

GOLDEN STATE MUTUAL LIFE

HOME OFFICE: 1999 W. ADAMS BOULEVARD - LOS ANGELES, CALIFORNIA 90018
A MUTUAL LEGAL RESERVE COMPANY



Group Policy No. GA0510042

Policy Delivered in: California

Policy Effective Date: September 1, 1989

Policy Anniversary Date: September 1

This is a contract between Golden State Mutual Life Insurance Company, the Company, and you, the Employee.

In return for your application, the Company agrees to pay the benefits described in this Policy. These benefits are subject to all of the terms of this Policy, including any riders, endorsements and amendments.

This Policy goes into effect on the Policy Effective Date at 12:01 a.m.

This Contract shall be governed by the laws of the state in which it is delivered.

IN WITNESS WHEREOF, we have signed this Policy at Los Angeles, California.

SECRETARY

PRESIDENT

Group Long Term Disability Insurance Policy — Non-Contributory

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DEFINITIONS

ACTIVE SERVICE — An Employee will be considered in Active Service with the Employer on a day which is the one of the Employer's scheduled work days if he is performing in the usual way all the regular duties of his work for the Employer on a full time basis on that day, either at one of the Employer's places of business or at some location to which the Employer's business requires him to travel. An Employee will be deemed in Active Service on a day which is not one of the Employer's scheduled work days only if he was in Active Service on the preceding scheduled work day.

BASIC EARNINGS — The term Basic Earnings means the Employee's rate of pay reported by the Employer. It does not include overtime, bonus, additional compensation or pay for more than 36 hours in a week.

For an Employee who is paid in whole or in part by commissions, the term Basic Earnings will also include commissions based on an average of the commissions paid by the Employer or the 24 months immediately preceding the onset of Total Disability. If such Employee was not in the employ of the Employer during the entire preceding 24 month period, his commissions will be based on an average of the total number of months he was so employed.

Basic Earnings are determined initially on the date the Employee becomes insured. A change in the amount of Basic Earnings will be considered effective on the date of such change. If the Employee is not in Active Service on that day, no increase in Basic Earnings will be considered effective until he returns to Active Service for one full day. In no event will an increase in an Employee's Basic Earnings be considered effective if it occurs:

1. between separate periods of Total Disability which are considered one period under Successive Periods of Disability; or
2. during a Benefit Waiting Period.

EMPLOYEE — The term Employee means a full time employee of the Employer, but does not include employees who are part time or temporary or who normally work less than 30 hours a week for the Employer.

EMPLOYER — Golden State Mutual Life Insurance Company.

INJURY — The term Injury means an accidental bodily injury.

REHABILITATIVE WORK — An Employee will be considered engaged in Rehabilitative Work if: ([a] while Totally Disabled, he returns to any work for wage or profit; and [b] that work is approved by the Insurance Company.)

RETIREMENT PLAN — The term Retirement Plan means any defined benefit plan or defined contribution plan including a profit sharing plan funded in whole or

in part by the Employer. It does not include:

1. an individual deferred compensation agreement;
2. a profit sharing or any other retirement or savings plan that is maintained in addition to a defined benefit or defined contribution pension plan; or
3. any employee savings plan including a thrift, stock option or stock bonus plan, individual retirement account or 401 [k] plan.

SICKNESS — The term Sickness means a physical or mental illness. It also includes pregnancy.

TOTAL DISABILITY — An Employee will be considered Totally Disabled if, because of Injury or Sickness, he is unable to perform all the essential duties of his occupation.

After Monthly Benefits have been payable for 24 months, an Employee will be considered Totally Disabled only if, because of Injury or Sickness, he is unable to perform all the essential duties of any occupation for which he is or may reasonably become qualified based on his education, training or experience.

ELIGIBILITY FOR EMPLOYEE INSURANCE

Each Employee in one of the Classes of Eligible Employees on following page will become eligible for Employee Insurance on the day he completes the Waiting Period, if any. An Employee who was previously insured and whose insurance ceased must satisfy the Waiting Period to become insured again. If the insurance on an Employee ceased because he was no longer employed in a Class of Eligible Employees, he is not required to satisfy any Waiting Period if he again becomes a member of a Class of Eligible Employees within one year after his insurance ceased.

WAITING PERIOD — Five [5] years from date of employment.

CLASSES OF ELIGIBLE EMPLOYEES — District Managers I, District Managers II, Staff Managers, Agents and all Salaried Employees.

EFFECTIVE DATE OF EMPLOYEE INSURANCE

Each Employee will become insured for Employee Insurance on the date he becomes eligible for it. If an Employee is not in Active Service on the date his insurance would otherwise become effective, it will become effective on the date he returns to Active Service.

SCHEDULE

BENEFIT WAITING PERIOD — 180 days of continuous Total Disability.

A period of Total Disability will be considered continuous even if the disabled Employee temporarily returns to work for up to a total of 30 days during that Benefit Waiting Period. The Benefit Waiting Period will be extended by the number of days the Employee temporarily returned to work.

MONTHLY BENEFIT

Employee Class	Monthly Income Benefit
District Manager I	\$1,000.00
District Manager II & Staff Managers	750.00
Agents	The lesser of \$600 or 80% of the average of the previous 12 months' earnings
Salaried Employees	66 2/3% of their immediate monthly salary up to a maximum of \$3,000 per month

Monthly Benefits are reduced by the amount of all Other Benefits for that month.

OTHER BENEFITS — Other benefits include:

- any amount which the Employee or his dependents receive on account of his disability under:
 - any group or franchise insurance or similar plan for persons in a group;
 - any local, state, provincial or federal government disability or retirement plan or law;
 - any salary or wage continuance plan of the Employer;
 - the Jones Act or any workers compensation, occupational disease or similar law including all permanent as well as temporary disability benefits;
 - any work loss provision in the mandatory part of any "No-Fault" auto insurance policy;
- any disability or Old Age benefits under the Federal Social Security Act which the Employee receives or is assumed to receive* on his own behalf;
- any disability or Old Age benefits under the Federal Social Security Act which the Employee receives or is assumed to receive* on behalf of his dependents or which his dependents receive or are assumed to receive* on account of the Employee's receipt or assumed receipt* of such benefits; and

- any retirement benefits which the Employee receives under a Retirement Plan funded in whole or in part by the Employer.

*See the assumed Receipt of Social Security Benefits provision.

INCREASES IN OTHER BENEFITS — The Company will not consider any cost of living increase in any Other Benefits which is effective after:

- the first payment of such Other Benefit becomes due; and
- Monthly Benefits become payable under the policy.

ASSUMED RECEIPT OF SOCIAL SECURITY BENEFITS — If an Employee is covered under the Federal Social Security Act for any disability or Old Age benefits for himself and his dependents, if applicable, he will be assumed to be receiving such benefits. These assumed benefits will be in an amount the Insurance Company estimates he and his dependents, if applicable is eligible to receive. This assumption will not be made if the Employee gives the Company proof that:

- he has applied for these benefits; and
- payments were denied.

However, if payments for disability were denied solely because the disability was not expected to last at least 12 consecutive months, the Employee will be assumed to be receiving such benefits after his disability has continued for 12 consecutive months. This assumption will not be made if he gives the Company proof that:

- he has reapplied for benefits; and
- payments were again denied.

LUMP SUM PAYMENTS — Any Other Benefits paid in a lump sum except as shown below will be deemed to be paid in monthly amounts prorated over the time for which the sum was paid. If no such time is stated, the lump sum will be prorated monthly over the expected life span of the Employee. The Company will determine that expected life span.

Lump Sum Payments under:

- a Retirement Plan will be deemed to be paid in the monthly amount which:
 - is provided by the standard annuity option under the Plan, as identified by the Policyholder; or
 - is prorated under a standard annuity table over the expected life span of the Employee if the Plan does not have a standard annuity option;
- the Jones Act or any workers compensation, occupational disease or similar law which includes

benefits paid under a Compromise and Release will be deemed to be paid monthly:

- a. at the rate stated in the award;
- b. at the rate paid prior to the lump sum if no rate is stated in the award; or
- c. at the maximum rate set by the law if no rate is stated and the Employee did not receive a periodic award.

RECOVERY OF OVERPAYMENTS — If the Monthly Benefit for any month is overpaid, the Company will have the right to recover the amount overpaid by either of the following methods:

1. a deduction of the overpaid amount from any future payments by the Company;
2. a lump sum repayment by the Employee of the overpaid amount.

REHABILITATION BENEFIT — The Monthly Benefit for any month during which the Employee engages in Rehabilitative Work will be reduced by 50% of the amount which the Employee earns from that Rehabilitative Work during that month.

The Rehabilitation Benefit will continue until the earlier of the following dates:

1. the date the Employee ceases to be engaged in Rehabilitative Work;
2. the date Monthly Benefits are no longer payable.

The Company will, from time to time, review the Employee's status and may require an account of his earnings and proof of his continued Total Disability.

INSURING PROVISIONS LONG TERM DISABILITY BENEFITS

COMMENCEMENT OF BENEFITS — The Company will begin paying Monthly Benefits in amounts determined from The Schedule when it receives due proof that:

1. the Employee became Totally Disabled while insured for this Long Term Disability Insurance; and
2. his Total Disability has continued for a period longer than the Benefit Waiting Period shown in The Schedule.

DURATION OF MONTHLY BENEFITS — The Company will stop paying Monthly Benefits on the earliest following date:

1. the date the Employee ceases to be Totally Disabled;
2. the Employee's 65th birthday if he becomes Totally Disabled before his 60th birthday;
3. the earlier of the following dates if the Employee

becomes Totally Disabled on or after his 60th birthday but before his 69th birthday;

- a. the end of 5 years from the date the Employee becomes Totally Disabled;
 - b. the Employee's 70th birthday or, if 12 Monthly benefits have not become payable as of that date, the date the 12th Monthly Benefit is payable;
4. the date the 12th Monthly Benefit is payable if the Employee becomes Totally Disabled on or after his 69th birthday.

SUCCESSIVE PERIODS OF DISABILITY — Separate periods of Total Disability resulting from the same or related causes will be considered one period of Total Disability unless separated by the Employee's return to Active Service for at least (6) consecutive months.

Separate periods of Total Disability resulting from unrelated causes will be considered one period of Total Disability unless separated by the Employee's return to Active Service for at least one full day.

These provisions do not apply:

1. to the Benefit Waiting Period; or
2. when the Employee becomes eligible for benefits under any other group long term disability policy.

MENTAL ILLNESS, ALCOHOLISM AND DRUG ABUSE LIMITATION — The Company will pay Monthly Benefits for no more than 24 months during an Employee's lifetime for Total Disability caused or contributed to by mental illness, alcoholism or drug abuse while the Employee is not confined in a hospital. An Employee will be considered confined in a hospital only if he is confined continuously for at least 14 days in a hospital licensed to provide care and treatment for the condition causing the Total Disability.

PRE-EXISTING CONDITION LIMITATION — The Company will not pay Monthly Benefits for any period of Total Disability which results directly or indirectly from an Injury or Sickness for which the Employee during the 3 months prior to the most recent effective date of his insurance: (1) incurred expenses; (2) received medical treatment; (3) took prescribed drugs or medicines; or (4) consulted a physician. This limitation will not apply to a period of Total Disability which begins more than 12 months after the most recent effective date of the Employee's insurance.

CONTINUITY OF COVERAGE AND PRE-EXISTING CONDITION LIMITATION — The Pre-existing Condition Limitation will be waived for an Employee who was insured on the day before the Effective Date of this policy under a group long term disability policy: (a) sponsored by the Employer, and (b) replaced by this policy, provided such Employee:

1. is in Active Service on the Effective Date of this policy; and
2. has fulfilled the requirements of any Pre-existing Condition Limitation of the replaced policy.

However, if such Employee:

1. is in Active Service on the Effective Date of this policy; and
2. has not fulfilled the requirements of any Pre-existing Condition Limitation of the replaced policy because the time period required from the start of Total Disability has not been satisfied,

any portion of time which may have been satisfied under such Pre-existing Condition Limitation will be applied toward the satisfaction of that time period requirement of the Pre-existing Condition Limitation of this policy.

If Monthly Benefits are determined to be payable, they will be paid according to the provisions of this policy.

DISABILITIES NOT COVERED — No Monthly Benefits will be paid if the Employee's Total Disability results, directly or indirectly, from:

1. Injuries intentionally self-inflicted while sane or insane;
2. any act or hazard of a declared or undeclared war;

No Monthly Benefits will be paid for a period of Total Disability when the Employee is not under the care of a licensed physician.

TERMINATION OF INSURANCE

The insurance on an Employee will cease on the earliest date below:

1. the date the Employee ceases to be in a Class of Eligible Employees or ceases to qualify as an Employee;
2. the date this policy is cancelled;
3. the date the Employee's Active Service ends, except as set forth below:
 - a. If the Employee's Active Service ends due to Total Disability for which Monthly Benefits are or may become payable, the insurance will continue while that Total Disability continues during the Benefit Waiting Period and thereafter but only for as long as Monthly Benefits are payable.
 - b. If the Employee returns to Active Service in a Class of Eligible Employees as soon as Total Disability ceases, the insurance will be reinstated when the Company pays the premium for him.

EXTENSION OF BENEFITS AFTER CANCELLATION

Payment of Monthly Benefits will not be affected by cancellation of this policy as long as the Total Disability begins while this policy is in force.

CANCELLATION OF POLICY

NOTICE OF CANCELLATION — The Company may cancel the policy by giving written notice at least (31) days in advance of the cancellation date.

PAYMENT OF BENEFITS

TO WHOM PAYABLE — Any benefits that are payable for disability will be paid to the Employee. Family Benefits, if any, will be paid to the eligible survivor(s) according to the terms of that section.

If any person to whom benefits are payable is a minor or, in the opinion of the Insurance Company, is not able to give a valid receipt for any payment due him, such payment will be made to his legal guardian. However, if no request for payment has been made by his legal guardian, the Company may, at its option, make payment to the person or institution appearing to have assumed custody and support.

If an Employee dies while any of his disability benefits remain unpaid, the Company may, at its option, make direct payment to any of the following living relatives of the Employee: spouse, mother, father, children, brothers or sisters, or the executors or administrators of the Employee's estate.

Payment in the manner described above will release the Company from all liability to the extent of any payment made.

TIME OF PAYMENT — Any disability benefits will be paid at regular intervals or not more than one month. Any balance which remains unpaid at the end of any period for which the Company is liable will be paid at that time.

GENERAL PROVISIONS

ENTIRE CONTRACT — The entire contract will be made up of the policy and the applications, if any, of the Employees.

POLICY CHANGES — Changes may be made in the policy only by amendment signed by the Company acting through its President, Vice-President, Assistant Vice-President or Director.

STATEMENTS NOT WARRANTIES — All statements made by an insured Employee will, in the absence

of fraud, be deemed representations and not warranties. No statement made by the Employee will be used to void or reduce the insurance unless it is made in writing and is signed by the Employee and a copy is sent to the Employee or his Beneficiary.

NOTICE OF CLAIM — Written notice of claim must be given to the Company within 30 days after the occurrence or start of the loss on which claim is based.

If notice is not given in that time, the claim will not be invalidated or reduced if it is shown that written notice was given as soon as was reasonably possible.

CLAIM FORMS — When the Company receives the notice of claim, it will give to the claimant, the claim forms it uses for filing proof of loss. If the claimant does not get these claim forms within 15 days after the Company receives notice of claim, he will be considered to have met the proof of loss requirements if he submits written proof of loss within 90 days after the date of loss. This proof must describe the occurrence, character and extent of the loss for which claim is made.

PROOF OF LOSS — Written proof of loss must be given to the company within 90 days after the date of the loss which claim is made. If written proof of loss is not given in that time, the claim will not be invalidated or reduced if it is shown that written proof of loss was given as soon as was reasonably possible. Upon request, written proof of continued Total Disability and of regular attendance of a physician must be given to the Company within 30 days of such request.

PHYSICAL EXAMINATION — The Company, at its own expense, will have the right to examine any person for whom claim is pending as often as it may reasonably require.

LEGAL ACTIONS — No action at law or in equity will be brought to recover on the policy until at least 60 days after proof of loss has been filed with the Company. No action will be brought at all unless brought within 3 years after the time within which proof of loss is required by the policy.

TIME LIMITATIONS — If any time limit set forth in the policy for giving notice of claim or proof of loss, or for bringing any action at law or in equity is less than that permitted by the law of the state in which the Employee lives when the policy is issued, then the time limit provided in the policy is extended to agree with the minimum permitted by the law of that state.

PHYSICIAN/PATIENT RELATIONSHIP — The Employee will have the right to choose any physician who is practicing legally. The Company will in no way disturb the physician/patient relationship.

CERTIFICATES — The Company will issue to each insured Employee an individual certificate. The certificate will show the benefits provided under the policy. It will set forth any changes in benefits due to age and to whom

benefits will be paid. Nothing in the certificate will change or void the terms of the policy.

MISCELLANEOUS PROVISIONS

MALE PRONOUN — The male pronoun as used herein will be deemed to include the female.

NOT IN LIEU OF WORKERS' COMPENSATION — The policy is not in lieu of and does not affect requirements for coverage under Workers' Compensation laws.

**LONG TERM
DISABILITY
FOR
FULL TIME
REGULAR QUALIFYING
EMPLOYEES**

**GOLDEN STATE MUTUAL
LIFE INSURANCE COMPANY**



LONG TERM DISABILITY

PLAN

The Long Term Disability Plan is an employee benefit that Golden State Mutual provides to protect the financial welfare of career employees in cases of extended illness.

ELIGIBILITY

All full-time regular qualifying employees with five or more years of continuous service are eligible to participate in the Plan. Employees are automatically enrolled after five years of service.

BENEFITS

The LTD benefit is based on an established monthly amount minus an offset of any social security or disability benefit that the employee may receive. Periodic submission of a Gsm disability claim and medical verification of the disability is required for continued benefits.

INTENT

The LTD Plan is basically an extension of the GSM Sick Leave Program for tenured qualified employees. Benefits may be provided to the disabled employee until the disability ends, the employee returns to work, attains age 65 or elects to retire.

LONG TERM DISABILITY CERTIFICATE OF INSURANCE

POLICYHOLDER/EMPLOYER

Golden State Mutual Life Insurance Company

EFFECTIVE

The first day of the month on or next following the date the Employee becomes eligible for coverage. If an Employee is not actively at work on the eligible date, coverage will begin on the date when full time active work resumes.

ELIGIBILITY

All Employees who have completed five years of full time continuous employment with the Employer are eligible.

SCHEDULE OF BENEFITS

<i>Employee Class</i>	<i>Monthly Income Benefit</i>
Officers, Managers and Hourly & Salaried Employees	66 2/3 of the immediate monthly salary up to \$3,000 Maximum
District Managers I	\$1,000
District Managers II and Staff Managers	\$750
Agents	The lesser of \$600 or 80% of the average of the previous 12 months earnings

Long Term Disability benefit payments will stop as of the earlier of:

1. The day on which the employee is no longer totally disabled, or
2. The first day of the month following the employee's 65th birthday, or upon employee's retirement.

ELIMINATION PERIOD

Employee must be totally disabled for a period of six months before Long Term Disability benefits can begin.

Other Income Benefits

Benefits will be reduced by one or more of the following sources:

1. Payments from the Employer;
2. Any Group plan toward which the Employer shall have contributed or made payroll deductions;
3. Any Pension or Railroad Annuity;
4. The Federal Social Security Act;
5. The Railroad Retirement Act;
6. The Veteran Administration or any other Federal, State, Municipal or Governmental Agency; or
7. Any Worker's Compensation or Employer's Liability or similar law.

LIMITATIONS AND EXCLUSIONS

Benefits will not be paid for total disability:

1. due to war or any act of war, declared or undeclared;
2. incurred while in the armed services of any country or international authority;
3. resulting from self-inflicted injury or attempted suicide;
4. resulting from participation in a riot or the commission of a felony or assault, or engagement in an illegal occupation;
5. caused by an accident occurring or sickness commencing prior to the effective date of insurance;
6. due to mental or functional nervous disorder in excess of 24 months unless confined in a hospital; or
7. caused by or resulting from pregnancy.

TERMINATION OF INSURANCE

An employee's insurance shall automatically terminate upon the earliest of the following dates:

1. The date the Policy terminates;
2. The date of the employee's termination of employment with the employer; or
3. The date the employee is ineligible for insurance coverage.

NOTICE OF PROOF OF CLAIM AND EXAMINATION

Written notice of claim must be given to the Home Office Claims Department within 20 days of the date of commencement of the first loss for which benefits may be claimed or as soon thereafter as is reasonably possible.

The Company will furnish claim forms to the employee within 15 days after receipt of the notice of claim. In event of failure to supply claim forms within the prescribed time, written proof may be submitted covering the occurrence, character and extent of loss. This will be sufficient for proof of loss if furnished the Company not later than 90 days after the date of commencement of such loss.

INDEPENDENT MEDICAL EXAMINATIONS

The Company shall have the right and opportunity to require independent medical examinations of any employee whose illness is the basis of a claim, as it may reasonably require during the period of such claim.

PAYMENT OF CLAIM

Is subject to proof of loss. The accrued monthly benefits will be paid each month during any period for which the Company is liable upon receipt of due proof. Any balance remaining unpaid at the termination of such period will be paid immediately.

THE BENEFITS DESCRIBED IN THIS CERTIFICATE ARE SUBJECT TO THE GROUP POLICY ISSUED TO THE POLICYHOLDER. THE BENEFITS AND PROVISIONS APPLICABLE TO THE INSURED EMPLOYEE ARE DESCRIBED IN THIS CERTIFICATE AND ARE EFFECTIVE ONLY IF THE EMPLOYEE IS ELIGIBLE FOR THE INSURANCE.