation on a full-time basis for less than six months; and
2. perform all the material duties of your occupation.

Benefit payments will be subject to the terms of the policy for the prior total disability.

If you return to your occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of total disability. You must complete another elimination period.

Successive disability which results from (an) unrelated cause(s) will be deemed to be a continuation of the first disability unless separated by your return to active service for at least one full day.

Rehabilitation

If you are receiving a benefit under the policy, you may enter a rehabilitation program. This program must be supervised by a physician and approved by the Company. While in such a program, you shall be deemed to be totally disabled. The monthly benefit payable, while under such a program, shall be reduced by 50 percent of any income earned by you for work done under the program.

At no time shall the monthly benefit be paid beyond the maximum benefit period.

The monthly benefit will in no event be less than the minimum monthly benefit.

-B-

FORM LTD-2 CERT.

Survivor Benefit

“Eligible survivor” means your spouse, if living, otherwise your children under age 25. “Children” shall include legally adopted children and step-children who are living with you in a parent-child relationship at the time of your death.

The Company will pay a benefit to the eligible survivor when proof is received that you died:

1. after total disability had continued for 180 or more days in a row; and
2. while receiving a monthly benefit.

The benefit will be an amount equal to three times your last monthly benefit, or as otherwise stated in the Schedule of Benefits.

If payment becomes due to your children, payment will be made to:

1. the children; or
2. a person named by the Company to receive payments on the children’s behalf. This payment will be valid and effective against all claims by others representing or claiming to represent the children.

“Last monthly benefit” means the monthly benefit paid to you immediately prior to your death but not including any reduction for wages earned while in rehabilitative employment.

-E-

FORM LTD-2 CERT.

Presumptive Disability

“Presumptive disability” and “presumptively disabled” mean the complete loss, because of sickness or injury, of your:

1. vision in both eyes*; or
2. hearing in both ears; or
3. speech; or
4. functional use of two or more limbs;

*vision not correctable to better than 20/200 in the better eye will be considered complete loss of vision in both eyes.

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

1. You must become presumptively disabled while insured.
2. Your presumptive disability must not be subject to any of the limitations listed in Section IV “Exclusions and Limitations,” of the Certificate.
3. Your presumptive disability must persist for at least five consecutive days.
4. You must establish a payment period.
5. You must satisfy the requirements listed in Section VI, “General Policy Provisions,” of the Certificate.

A payment period will be established from the date that all accumulated sick leave is exhausted following the date you suffer a qualifying loss.

Presumptive Disability Benefit: The presumptive disability benefit payable to you for each month of presumptive disability payment period will be the smaller of:

1. the percentage, as indicated on the “Schedule of Benefits” page, of your Covered Monthly Compensation in force on the date your Presumptive Disability begins, less all income as defined in the “Monthly Benefit” and “Other Income Benefits” Page A(1) or A(2); or
2. the all sources maximum, if any, as noted in the “Schedule of Benefits” page, of your Basic Monthly Compensation in force on the date your presumptive disability begins, less all incomes as defined in the “Monthly Benefit” and “Other Income Benefits,” Page A(1) or A(2) of the Certificate.

For a Minimum Benefit Payable, see “Schedule of Benefits” page.

Termination of Presumptive Disability Benefits: Presumptive disability benefits will cease on the earliest of:

1. the date of your death; or
2. the date you perform any work for wage or profit; or
3. the date you are totally or residually disabled; or
4. the date you fail to report your income from “Other Income” A(1) or A(2); or
5. the expiration of your accumulated sick leave plus ten consecutive working days or two calendar weeks; or
6. the date you are age 70.

However, in most instances, a presumptive disability payment period will continue for up to six months, provided you do not work for wage or profit during that time.

-O-

Residual Disability

“Residual Disability” and “Residually Disabled” mean your inability, because of sickness or injury, to:

1. perform any one or more of your normal job duties for the Insured Employer; and
2. earn more than 80% of your Covered Monthly Compensation in effect immediately prior to the onset of the disability.

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

1. You must become Residually Disabled while insured or while in a Presumptive Disability Payment Period.
2. Your Residual Disability must not be subject to any of the limitations listed later in this section.
3. You must complete a Benefit Waiting Period and establish a Payment Period.
4. You must satisfy the requirements as indicated in “SECTION VI-GENERAL POLICY PROVISIONS.”

A Benefit Waiting Period will start on the date you are Residually Disabled. A Benefit Waiting Period will be completed:

1. when Disability has been continuous for the expiration of all accumulated sick leave plus ten consecutive working days or two calendar weeks; or
2. on the date Residual Disability (and such reduced earnings) has been continuous for six months; or
3. as stated on the “Schedule of Benefits” page.

However, if Residual Disability begins on the day you end a Presumptive Disability Payment Period, your Residual Disability Benefit Waiting Period will be considered to be completed on that same day. In addition, if your Residual disability begins no later than three months after the end of a Total Disability for which you did not establish a Payment Period, any periods of time counted toward completion of that Total Disability’s Benefit Waiting Period will be counted toward completion of your Residual Disability Waiting Period.

Residual Disability Benefit: The benefit payable for each full month of a Residual Disability Payment Period will be the amount produced by multiplying your Disability Reduction Factor times the smaller of:

1. the sum of the percentage of your covered monthly compensation, as indicated in the “Schedule of Benefits,” less Social Security and all other income as defined in the “Monthly Benefit” and “Other Income Benefits” page, A(1) or A(2), of the Certificate; or
2. the sum of the all sources maximum, if any, as indicated in the “Schedule of Benefits,” of your Basic Monthly Compensation, less Social Security and all other income as defined in the “Monthly Benefit” and “Other Income Benefits” page, A(1) or A(2), of the Certificate.

Your Residual Disability Reduction Factor will be 1.000 minus the ratio of:

1. actual Basic Monthly Compensation paid to you each month; divided by
2. the Covered Monthly Compensation in effect for you immediately prior to the onset of your

Residual Disability.

For the Minimum Benefit Payable, see “Schedule of Benefits” page.

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

1. the date of your death; or
2. the date your Residual Disability ends; or
3. the date you qualify for Total Disability Benefits; or
4. the date you fail to provide any required proof of your Residual Disability; or
5. the date you fail to submit to any required physical examination; or
6. the date you fail to report your Income from Other Income Benefits, Page A(1) or A(2); or

FORM LTD-2 CERT.

7. the date you voluntarily cease to perform any work for the Insured Employer; or
8. the date you perform any work for wage or profit for other than the Insured Employer; or
9. the date two years after your Payment Period begins; or
10. the date you are age 70.

Continued Payments: In some instances your Total or Residual Disability Payment Period may be continued beyond the normal termination date. These instances are discussed under these headings as listed in the "TABLE OF CONTENTS" page.

Recurring Disability (Total Disability) PAGE B

Rehabilitation (Total Disability) PAGE B

Recurring Disability (Residual Disability)

Subsequent Employment (Residual Disability)

Recurring Disability: A Recurring Residual Disability will exist if:

1. after you have completed a Benefit Waiting Period you cease to be Residually Disabled, and you then return to Active Work;
2. while insured for Long Term Disability insurance but before you have been back at Active Work for six continuous months, you are again Residually Disabled; and
3. your current Residual Disability and the Residual for which you completed the Benefit Waiting Period result from the same or a related cause.

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

Subsequent Employment: If we agree in writing, you may continue a Residual Disability Payment Period beyond the date you cease working for the Insured Employer and/or begin work for a subsequent employer, provided that:

1. for purposes of determining your Residual Disability Reduction Factor, all wages and profits received from your subsequent employer will be counted as if received from the Insured Employer; and
2. your Payment Period will not be continued beyond the date you become eligible to receive any type of disability income benefit under any group plan provided by your subsequent employer; and
3. your Payment Period will, in no event, be extended beyond the date it would cease under the other Residual Disability Payment Termination provision listed earlier.

-P-

FORM LTD-2 CERT.

Mental Illness - Covered As Sickness

"Mental or emotional illness" means any neurosis, psychoneurosis, psychopathy, psychosis and all other mental or emotional illness of any type.

A mental or emotional illness shall be considered a sickness under the policy.

-L(5)-

FORM LTD-2 CERT.

AMENDMENT NO. 3

TO BE ATTACHED TO AND MADE PART OF THE CERTIFICATE

ISSUED TO: Schools Insurance Fund Trust

It is agreed that the above certificate be amended, effective April 1, 1996, as follows.

1. Amend part VI of the certificate by adding the following provision:

SUBROGATION

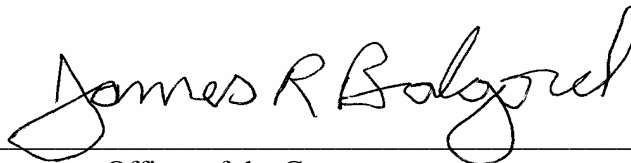
You agree that we have all rights to any damages which arise out of any injury or illness you sustain, to the extent that these benefits are provided in the policy. You also agree that the right to such damages is hereby assigned to the Company. The Company has the right to recover from anyone. The Company may not collect for damages from you unless you are fully recovered, and we take into account your degree of fault and any other factors which may reduce your damages.

The provisions and conditions set forth on any page hereof are a part of this amendment as fully as if recited over the signature hereto affixed. Nothing contained in this amendment shall change any of the terms and conditions of this certificate other than as herein stated.

Executed by the Company on April 1, 1996.

MADISON NATIONAL LIFE INSURANCE COMPANY

By: _____



Officer of the Company

FORM LTD-AMEND-3

SIF

AMENDMENT NO. 35

TO BE ATTACHED TO AND MADE PART OF THE CERTIFICATE

ISSUED TO: Schools Insurance Fund Trust

It is agreed that the above certificate be amended, effective January 1, 2002, as follows:

1. Amend the Section titled "General Policy Provisions" of the certificate by adding the following provision.

Company's Right of Recovery

The Company will not pay Benefits to you before you sign a Reimbursement Agreement and that Agreement is on file with the Company.

Whenever the Company has made payments to you in excess of the amount required by the provisions of this policy, or during periods of time for which you subsequently receive a retroactive benefit from any Other Income Benefit source, you will reimburse the Company for any such excess, duplicate, or erroneous payments.

Upon request, you must execute and deliver to the Company such documents as may be required and do whatever else is necessary to secure our rights to recover any excess, duplicate, or erroneous payments.

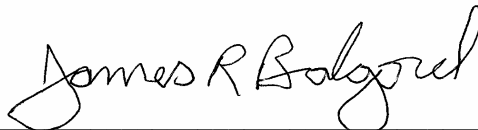
You must reimburse the Company in a satisfactory and timely manner for any payments made to which you were not entitled under the terms of this policy. Such reimbursement will be due and payable immediately upon our notification to and demand of you. Or, at our option, the subsequent payment of Benefits or the refund of any premium owed you by the Company may be reduced or refused as a setoff and applied toward such reimbursement. If you delay in notifying the Company of your receipt of an Other Income Benefit or in making reimbursement to the Company, the Company will have the right to charge interest at a reasonable rate on the delinquent amount owed the Company.

Our acceptance of premium or other fees, or our providing or paying of Benefits, does not constitute a waiver of our rights to enforce the provisions of this section in the future. The provisions of this section are in addition to, and not in lieu of, any other rights or remedies available to the Company at law or in equity.

Executed by the Company on January 1, 2002.

MADISON NATIONAL LIFE INSURANCE COMPANY

By: _____



Officer of the Company

Form LTD-AMEND 35

For service information, contact...

SCHOOLS INSURANCE FUND

(262) 785-9995

Toll-Free 1-800-627-3660

For claim information, contact...

MADISON NATIONAL LIFE INSURANCE COMPANY, INC.

1-800-356-9601

UNDERWRITTEN BY:

***MADISON NATIONAL LIFE
INSURANCE COMPANY, INC.***

Mailing Address: P.O. Box 5008 · Madison, WI 53705

