



LONG TERM DISABILITY PLAN

SUMMARY PLAN DESCRIPTION (SPD)

Effective August 26, 2010

SUMMARY PLAN DESCRIPTION

The California Law Enforcement Association® welcomes you as a group participant of the California Law Enforcement Association Long Term Disability Plan (referred to as "the **Plan**").

This is your summary plan booklet and will serve to explain and define your **Benefits** as long as you are eligible and remain covered by the **Plan**. Please keep this in a safe place.

We have attempted to write this booklet in plain English, but a few terms and provisions are written as required by the insurance code or law. It is important that you read this **Summary Plan Description** carefully. If you have any questions, please contact the **Plan Administrator** who will assist you in any way to help you understand your **Benefits**.

If the terms and conditions of this **Summary Plan Description** and the **Plan** document differ, the **Plan** document will govern. The **Board of Directors** of this non-profit corporation manage the overall **Plan** operation and have the authority to modify the **Plan** in whole or part in accordance with the terms and provisions of the **Plan** document and the **Bylaws**.

Dave Boffi, President
August 26, 2010

The following is the **Summary Plan Description** for the California Law Enforcement Association Long Term Disability Plan in effect as of the date set forth above (except as to any provisions that specify another date). Please refer to any amendments attached or printed on the last pages of this document for important changes since that date. For a complete description of the terms and conditions of the **Plan**, you should review the **Plan** document, which is available from the **Administrator** on request.

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**SUMMARY PLAN DESCRIPTION
CALIFORNIA LAW ENFORCEMENT ASSOCIATION®
LONG-TERM DISABILITY PLAN**

A. INTRODUCTION

1. *What is the California Law Enforcement Association®?*

The California Law Enforcement Association® ("**CLEA**" or the "**Corporation**") is a benefit and relief association that operates this long-term disability plan for police officers (the "**Plan**"). **CLEA** holds a Certificate of Authority to operate the **Plan**, which was issued by the California Department of Insurance. **CLEA** is a nonprofit corporation which has been determined to be tax-exempt under the federal and California tax laws.

2. *What is the Plan?*

The **Plan** is a fully self-funded benefits program sponsored by **CLEA**. The **Plan** was created to provide police officers with an alternative to the traditional, fully insured and usually costly insurance company plans. The full name of the **Plan** is the "California Law Enforcement Association – Group Long Term Disability Plan." **CLEA** also sponsors various "enhanced individual" long term disability plans. If you are a participant in an individual plan, certain differences in participation requirements, benefits and coverage will apply. These differences are contained in the applicable plan document and are summarized in the Summary Plan Supplement for your individual plan. The Summary Plan Supplement describes the differences from the items set forth in this **Summary Plan Description**. If you are covered by an "enhanced individual" plan, please contact the **Administrator** to verify that you have obtained a copy of the Summary Plan Supplement that applies to you. If you are interested in additional information concerning these or any other plans or would like a copy of the plan document, please contact the **Administrator**.

The **Plan** was initially adopted effective May 1, 1985 and has been amended and restated at various times since its adoption. The **Plan** is governed by the **Board of Directors** of the **Corporation** who are appointed or elected by the **Participating Associations**. These **Participating Associations** may be police departments, labor unions, or related associations. Details regarding the process of appointing directors are included in **CLEA's Bylaws**.

The **Plan** pays disability **Benefits** when a participating police officer or participating support person is disabled by **Pregnancy, Injury or Sickness**, whether it occurs on or off the job. The terms and conditions of these **Benefit** payments are described in the **Plan** document, parts of which are summarized in an easy to read fashion in this **Summary Plan Description**. The length of time **Benefits** are payable is reduced for members who are not **Safety Personnel**, as more fully discussed below. Certain limitations also apply if you are an Employee of the State of California who is eligible for the California State Industrial Disability Leave program ("**IDL**"). Various other limitations and provisions are described in this **Summary Plan Description**. Also, you should consider which **Plan** coverage option ("**Plan Option**") applies to you (A, B, C, D or E) when reviewing the disability **Benefits** that you may be eligible to receive. If you are not certain which **Plan Option** applies to you, the **Plan Administrator** can

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verify the **Plan Option** that applies to you. **CLEA** offers other plans that apply to certain individuals or groups. The **Administrator** can advise you which **Plan** covers you.

The **Benefits** provided by the **Plan** are fully integrated with other **Benefits** that you may receive. This means that when the **Plan** pays you **Benefits** you will be required to repay the **Plan** from any amounts that are paid to you from various other sources or recovered on your behalf from these other sources (as described in question and answer D-18 below) unless the **Benefits** paid to you were reduced by these offsetting amounts (see question and answer D-10). **Offsetting Benefit/Income Amounts** include retroactive or continuing pensions, workers' compensation awards and awards from any insurance companies or third parties (as described in greater detail in question and answer D-7).

FOR A COMPLETE DESCRIPTION OF THE TERMS AND CONDITIONS OF THE PLAN, YOU SHOULD REVIEW THE PLAN DOCUMENT, WHICH IS AVAILABLE UPON REQUEST FROM THE PLAN ADMINISTRATOR.

B. CERTAIN DEFINITIONS THAT MAY BE USEFUL TO YOU

The following are certain defined terms that are used in this **Summary Plan Description**. When a bold-faced term is used in the text of this **Summary Plan Description**, you should refer to these definitions or the **Plan** document for the appropriate meaning. Some bold-faced terms are not defined in this **Summary Plan Description** but are defined in the complete **Plan** document. For a more complete description of the relevant terms, you should review the **Plan** document.

1. What does "Active Service" Mean?

"**Active Service**" means your normal full-time employment of at least thirty hours per week with a qualifying municipal or public corporation or district at the **Employer's** usual place of business or other assigned work location. You will not be considered to be in "**Active Service**" during any extended leave, administrative leave, or other absence without pay that continues for more than 3 work days due to your **Total Disability**, or any extended leave or other absence of greater than 30 calendar days with pay.

2. What are my "Base Monthly Earnings"?

Your "**Base Monthly Earnings**" for the purposes of the **Plan** are your base pay, plus any holiday pay, educational incentive pay or other specialty assignment pay, shift differential pay, clothing allowance pay, longevity pay and hazardous duty compensation. Your "**Base Monthly Earnings**" does not include bonuses, overtime pay, or other extra compensation except as listed in the preceding sentence. Your "**Base Monthly Earnings**" is determined as of the last day of the **Elimination Period** or, for **Safety Personnel** with an **Industrial Disability** (Job Related), the last day for which you receive compensation under California Labor Code Section 4850 or 4800 or its equivalent. Upon the effective date of a retirement that is based upon an **Industrial Disability** for which you remain eligible for **Plan Benefits** your "**Base Monthly Earnings**" will be the unmodified pension allowance used for your wage calculation amount as applied by the Public Employee Retirement System or, if you are not participating in that system, the public retirement system under which you do participate.

3 *What does “Beneficiary” mean (For Death Benefits)?*

“Beneficiary” means a living person or charitable or non-charitable organization selected by you to be the **Beneficiary** on your enrollment card or, if applicable, named as replacement **Beneficiary** in the most recent writing to the **Administrator** signed and dated by you and specifying your desire to have a new **Beneficiary**. This **Beneficiary** will receive any **Death Benefit** provided under the **Plan** (this is not the **Survivor Benefit** that may be paid to your **Eligible Dependent Survivor**). Under certain circumstances, the **Plan** may withhold **Death Benefits** until the appropriate **Beneficiary** is determined.

4. *What does “Benefit” mean?*

“Benefit” means the **Disability Income Benefits**, the **Death** and **Survivor Benefits** and any other benefits payable under the **Plan**.

5. *Who are the “Board of Directors?”*

The **“Board of Directors”** are the participants of the **Board of Directors** of CLEA as replaced or changed from time to time pursuant to the **Bylaws** of CLEA, or an authorized committee of the **Board of Directors**, when applicable..

6. *What is a “Catastrophic Disability”?*

A **“Catastrophic Disability”** is a **Total Disability** that results in your inability to perform three or more of the **Activities of Daily Living** from the first day that your **Total Disability** began. The **Activities of Daily Living** are bathing, toileting, dressing, transferring, ambulating, continence, eating and cognitive abilities. These are defined in more detail in the **Plan** document.

7. *What does “Dispute” mean?*

“Dispute” means any claim or controversy arising out of or pertaining to the **Plan**. You may not sue the **Plan** regarding a **Dispute** until the claims procedure, if applicable, and negotiation process are completed. The claims procedure and negotiation process are described below.

8. *What does “Eligible Dependent Survivor” mean (for the Survivor Benefit)?*

“Eligible Dependent Survivor” is defined in the **Plan** and generally means your legal spouse or dependent children who will receive any **Survivor Benefit**, as described below (this is not the **Death Benefit**). In order for your spouse to qualify as an **Eligible Dependent Survivor**, he or she must have married you before you were medically diagnosed with a condition that ultimately causes your death and before you become **Totally Disabled** because of this condition. If you do not have a spouse and your children are under age 18, then their legal

guardian, custodian or conservator generally will be the **Eligible Dependent Survivor** on their behalf.

9. What is the "Elimination Period"?

In general, the "**Elimination Period**" means 30 consecutive calendar days of **Total Disability**, or any 30 calendar days of **Total Disability** during a 6 month period from the same disability. However, you may not freeze any work or personal leave time available to you until after 60 days. If you do, the **Elimination Period** will be 60 days. If you or your **Employer** terminates your employment with your **Employer** before or during this sixty day period, then the **Elimination Period** means 60 days of **Total Disability** from the same disability occurring during a 6 month period. There is no minimum **Benefit** during the first 60 days. During days 31 through 60, you are eligible for a maximum **Benefit** level of 50% of your **Base Monthly Earnings**. See the **Plan** for the complete definition. If you are **Totally Disabled** following the **Elimination Period**, monthly **Benefits** will begin.

10. What does "Employer" mean?

"**Employer**" means the municipal or public corporation or district that employs you and that has signed a collective bargaining agreement with your **Participating Association** for participation in this **Plan** or that satisfies the alternative requirements established by the **Board of Directors** of **CLEA**, from time to time.

11. What is the "Initial Enrollment Period"?

The "**Initial Enrollment Period**" is the period of time established by the **Administrator** under the direction of the **Board of Directors** when you may enroll in the **Plan** and be eligible for certain coverage for **Pre-existing Conditions**. This period is usually 60 days after your first employment with your **Employer**.

12. What do "Non-Industrial Disability" and "Industrial Disability" mean?

A "**Non-Industrial Disability**" is a disability from which you are not eligible to receive any payment or benefits, or would be eligible by timely filing through your **Employer** as a result of your disability under any workers' compensation act or law, occupational disease law or any other legislation of similar purpose and that is not an **Industrial Disability**. An "**Industrial Disability**" is a disability from which you are eligible to receive payments or benefits or would be eligible by timely filing, as a result of your disability under any workers' compensation act, law, occupational disease law, or legislation of similar purpose. If you settle a workers' compensation action or third party injury claim by any settlement or compromise, or release, or fail to take all of the action reasonably necessary for a determination of eligibility, then your disability will be considered an **Industrial Disability**, except for a settlement approved and agreed to by the **Plan Administrator**.

13. What does "Pre-existing Condition" mean?

The term "**Pre-existing Condition**" means any **Injury, Sickness** or **Pregnancy** that began or existed prior to your **Effective Date of Participation**. A condition is considered to

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begin or exist prior to your **Effective Date of Participation** if, prior to participating in the **Plan**, you receive medical advice or treatment for the condition, the condition is detected through examination, you experience abnormal symptoms that would place a reasonable person on notice that he or she is suffering from an injury or sickness or should seek medical advice, or you are aware of other facts that would reasonably indicate that you suffer from an **Injury or Sickness**. **Injuries or Sickness** that results from medical treatment for a **Pre-existing Condition** or complications or results of the medical treatment are considered to be a **Pre-existing Condition**. The **Plan** document describes in greater detail the determination of whether a **Pre-existing Condition** existed.

14. What does “Plan Options” mean”?

The **Plan** offers various different coverage and **Benefit** options, referred to as A, B, C, D and E. The cost you pay for coverage is based on the **Plan Option** that you or your **Participating Association** has selected. If you are not certain which **Plan Option** applies to you, the **Administrator** can verify your **Plan Option**. All **Participants** who are not enrolled in an individual plan must enroll in one of the **Plan Options**. If you are enrolled in an individual plan, please refer to the Summary Plan Supplement or the individual plan document for coverage and **Benefit** provisions.

15. What are the Definitions of “Psychological/Stress Disorder” and “Drug Abuse”?

“Psychological/Stress Disorder” is a disability that results from one or more stress, mental, nervous, behavioral or emotional disorders or conditions. This includes any physical manifestations arising from any of these disorders or conditions.

A **“Drug Abuse Disorder”** is a disability that results from alcoholism, the use of illegal Drugs, or substances, or any improper use of legally available Drugs (which includes the use of Drugs not taken in accordance with your **Physician’s** prescription and advice).

16. What does “Total Disability” mean?

“Total Disability” during the first 24 months of a **Total Disability** means your complete inability whether temporary or permanent, to perform any and every duty of your own occupation, including alternative, modified or light duty employment for your **Employer**. This is called the **Own Occupation Disability** period. After 24 months of **Total Disability**, you will be considered to be **“Totally Disabled”** only if you are unable as a result of your inability to perform the material duties of any gainful occupation for which you are or may reasonably become fit by virtue of education, experience or training, in accordance with applicable legal requirements. The 24 or 12 month initial **Own Occupation Disability** period will continue to run during temporary resumptions of work as described in question and answer D-5. The **Total Disability** period begins on the first day of eligibility under California Labor Code Section 4850, or Section 4800, **IDL** or **Temporary Disability** under the Workers’ Compensation Laws of California, whichever is later. For **Non-Industrial Disabilities**, the 24 month period begins for a recurring disability at the end of any applicable **Elimination Period**. Certain conditions are excluded from coverage. If you are a **Non-Safety Personnel**, the **Own-Occupation Disability** period is 12 months and the **Maximum Benefit Period** is 36 months.

17. What does “Offsetting Benefit/Income Amounts” mean?

“**Offsetting Benefit/Income Amounts**” means any unpaid, contingent or disputed amounts that a **Plan Member** is or may reasonably be entitled to receive of the types described in question and answer D-7.

18. Other Defined Terms

A number of additional definitions of important terms and the complete definitions of the terms defined above are contained in the Plan document, which is available for your review upon request to the Administrator. These additional terms include “**50/50 Integration Benefit**,” “**Administrator**,” “**Approved Rehabilitative Employment**,” “**Board of Directors**,” “**Death**,” “**Death Benefit**,” “**Drug**,” “**Drug Abuse**,” “**Effective Date of Participation**,” “**Evidence of Health**,” “**Injury**,” “**Maximum Benefit**,” “**Offsetting Benefit/Income Amounts**,” “**Own Occupation Disability**,” “**Participating Association**,” “**Prior Coverage Credit**,” “**Physician**,” “**Regular Care of a Physician**,” “**Safety and Non-Safety Personnel**,” “**Sickness**,” “**Safety Personnel**,” and “**Survivor Benefits**.”

C. ELIGIBILITY AND PARTICIPATION

1. How do I become eligible to participate in the Plan, and How is my continuing eligibility limited?

You become and/or remain eligible to participate in the **Plan** when all of the following apply:

(1) your **Participating Association** is (unless you are a participant in an individual plan) a member association in good standing with **CLEA** and satisfies the minimum participation requirements as established by the **Board of Directors** (the minimum participation levels may vary with regard to different **Plan Options**);

(2) you are in **Active Service** in a full-time position as a safety member or civilian worker in a qualifying law enforcement agency and you comply with all the prerequisites to being a **Plan** member;

(3) you are an active member of your **Participating Association** (this limitation does not apply with respect to participation in an individual, rather than group plan);

(4) the **Administrator** has received and approved all required documents for continuing participation; and

(5) if you are a participant in an individual plan, you satisfy such other requirements under the provisions of the applicable individual plan that may be in effect. A copy of any other requirements can be provided to you by the Administrator.

You must enroll in one of the **Plan** coverage options. The applicable option will be determined by the **Administrator** based on the designation selected by your **Participating Association**. Your eligibility for continued participation is limited, as provided in the **Plan**

document, which includes the requirements of cooperation and proof of disability outlined in questions and answers D-16 and D-17, below. In order to associate with **CLEA**, your department or association usually will be required to maintain a participation level of a specified percentage of its eligible membership. This percentage typically ranges between 50% and 60% and is established by the **Board of Directors** as provided in the **Plan** document. An exception to reduce this requirement may be made by the **Board of Directors** on a case by case basis. Each **Participating Association** must be approved the **Board of Directors** of **CLEA**.

2. *If I am eligible, what is the effective date for my participation in the Plan?*

Once you are eligible to participate in the **Plan**, your participation will become effective when you satisfy all of the following conditions:

(1) you provide to the **Administrator** a properly-completed enrollment card and receipt of the card is verified by the **Administrator**;

(2) you provide to the **Administrator** evidence that you have applied for a payroll deduction for the required **Plan** contribution or that your **Participating Association** or **Employer** is making the required contribution on your behalf; and

(3) the Administrator has received the first full monthly required contribution.

Unless you enroll within the **Initial Enrollment Period**, usually within 60 days of your **Employment Date**, or within 60 days of reinstatement or rehire with your **Employer**, unless extended for your **Participating Association** by resolution of the **Board of Directors**, the **Plan** will not provide coverage or **Benefits** for any **Pre-existing Condition**.

If the required contribution, payroll deduction verification or enrollment card is received by any party other than the **Administrator**, the last condition is not satisfied. As an example, and without limiting this general rule, receipt of the card by any **Participating Association** or an officer of the association or by any member of the **Board of Directors** will not satisfy this condition.

3. *When is my effective date for participation deferred?*

If you are not eligible on what would otherwise be your effective date for entry into the **Plan** or an increase in Benefits because you are not actively at work or you are not a member of your **Participating Association**, then your eligibility to participate or to receive the increase in **Benefits** will be deferred until 30 days after you return to **Active Service** (not modified, light or limited duty status) or reinstate your membership in your **Participating Association**, as applicable. (When you return to **Active Service** for 30 days, certain **Pre-existing Conditions** may be excluded from coverage. This is described under question and answer D-11, subparagraph 4 below.)

4. *How do I enroll?*

To enroll, you must complete and return to the **Administrator** a properly executed **Plan** enrollment card. This enrollment card will be provided to you by the **Administrator**. Your participation will not begin until the card has been returned, as verified by

the **Administrator**. This is true regardless of whether contributions have been made for you. In addition to other matters, the enrollment card specifies that you agree to be bound by the provisions of the **Plan** and that you understand the limitations that apply to **Pre-existing Conditions**.

5. When does my participation in the Plan terminate?

Your participation in the **Plan** automatically terminates on the first occurrence of any of the following:

(1) the date you cease to be in **Active Service** or otherwise cease to qualify as a **Plan** member (this may result in a **Temporary Termination**, as discussed below), unless on that date you are **Totally Disabled** and the **Plan** is making monthly **Benefit** payments to you;

(2) the date of your retirement under any retirement plan provided by your Employer, unless on that date you are **Totally Disabled** and the **Plan** is making monthly **Benefit** payments to you;

(3) the date you become a full-time member of the armed forces of any country (this may result in a **Temporary Termination**, as described below);

(4) if none of the events described in items 1 through 3 above apply, on the 15th day of the month following the last month when a full monthly **Contribution** was made for you (unless the **Contribution** is waived as a result of **Total Disability** for which the **Plan** is paying you monthly **Benefits**, as described below in question and answer C-10). You will be required to continue making the fully monthly **Contribution** amount during the period when you receive no **Benefit** payments from the **Plan** because of **Offsetting Benefit/Income Amounts**; and

(5) Certain other events described in the **Plan**, such as the termination of your membership in your **Participating Association**. Some of these events may not apply to participation.

6. When will my participation temporarily terminate?

Your participation in the **Plan** will temporarily terminate during the following periods (other than as provided in item (3) with regard to the **Death Benefit**):

(1) any temporary periods during which you are not in **Active Service**, other than due to a **Total Disability** for which you are **Eligible to Receive Benefits** or regularly scheduled vacation time;

(2) any layoff from **Active Service** at work other than for a **Total Disability** for which you are **Eligible to Receive Benefits**;

(3) any temporary periods of 24 months or less that you are recalled to active duty to the United States armed forces, or perform active duty, annual training or inactive duty training for the armed forces of any country (during which 24 months you will continue to be eligible for a reduced twenty-thousand dollar **Death Benefit**) if you die and satisfy the other requirements for the **Death Benefit**.

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Your **Temporary Termination** of participation will begin immediately after your last hour of **Active Service** before the period begins.

7. *When does my participation begin again after a Temporary Termination?*

Following **Temporary Termination**, as long as you are still eligible to participate in all other respects as itemized above, you will again participate in the **Plan** beginning 30 days after the end of the temporary leave or layoff described above or immediately after the end of the period of active or inactive duty in the armed forces described above. After a **Temporary Termination** of participation and coverage, you will not be covered for any disability which results from an **Injury** or **Sickness** that arose during the **Temporary Termination**. An **Injury** or **Sickness** will be considered to have arisen during the **Temporary Termination** if you received or sought medical treatment or advice for the condition from a **Physician** (including an osteopath, chiropractor or podiatrist) during the one hundred eighty day preceding period or the condition was detected or you were aware or reasonably should have been aware of the condition or you were aware or reasonably should have been aware of the condition.

8. *After my participation has ended, can I again join the Plan?*

After participation is terminated, you must join the **Plan** again in the same manner as any new **Participant**. If your termination was temporary, as described above, you may again participate in the manner described in question and answer C-7.

9. *What monthly Contributions (payments) are required for me to participate?*

You must make a monthly **Contribution** (payment) to the **Plan** in advance or have a monthly **Contribution** made to the **Plan** on your behalf. The **Board of Directors** sets the required monthly **Contribution** amounts for each of the **Plan Options**. **Contributions** are made through payroll deduction or in another manner approved by the **Board of Directors**. The monthly **Contribution** amount is payable in full for any portion of a month in which you participate. You will not be entitled to a refund for any portion of a monthly **Contribution** based on the termination of your coverage during that month. The monthly **Contribution** amount is subject to change on 30 days' notice to your **Participating Association**. Your **Employer** may or may not offer to contribute to this **Plan**. Please review the **Plan** document for other specific provisions regarding **Contributions**.

10. *If I am disabled, do I have to continue contributing to participate?*

You are not required to make the monthly **Contribution** during any month when you are **Totally Disabled** and you are receiving **Benefit payments** (not including the **Minimum Benefit**) from the **Plan** (the **Minimum Benefits** are described in question and answer D-13). During periods that **Benefits** are offset and not payable, such as periods during which you receive Labor Code Section 4850 or equivalent pay, you must continue to make **Contributions**.

11. *If I contribute for periods when I am not eligible to participate, am I entitled to a refund of premiums?*

You are entitled to a refund (without interest) of **Contributions** that you make for periods of time that you are not eligible to participate in the **Plan**. The **Plan** contains certain other limitations that may apply. Question and answer C-1 describes eligibility requirements.

D. BENEFITS

IMPORTANT: YOU SHOULD REVIEW THE SPECIFIC DETAILS OF "**BENEFITS**" ON THE FOLLOWING PAGES TOGETHER WITH ANY AMENDMENT ATTACHED OR PRINTED ON THE LAST PAGES OF THIS DOCUMENT, WHEN APPLICABLE.

1. *When am I entitled to receive Disability Income Benefits?*

Once you have provided sufficient proof that you have become **Totally Disabled** while you are participating in this **Plan** for a covered disability, you may be eligible to receive **Benefits**. Once the **Elimination Period** has run, you are entitled to a monthly disability **Benefit** for each month that you are **Totally Disabled** and under the **Regular Care of a Physician** (as described in more detail in the **Plan** document). In order to receive **Benefits**, you must also comply with all other requirements of this **Plan** regarding the **Sickness, Injury or Pregnancy**. These **Disability Income Benefits** will continue during the period of your **Total Disability**, not to exceed the applicable **Maximum Benefit Period** described below. Your disability **Benefits** may be reduced by any benefits you receive from other sources, as described in question and answer D-7 below. You may be required to repay certain **Benefits** if you later recover benefits from other sources (**Offsetting Benefit/Income Amounts**).

2. *How long will my Benefits continue?*

Generally, if a covered **Sickness, Injury or Pregnancy** causes you, directly and independently from any other sources, to be **Totally Disabled**, you will be eligible for **Disability Income Benefits**, as described below in question and answer D-6. Generally, these **Benefits** will be payable for an **Own Occupation Disability** up to a total of 24 months for (or 12 months if you are classified as a **Non-Safety Personnel**, unless the **Maximum Benefit Period** limitations requires a shorter period (which is described in question and answer D-14). The **Benefit Period** of 24 months (or 12 months if you are classified as a **Non-Safety Personnel**) will begin on the date that the **Sickness, Injury or Pregnancy** causes you to be **Totally Disabled** or the last date of **Active Service**, whichever is later for **Industrial Disabilities**, and begins after the applicable **Elimination Period** for **Non-Industrial Disabilities**. After the 24 month (or 12 months if you are a classified as **Non-Safety Personnel**) **Own Occupation Disability** period you will be considered to be **Totally Disabled** and eligible to continue receiving **Disability Income Benefits** up to the **Maximum Benefit** period only while you are completely unable to perform any and every duty of any gainful occupation for which you are or may reasonably become fit by virtue of education, experience or training. Again, these **Benefits** may be offset or reduced by **Offsetting Benefit/Income Amounts**, as described in question and answer D-7.

3. *What if Benefit payments are delayed because I have not provided proof of my disability or have not otherwise complied with the Plan?*

In the event of any delay in the payment of **Benefits** due to your failure to provide proof of disability or your failure to cooperate (as described in question and answer D-17 below), on your full correction of the failure, the **Plan** will pay you an increased monthly **Benefit**

until you have been paid all amounts which were delayed; provided, that no monthly payment will ever exceed 150% of the maximum you would be eligible to receive as a monthly **Benefit** unless in connection with certain **Dispute** settlements. No interest is payable on delayed **Benefits**.

4. Can I ever receive Benefits during the Elimination Period?

You may, by written request to the **Administrator**, apply for early payment of **Disability Income** during the **Elimination Period**. To do so, you must supply proof reasonably acceptable to the **Administrator** that you suffer from a qualifying long-term, **Non-Industrial Disability** or a long-term **Total Disability** as to which your entitlement to Workers' Compensation coverage or pension system payments is disputed by your Employer. If approved by the **Administrator**, you will receive reduced **Disability Income Benefits** during the balance of the **Elimination Period**. The amount of the reduced **Disability Income Benefits** payable during the **Elimination Period** will be determined by prorating the **Disability Income Benefits** which would be payable during the estimated period of your **Total Disability** following the **Elimination Period** (but not to exceed one year) over such estimated period of your **Total Disability** plus the balance of the **Elimination Period**. **Reduced Benefits** will continue until you have reimbursed the **Plan** for the payments made during the **Elimination Period**.

5. What if my disability reoccurs after I go back to work?

If you resume your regular occupation after a period of **Total Disability**, accept light duty services from your **Employer** or accept **Approved Rehabilitative Employment** and perform the material duties of your job for a continuous period of more than 12 full continuous months, any disability resulting from the same cause or causes is considered a new period of disability and not a continuation of your prior disability, and you will be entitled to **Benefits**, when appropriate, in accordance with the applicable provisions of the **Plan** (including the **Elimination Period** requirements). If you resume your job, accept light duty services or accept **Approved Rehabilitative Employment** for less than 12 full continuous months, any disability resulting from or contributed to by the same cause or causes is not considered a new period of disability and the periods of return to work are treated as a continuation of your disability period for the purpose of the **Plan's** benefit limitations. Additional **Benefit** limitations are applicable to disabilities from a **Psychological/Stress Disorder** or **Drug Abuse Disorder** and the other conditions described in questions and Answer D-14, which are subject to lifetime maximum **Benefit** periods or amounts.

6. How much will I receive as a Disability Income monthly Benefit?

Subject to the reductions and limitations described below, if you become **Totally Disabled** from a covered disability, you will receive the following amounts as **Disability Income**:

(1) **Safety Personnel, Non-Industrial.** If your **Total Disability** is a **Non-Industrial Disability** and you are employed in a **Safety Personnel** classification, you will receive up to 80% (rounded to the nearest dollar) of your regular **Base Monthly Earnings** if you are covered under **Plan Options A, B, or E**, subject to the **Maximum Benefit** amount then in effect and the exception noted in items 4 through 7 below. The **Benefit** level is 75% of your **Base Monthly Earnings** for **Plan Option C**, and 70% of your **Base Monthly Earnings** for **Plan Option D**, subject to the same limitations as described in the preceding sentence.

(2) **Safety Personnel, Industrial.** If your **Total Disability** is an **Industrial Disability** and you are employed in a **Safety Personnel** classification or a disability for which the **Industrial** or **Non-Industrial** characterization is disputed in a worker's compensation proceeding before the California Worker's Compensation Appeals Board, you will receive up to 70% (rounded to the nearest dollar) of your regular **Base Monthly Earnings**, subject to the **Maximum Benefit** amount then in effect and the exceptions noted in items 4 through 7 below, for **Plan Options A, C, D and E**, and 75% for **Plan Option B**.

(3) **Non-Safety Personnel.** If you are a **Non-Safety Personnel**, you will receive up to 66 2/3% (rounded to the nearest dollar) of your **Base Monthly Earnings**, subject to the **Maximum Benefit** amount then in effect and the exceptions set forth in items 4 through 7 below. See question and answers D-2 and D-14 for certain other limitations that apply to **Non-Safety Personnel**.

(4) **IDL.** If you are in an employee classification that is eligible for **IDL** benefits and not eligible for benefits under California Labor Code Section 4850 or 4800 or similar benefits, your **Benefit** is limited to 66 2/3% of your regular **Base Monthly Earnings** for both **Industrial** and **Non-Industrial Disabilities**, subject to the limitation of item 7. If your **IDL** benefits are denied due to a recurrence of a disability within the previous 24 months, your **Benefits** are limited to 50% of your regular **Base Monthly Earnings**.

(5) **Catastrophic Disability.** If your **Total Disability** qualifies as a **Catastrophic Disability** (see question and answer B-5 for the definition of "**Catastrophic Disability**") and you are a **Safety Personnel Participant**, then you will receive during the first 30 months of **Catastrophic Disability** following the **Elimination Period**, 100% (rounded to the nearest dollar) of your regular **Base Monthly Earnings** or 80% if you are an **Employee** who is eligible to participate in **IDL**, subject to the **Maximum Benefit** amount then in effect and subject to the offsets, limitations, and reductions described in the **Plan**. For **Non-Safety Personnel**, the **Benefit** level is 80% of **Base Monthly Earnings** for a **Catastrophic Disability** and continues for 18 months following the **Elimination Period**, subject to the offsets, limitations and reductions described in the **Plan**. Following this period, your **Benefits** will return to the levels described in items 1 through 3 above.

(6) **Benefit Limit for Days 31 through 60.** During the 30 days of **Total Disability** period that follow the **Elimination Period** your monthly **Disability Income Benefit** is limited to 50% of your regular **Base Monthly Earnings** (and you are required to collect all available work leave time).

Base Monthly Earnings include base pay and certain incentives from your law enforcement department employment only. The **Administrator** will advise you of the current maximum amount of monthly **Disability Income**.

The amount of **Benefits** you receive from the **Plan** or are eligible to receive from other sources will be reduced by the **Offsetting Benefit/Income Amounts** you receive or are eligible to receive from other sources, as described in question and answer D-7 below, and is subject to the **Maximum Benefit** amount then in effect. However, you may be entitled to the **Minimum Benefit** if you are receiving vacation, sick leave pay or donated catastrophic pay and remain on "department pay status," as described in question and answer D-13. Your monthly rate of earnings is determined at the end of the **Elimination Period** after the date of your disability. Earnings will be determined from base pay plus all other compensation calculated for

normal retirement purposes. Earnings will not include bonuses, overtime pay, or any other extra compensation not included for normal retirement purposes. When **Disability Income** is payable for partial months, the amount will be prorated in accordance with rules contained in the **Plan** document. The **Benefits** for **Trainee Participants** is subject to certain limitations and reductions as described in question and answer D-24.

7. When are my Plan Benefits reduced by Offsetting Benefit/Income Amounts?

While you are **Totally Disabled**, if you or your **Eligible Dependent Survivor** receive or are entitled to receive **Offsetting Benefit/Income Amounts**, as described below, and those **Offsetting Benefit/Income Amounts** have not already been applied to reduce your **Benefits** (see question and answer D-10), then the amount of any **Plan Benefits** payable to you and your **Eligible Dependent Survivor** from any source or recovery (regardless of how they are characterized) will be reduced by these **Offsetting Benefit/Income Amounts**. The following is a list of **Offsetting Benefit/Income Amounts**:

(1) Workers' Compensation Benefits. Any amount you receive or are eligible to receive from any source as a result of your disability under any Workers' Compensation Act or law, occupational disease law, or any other legislation of similar purpose, including without limitation, amounts for partial or total disability, but excluding permanent disability. The maximum **Benefits** you are eligible to receive when added to other income or other benefits from all sources may not exceed 100% of your pre-disability **Base Monthly Earnings**. **Plan Benefits** will be reduced if this amount exceeds 100%. The Plan is entitled to first claim and payment against amounts that you receive or are eligible to receive under the Worker's Compensation Act;

(2) Group Insurance Benefits. Any amount you receive or are eligible to receive as a result of your disability under any group insurance plan or coverage providing disability income benefits other than group credit insurance or group mortgage disability insurance;

(3) Compulsory Benefits and Negotiated Benefits. Any amount you receive or are eligible to receive as a result of your disability under any compulsory benefit act or law, including but not limited to, any state unemployment compensation disability benefit law or any state disability income benefit law or pursuant to section 4800 or 4850 of the California Labor Code or the **IDL**, or any comparable provision or negotiated substitute;

(4) Offsetting Benefit/Income Amounts. Any amount you receive either as earnings for work or services (including self-employment) performed by you during your period of **Total Disability**, whether payable by your **Employer**, any other employer or by self-employment (other than 50% of **Approved Rehabilitative Employment**, as described in question and answer D-9 below) or as sick leave pay, vacation pay, other personal leave balances or catastrophic leave balances (donated time) provided by your **Employer** or fellow employees, unless the sick leave, vacation pay or other personal balance is paid as a lump sum, post-retirement distribution. You may still be entitled to the **50/50 Integration Benefit** described in question and answer D-15 and the **Minimum Benefit** described in question and answer D-13;

(5) Any Other Disability Benefits or Pension Benefits. The unmodified and unreduced amount of any disability income benefits, income or funds (determined without regard to any election you make to receive reduced income benefits) you receive or are entitled to

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receive under any pension or other program provided by your current **Employer** or any prior employer or any union or other organization other than any lump sum distribution of your entire interest in any pension program, except to the extent the payment of the lump sum eliminates or reduces your entitlement to receive an annuity or other amount payable as a result of your disability (the term "**Pension Program**" is defined in the **Plan** document and includes but is not limited to any federal or state pension or federal or state military benefits, whether disability or service retirement), or any amount comprising your voluntary contribution to a pension program or the earnings accrued on your voluntary contribution. If you retire as a result of an **Industrial Disability**, you should receive at least 50% disability retirement and the **Maximum Benefit** under the **Plan** that you will be eligible to receive may be 20% of your pre-disability **Base Monthly Earnings**.

(6) Social Security Benefits. Any amount that you, your spouse or child or children receive or are eligible to receive because of disability or retirement or to which you or they would be entitled if an application for such payment were submitted and approved, under the United States Social Security Act;

(7) Third Party Entitlements, Payments or Recoveries and Insurance Benefits. Any other amount that you are entitled to receive for any period during which **Benefits** were payable to you as a result of the disability from any third party or from any insurance coverage maintained by or on behalf of you (including without limitation insurance for uninsured or underinsured motorists), or on behalf of a third party or as direct or indirect payment or recovery for lost wages or related benefits, or physical or emotional injury, including "pain and suffering" and recovery of other special damages;

(8) Benefits For Which You Fail to Apply. Any of these Offsetting **Benefit/Income Amounts** that you would receive if you submitted the appropriate application form, demand or statement, or initiated other appropriate action; and

(9) Benefits You Waive or Compromise. Any of the **Offsetting Benefit/Income Amounts** described above that you waived or forfeited through benefit election, stipulation, compromise, release, or other waiver, or through your action or inaction.

8. Will my Benefits be reduced for later increases in Social Security benefits?

No, if you are entitled to receive **Disability Income Benefits** under the **Plan**, the amount of the **Benefits**, after being initially computed, will not be reduced due to any subsequent change in the United States Social Security Act that increases the Social Security Act benefits; provided, however, that any and all cost of living increases to the amount of Social Security Act benefits to which you are entitled will be applied to reduce **Benefits**.

9. What is Approved Rehabilitative Employment?

If you accept **Approved Rehabilitative Employment**, then while you continue in **Approved Rehabilitative Employment** the **Plan** only will reduce the **Benefits** to which you are entitled by fifty cents for each dollar earned. The **Administrator** and **Board of Directors** have the authority in their sole discretion to approve employment as **Approved Rehabilitative Employment** and to withdraw this approval at any time.

10. What is the election to receive reduced Benefits?

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If you are eligible for **Offsetting Benefit/Income Amounts** (as described in question and answer D-7) but are not immediately entitled to receive them due to circumstances beyond your control, you can elect either:

(1) to receive your **Disability Income** under the **Plan** unreduced by these **Offsetting Benefit/Income Amounts** until you actually receive such benefits, at which time you must immediately repay the amount of such benefits to the **Plan** as described in question and answer D-18 below; or

(2) to receive your **Disability Income** under the **Plan** reduced by the estimated amount of these other **Offsetting Benefit/Income Amounts**. When you later receive the **Offsetting Benefit/Income Amounts**, the **Plan** will pay you additional amounts if the estimate of the **Offsetting Benefit/Income Amounts** was high. If the estimate of the **Offsetting Benefit/Income Amounts** was low and you received excess **Benefits**, you must immediately repay the **Plan** as described in question and answer D-18 below.

11. What specific disabilities are always excluded from coverage or qualify for modified Benefits?

You, your **Eligible Dependent Survivor** and your named **Beneficiary** will not be eligible for any **Plan Benefits** with regard to or as a result of:

(1) Self-Inflicted Injury. A disability that is caused or contributed to by intentionally self-inflicted injuries while sane or insane;

(2) Military Service. A disability that arises out of war, declared or undeclared, civil or international, or any act or hazard of war or substantial armed conflict between organized forces of a military nature, including without limitation any disability caused by any **Injury** or **Sickness** occurring while in full time active duty in the United States armed forces, and any disability caused by **Injury** or **Sickness** caused while on reserve military duty; provided that a reduced twenty thousand dollar **Death Benefit** will continue to be available for up to 24 months during a **Temporary Termination** during a war or armed military conflict pursuant to question and answer C-6, subpart (4);

(3) Unlawful or Unethical Conduct. Death or a disability that arises directly or indirectly from committing or attempting to commit any unlawful act or a breach of ethical standards. In addition, you will not be entitled to receive any form of **Benefits** for a disability or **Death** that arises or occurs during a period of incarceration;

(4) Regular Care of Physician; Cooperation. As a result of a disability during any period that you are not under the **Regular Care of a Physician**, failed to follow material treatment recommendations of your **Physician**; have not obtained sufficient **Physician** verification of the **Total Disability** as requested by the **Board of Directors** or **Administrator**, or have not otherwise complied with the provisions of the **Plan** regarding proof of disability and cooperation;

(5) Vocational Rehabilitation. A disability arising during any period in which you participate in a vocational rehabilitation program;

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(6) Maximum Benefit Period. Any disability arising after any applicable **Maximum Benefit Period**; or

(7) Elective Procedures. Any disability or **Death** arising as a result of, or in connection, with, an elective surgical procedure that is medically unnecessary, except to the extent that you qualify for a **Prior Coverage Credit exception**.

If you enrolled in the Initial **Enrollment Period**, you are not entitled to **Benefits** for any **Pre-existing Condition** that results in a **Total Disability** prior to 24 months after the effective date of your participation in and coverage under this **Plan**, and a 48 month **Benefit** exclusion period will apply following your enrollment and participation in the **Plan** if the **Pre-existing Condition** is Acquired Immunodeficiency Syndrome (“AIDS”), AIDS-related conditions (“ARC”), or testing HIV positive. In addition a 48 month exclusion period applies with respect to all **Death Benefits** if your **Death** is caused by a **Pre-existing Condition**. The **Pre-existing Condition** limitation described in this subparagraph does not apply if you are eligible for **Prior Coverage Credit** as described in question and answer D-12 below.

You, your **Eligible Dependent Survivor** and your named **Beneficiary** are eligible only for modified **Benefits** with regard to or as a result of;

(1) Suicide. Death due to suicide. Unless you have been a **Plan Participant** for 24 months or more, you will only be eligible for a \$2,000 **Death Benefit** for suicide.

(2) Preexisting Conditions. A disability or **Death** that was caused or contributed to by any **Pre-existing Condition** or from surgical or other medical treatment for any **Pre-existing Condition**, unless you properly enrolled for participation and became covered under the **Plan** during the Initial **Enrollment Period** or are eligible for the **Prior Coverage Credit**;

(3) Psychological/Stress or Drug Abuse or other Specified Condition Beyond Stated Benefit Period. A disability that is due to or resulting from a **Psychological/Stress Disorder, Drug Abuse**, HIV, AIDS, ARC, vertigo, fibromyalgia or chronic fatigue syndrome or other self-reported syndromes or symptoms not verifiable by a **Plan** approved **Physician**, beyond the **Benefit** period described in question and answer D-14. You are not eligible for **Benefits** with regard to a **Total Disability** resulting from fibromyalgia or chronic fatigue syndrome or other self-reported syndromes or symptoms for a period of 24 months after your initial enrollment, a **Psychological/Stress Disorder** or **Drug Abuse** for a period of 24 months after your initial enrollment, or HIV, AIDS or ARC for a period of 48 months after your initial enrollment. No **Benefits** are payable with regard to vertigo;

(4) Reoccurrence of Disability. A disability which reoccurs following your return to **Active Service** and results in a **Total Disability** before you have returned to **Active Service** for 12 full continuous months beyond the **Benefit** period for the original disability; or

(5) Unlawful Conduct. A disability that arises during periods of your incarceration before or after conviction for any unlawful acts.

12. What is the Prior Coverage Credit and when does it allow me to

immediately obtain coverage for Pre-existing Conditions?

The **Prior Coverage Credit** allows you to obtain continuing coverage for **Total Disabilities** from a **Pre-existing Condition** and for other **Total Disabilities** immediately upon the effective date of your participation (despite the **Pre-existing Condition** exclusion) if you are covered by a qualifying group long-term disability insurance program and you transfer into the **Plan** at the time your **Participating Association** joins the **Plan**. Under the **Prior Coverage Credit**, you will neither gain nor lose coverage solely because of a change in your long-term disability insurance carrier. If the **Plan** replaces your prior qualifying long-term disability coverage you will be eligible for immediate coverage upon the effective date of your participation in the **Plan**. Also, your coverage may include an **Injury** or **Sickness** resulting from a **Pre-existing Condition** that is otherwise excluded from coverage under the **Pre-existing Condition** limitation described in question and answer D-11 at subparagraph (4) but covered under your prior program. You will be entitled to this **Prior Coverage Credit** only if you are eligible for coverage under this **Plan** and you were continuously covered under the prior carrier's plan during the period beginning 181 days before the effective date of participation in this **Plan** and continuing through the day before the effective date of your participation in this **Plan** and if the prior coverage is pre-approved by the **Administrator**. Your coverage is, of course, subject to all other normal conditions for continuing participation in and coverage under this **Plan**, including without limitation the payment of any required **Contribution** when due. Your **Benefits** during any period that a **Prior Coverage Credit** applies will be limited to the lesser of the benefits you would have received under the prior coverage or the **Plan Benefits**. This includes but is not limited to all reductions for offsets and elimination periods. Whenever the **Plan** is replacing existing coverage, a copy of either the certificate or contract for the prior coverage must be submitted to the **Administrator** in advance and approved by the **Board of Directors** as qualifying **Prior Coverage** before your **Participating Association** joins the **Plan**.

13. What is the Minimum Benefit?

(1) Minimum Benefit. Following the **Elimination Period**, while you are **Totally Disabled** and remain on department pay status, if you are a **Safety Personnel** classification you will be eligible to receive a **Minimum Benefit** of \$1,000 per month during the period of time that you receive accrued vacation pay, sick leave or other earned or donated pay from your **Employer** or co-workers, and are under the **Regular Care of a Physician**. However, this **Minimum Benefit** is reduced to \$500 per month when a disputed workers' compensation claim is pending. If you are in the **Non-Safety Personnel** classification, the **Minimum Benefit** is \$500 per month. This **Minimum Benefit** is not paid during the period when you are eligible to receive California Labor Code Sections 4800 or 4850 pay, benefits of the **IDL**, or any comparable provision or negotiated substitute.

(2) Use of Personal Leave. The **Plan** will allow you to stop using available sick leave or other leave balances or donated time after the **Elimination Period**. However, if you elect to continue receiving available personal leave balances or donated time following the **Elimination Period**, you will receive the **Minimum Benefit** as described above.

14. What is the Maximum Period Benefits may continue?

(1) General Rule. In addition to the specific limitations described in items (2), (3) and (4) of this question and answer, the **Maximum Benefit** period during which you may receive **Benefits** is as follows:

(a) Safety Personnel. If you are **Totally Disabled** while employed as a **Safety Personnel**, there is no maximum age past which **Benefits** will terminate. However, for **Total Disabilities** that occur at and after age sixty-five, the maximum **Benefit** period that you may receive **Benefits** is 24 months. This limit is in addition to all other limitations that may apply under this **Plan**. See question and answer D-2 for other limitations to the **Benefit** period; and

(b) Non-Safety Personnel. If you are not a **Safety Personnel** and are **Totally Disabled**, the maximum period that you may receive **Benefits** is 36 months until you are age sixty-five and 24 months for **Total Disabilities** that occur at and after age sixty-five. This 36 month/24 month period begins on the day following the end of the applicable **Elimination Period**. (In addition, the "**Own Occupation Disability**" period described in question and answer D-2 is 12 months for **Non-Safety Personnel**.)

(2) Psychological/Stress and Drug Abuse Disorders. The **Maximum Benefit Period** for disability resulting from **Psychological/Stress Disorders** or **Drug Abuse Disorders** is limited as follows:

(a) A disability due to or resulting from a **Psychological/Stress Disorder**, including any physical manifestation of a **Psychological/Stress Disorder**, entitles you to a maximum aggregate disability period (following the applicable **Elimination Period(s)**) during any single occurrence for a maximum of 3 months and a lifetime aggregate of no more than 6 months, with no less than three hundred sixty-five day period of return to **Active Service** between disability periods; and

(b) A disability due to or resulting from a **Drug Abuse Disorder** entitles you during your lifetime to receive **Benefits** for no more than a maximum disability period (following the applicable **Elimination Period**) for a single **Drug Abuse Disorder** occurrence of 3 months and a maximum aggregate disability period (following the applicable **Elimination Period(s)**) during your lifetime of 6 months, in either case with no less than a 365 day period of return to **Active Service** between disability periods.

(3) Human Immunodeficiency Syndrome (HIV), Acquired Immune Deficiency (AIDS), AIDS Related Complex (ARC). Except as provided below with regard to disabilities determined to have arisen out of, or in the course of employment and accepted as an **Industrial Disability** in your Workers' Compensation proceeding, a disability due to or resulting from HIV, AIDS or ARC, including any physical manifestation, entitles you to a maximum disability period (following the applicable **Elimination Period**) of 24 months. Without limiting this 24 month lifetime maximum, you must return to **Active Service** for at least 365 days from the last day on which you accrued **Benefits** from an HIV, AIDS or ARC disability before you are next entitled to apply for or obtain **Benefits** arising from an HIV, AIDS or ARC disability. If the disability related to HIV, AIDS, ARC is finally determined (within the first 24 months after the disability first occurs) by the Workers' Compensation Appeals Board (WCAB) of California to have arisen out of, or in the course of employment (AOE/COE), then the **Benefit** period limitation for HIV, AIDS or ARC disabilities described in this subsection (3) will not apply; and

(4) Self-Reported Symptoms; Chronic Fatigue Syndrome, Fibromyalgia and Vertigo. If you are **Totally Disabled** due to or resulting from chronic fatigue syndrome or fibromyalgia or other conditions that are diagnosed based upon self-reported symptoms that are not objectively verifiable by a **Physician**, you are entitled to **Disability Income Benefits** for no more than a maximum period (following, the Elimination Period) of 12 months. No **Disability Income Benefits** are payable with regard to a **Total Disability** due to or resulting from vertigo.

15. What is the “50/50 Integration Benefit”?

If your **Employer** allows your **Participating Association** to elect to apply your 100% personal leave days as two 50% personal leave days, then 60 days after you become **Totally Disabled** with a **Non-Industrial Disability** you may exercise this personal leave utilization option and the **Plan** will pay you a 50% **Benefit** for each day for which you receive the 50% personal leave pay.

16. What is the proof of disability requirement?

You will not be eligible to start receiving **Disability Income Benefits** or to continue receiving **Disability Income Benefits** unless you periodically submit a written statement from a **Physician** on the forms supplied by the **Administrator** establishing that you have suffered and continue to have a **Total Disability** by **Injury, Sickness** or **Pregnancy**. The **Administrator** may require that you obtain additional examinations from a **Physician** selected by the **Administrator** to verify the **Total Disability** or the term of your disability period. You will not be charged for these additional examinations and will not be required to travel to a location outside of a one hundred and fifty mile radius from your home for the examinations. You must be available for this examination within no more than 30 days following the **Administrator's** notice to you. If you fail to complete any additional examination or fail to provide adequate proof of your **Total Disability** in timely compliance with this requirement, you will temporarily lose your right to receive **Benefits** under the **Plan** until you have fully complied with these **Plan** requirements. (See question and answer D-3.)

17. What are the cooperation requirements and what is the acknowledgement form?

You must cooperate in good faith with the **Administrator** in instituting and completing in a timely manner any proceedings or submitting in a timely manner any applications necessary or useful to recover all unpaid **Benefits** to which you are entitled from other sources. If you are disabled, you must take all actions reasonably necessary to obtain a court determination of whether the disability entitles you to any payments or benefits under any workers' compensation act or law, occupational disease law, or other legislation of similar purpose. You must provide the **Administrator** with copies of any documentation requested by the **Administrator** concerning any of these proceedings, including without limitation copies of all medical reports, depositions, transcripts, accident reports, stipulated liens, and claim forms. When you receive any **Offsetting Benefit/Income Amounts**, you are required to immediately repay the **Plan** for the **Benefits** you previously received from the **Plan**. (If you are unable to recover these amounts, but have taken all action that is necessary and reasonably useful to collect the amounts, you are not required to repay the **Plan**.) If you have received **Plan Benefits** you may not settle a pending Workers' Compensation action or claim or compromise or release any claims involving or potentially involving your covered disability without the consent and

approval of the **Administrator** as to the amounts repayable to the **Plan** from the proceeds of the settlement. Also, on request by the **Administrator**, you must immediately supply copies of all documents necessary to verify your income, including without limitation copies of your income tax returns during the periods that you are **Totally Disabled** and the 2 years prior to your disability as well as your complete address and telephone number at your primary residence.

17.1 What is the reimbursement agreement and acknowledgment form?

The **Administrator** may require you to properly execute and return a reimbursement agreement and an acknowledgment of your obligation to repay **Offsetting Benefit/Income Amounts** and may also require one or more forms of lien assignment or other similar or related documents as specified in the **Plan**.

17.2 What if I fail to comply with the above requirements?

If you fail to comply with the **Plan** requirements described in this question and answer D-17, in the reasonable administration of **Benefits** or recovery of **Offsetting Benefit/Income Amounts** or fail to comply with any of the requirements specified in the **Plan**, you may temporarily forfeit any rights to continuing **Benefits** and must immediately and without required notice or demand repay the **Plan** for all **Offsetting Benefit/Income Amounts** previously advanced by the **Plan**, together with all attorneys' fees the **Plan** incurs in the collection of these amounts.

18. What if I recover Benefits from a Third Party?

After you have been paid **Benefits** from the **Plan**, you are obligated to reimburse the **Plan** from any **Offsetting Benefit/Income Amounts** (as described in question and answer D-7 above) that you or your **Eligible Dependent Survivor** or **Beneficiary** receive, unless a prior Benefit reduction was made for that recovered amount. This reimbursement obligation applies up to the amount of the total **Benefits** (other than **Death Benefits**) actually paid to you or your **Eligible Dependent Survivor** or **Beneficiary** by the **Plan**. The **Plan** may recover from or offset against any and all current or future **Offsetting Benefit/Income Amounts** received, regardless of how they are characterized, until the **Plan** is repaid in full. This includes future medical claims. The **Plan** has a first right against these amounts. Any **Offsetting Benefit/Income Amounts** that you or your **Eligible Dependent Survivor** or **Beneficiary** receives are held in trust for the **Plan** until the **Plan** has been repaid in full. You must execute and deliver to the **Administrator** all requested instruments and papers and do whatever else is necessary, reasonable or appropriate to secure the rights of the **Plan** under this paragraph, including but not limited to, a reimbursement agreement and acknowledgment of your obligations to reimburse the **Plan**. You must not do anything that will prejudice or reduce the rights of the **Plan** without the written consent of the **Administrator** or another authorized **Plan** representative. All **Offsetting Benefit/Income Amounts** you (or your **Eligible Dependent Survivor** or **Beneficiary**) recover must immediately be paid to the **Plan** to the extent of the **Plan's** rights to the funds and will be applied to reimburse the **Plan** for the **Benefits** paid to you, plus expenses incurred by the **Plan**. Except as expressly stated below, the **Plan** is entitled to full reimbursement regardless of whether you are made whole by the recovery. If you (or your **Eligible Dependent Survivor** or **Beneficiary**) fail to fully reimburse the **Plan** immediately following a recovery of **Offsetting Benefit/Income Amounts**, the total that you owe to the **Plan** will bear interest at a simple annual rate of 10% accruing from the date of demand by the **Plan** until paid. If the total amount

recovered by you is less than the amount necessary to reimburse the **Plan** and reimburse you for reasonable expenses you actually incurred collecting the **Offsetting Benefit/Income Amounts**, the recovery will first be applied to reimburse you for reasonable expenses (attorneys' fees) actually incurred. In all other situations, no fees, costs or expenses you incur will reduce the amount that you must repay to the **Plan**. You must pay to the **Plan** all reasonable costs, fees and expenses, including without limitation attorneys' fees, incurred in the enforcement of your obligations under this paragraph. You must comply with this paragraph as a condition to your right to receive **Plan Benefits** and your **Eligible Dependent Survivor's** and **Beneficiary's** rights to receive **Benefits**.

19. What are the Death Benefits and Survivor Benefits?

The Plan provides the following **Death** and **Survivor Benefits**:

(1) **Death Benefits.** You will be entitled to a **Death Benefit** upon your **Death** or your imminent and certain **Death** while participating in and covered under this **Plan**, or your **Death** while on active duty with the armed forces of any country and on **Temporary Termination** (for no more than a 24 months termination) from participation in the **Plan** (see question and answer C-6 regarding temporary termination while on active duty with the armed forces). If your **Death** results from a **Pre-existing Condition**, your **Beneficiary** will not be entitled to all or any portion of the **Death Benefit** unless you have participated in the **Plan** for at least 48 months as of the date of your **Death** and received no medical treatment for a period of at least 12 consecutive months during this 48 month period. The **Plan** will begin paying the **Death Benefit** upon its receipt of evidence of your **Death** or imminent and certain **Death** by a **Physician's** statement and/or such other evidence as the **Administrator** may reasonably require. The **Death Benefit** is \$60,000 for **Plan Option B**, \$55,000 for **Plan Option A** and **C**, \$50,000 for **Plan Option D**, and \$10,000 for **Plan Option E**. The **Death Benefit** will be paid to the most recent **Beneficiary** designated by you to the **Administrator** in writing or to your estate if the **Beneficiary** predeceases you or dies within 3 days after your **Death**. The **Death Benefit** will be paid as an annuity-type payment over a number of months as provided in the **Plan** document immediately following notification of **Death**. The **Death Benefit** for suicide is \$10,000 after you have participated in the **Plan** for a continuous period of at least 24 months prior to your **Death** (subject to the limitations with regard to AIDS or ARC and other conditions as described in question and answer D-11) and \$2,000 if you have participated for less than 24 months. A \$20,000 **Death Benefit** will apply during a temporary termination of no more than 24 months while recalled to active military duty for **Plan Option A** through **D** and \$10,000 for **Plan Option E**, payable as described in the **Plan**. No **Death Benefits** are payable with regard to a **Death** arising from a **Pre-existing Condition** unless you enroll in the **Plan** during the initial enrollment period and the **Death** occurs after you have participated for at least 48 months and have received no medical treatment for at least 12 consecutive months during the 48 months. Certain other limitations may apply, as set forth in the **Plan**; and

(2) **Survivor Benefits.** If you die while receiving **Disability Income Benefit** payments from the **Plan**, a **Survivor Benefit** will be paid to your **Eligible Dependent Survivor** unless your **Death** is the result of suicide. No **Survivor Benefit** is payable for a suicide. The **Survivor Benefit** is the payment of a **Disability Income Benefit** (limited to nonrecoverable **Benefits** only) to the **Eligible Dependent Survivor** continuing 6 months or, if less, until the first to occur of the **Death** of the **Eligible Dependent Survivor** or the date your **Disability Income Benefits** would have terminated due to the **Plan Benefit** period limitations. Certain limitations

apply with regard to who may be an **Eligible Dependent Survivor**. (See question and answer B-7.)

20. May I change my Beneficiary selection and, if so, how do I make the change?

You may remove a **Beneficiary** and select a new **Beneficiary**. The **Administrator** will, upon request, instruct you how to do this. The usual procedure is to submit, through your group, a new application card with a new **Beneficiary** named on it noting in bold print "Change of Beneficiary Only." A **Beneficiary** selection, removal or modification will not be effective until the new application card is actually received by the **Administrator**. It is important that you maintain a current **Beneficiary** designation at all times.

21. What is the Cost of Living adjustment?

As described in more detail in the **Plan** document, the **Benefits** payable to you during a period of **Total Disability** that lasts longer than 2 years and is a **Non-Industrial Disability** will be increased by a cost of living adjustment as follows: **Benefits** will be increased by a cost of living adjustment equal to 4% of the **Benefit** payment during each of the 3rd through 8th years of your **Total Disability**. Commencing the ninth year and continuing until you attain age 65, **Benefits** will be increased annually by a cost of living adjustment equal to the changes in the consumer price index for California retail transactions for that year (or the closest similar index then maintained), but not above the **Maximum Benefit** amount. After age 65, no further cost of living adjustment will apply, though **Benefits** may continue subject to the requirements of the **Plan**.

22. What modifications to the Benefits described above apply if I am an Employee of the State of California eligible for IDL benefits?

If you are an **Employee** of the State of California eligible for **IDL** benefits, the descriptions of **Benefits** in questions and answers D-1 through D-21 are adjusted as follows:

(1) Catastrophic Disabilities. For **Catastrophic Disabilities**, the income **Benefit** is 80% of your **Base Monthly Earnings** for 18 months and then 66 2/3%, subject to the adjustments, exclusions and limitations described in question and answer D-6 and throughout this document and the **Plan** document; and

(2) Other Disabilities. Except for **Catastrophic Disabilities**, the **Benefit** level for **Non-Industrial** and **Industrial Total Disabilities** is 66 2/3% of your **Base Monthly Earnings**, subject to the adjustments, exclusions and limitations described in question and answer D-6 and throughout this document and the **Plan** document.

23. When can I Enroll in an Individual Plan?

If your **Participating Association** withdraws as a **Participating Association** with the **Plan**, your **Participating Association** fails to maintain the percentage of its **Safety Personnel** members who are **Plan** participants (as compared to all of its participants, including

Non-Safety Personnel participants) at more than 70%, or there is no **Participating Association** that you are eligible to join with respect to your qualifying employment, but you comply with all other requirements for eligibility and the requirements established by the **Board of Directors**, then you may be eligible to enroll and participate in the **Plan** on an individual basis in an individual plan (an “enhanced individual” plan) and may retain or obtain coverage. In order to enroll in an individual plan, you must have a qualifying alternative **Contribution** method, such as approved payroll deduction, automatic bank payment or credit card payment, your region must be approved as qualifying for participation on an individual basis, and you must comply with the other requirements established by the **Administrator** or **Board of Directors**. If you are interested in enrolling in an individual plan and believe that you may be eligible, please contact the **Administrator**.

24. What Benefits and Benefit Limitations Apply for Trainee Participants?

If you are a **Plan Participant** in training to become a peace officer **Safety Personnel**, but do not yet qualify as a **Safety Personnel** you will participate in the **Plan** as a **Trainee Participant**. In addition to the general exclusions, offsets, reductions and other limitations regarding **Benefits** that are applicable to **Safety Personnel**, the following **additional limitations and terms of coverage** apply to **Trainee Participants**:

(a) Disability Income Benefit. The **Disability Income Benefit** amount is 66 2/3% (rounded to the nearest dollar) of your **Base Monthly Earnings**;

(b) Maximum Benefit Period. The **Maximum Benefit Period** is 36 months;

(c) Own Occupation Disability Period. The **Own Occupation Disability** period is 12 months, after which you must qualify under the expanded (any occupation), definition of **Total Disability** in order to be considered **Totally Disabled** under the **Plan**;

(d) Maximum Benefit. The **Maximum Benefit** is \$4,000 per month, subject to any additional Maximum Benefit limitations, including the reductions for **Offsetting Benefit/Income Amounts**;

(e) Death Benefit. The **Death Benefit** is \$55,000, payable in installments and subject to the standard imitations; and

(f) Other Exclusions. All **Pre-existing Conditions, Drug Abuse Disorders, and Psychological/Stress Disorders** are excluded from coverage for **Trainee Participants** and no **Benefits** are payable with regard to any **Pre-Existing Condition** for a **Trainee Participant**. If you are a **Trainee Participant**, your **Eligible Dependent Survivors** and named **Beneficiaries** are not entitled to **Disability Income** or **Death Benefits** for a disability that is caused or contributed to by a **Preexisting Condition** or a **Death** arising from a **Pre-existing Condition**, or **Disability Income Benefits** for or as a result of a disability that is due to or arises from a **Drug Abuse Disorder** or a **Psychological/Stress Disorder**.

E. CLAIMS PROCEDURE AND NEGOTIATION PROCESS

1. When must I submit a claim for Benefits?

You or your representative can file a claim for **Benefits** under the **Plan** by contacting the **Administrator**, by telephone or in writing, and submitting a completed written claim form together with proof of disability to the **Administrator**. You should notify the **Administrator** of a claim within 20 days after the **Total Disability** occurs if the **Elimination Period** is still in effect or if you are unsure whether you are eligible for **Benefits**. The **Administrator** or **Board of Directors** (or an authorized committee of the **Board of Directors**) may extend this period if you establish a good cause for the delay. A failure to notify the **Administrator** in a timely manner may alter your eligibility for Benefits or the duration of the **Elimination Period**.

You also must complete all other documents required under the **Plan** in connection with the claim, including the acknowledgment form described in question and answer D-17 and all necessary Workers' Compensation lien forms and provide to the **Administrator** copies of any personal tax returns or other documents requested by the **Administrator**.

2. Is the Administrator's decision subject to review?

The **Administrator** determines eligibility for **Benefits** under the **Plan** and the guidelines established by the **Board of Directors** (or an authorized committee of the **Board of Directors**) in accordance with the provisions of the **Plan**. This decision is subject to review, as described below. The **Board of Directors** (or authorized committee) is the final authority under the **Plan** to determine the acceptance or denial of a claim.

3. When will I be notified of a decision on my claim and what if my claim is denied?

The **Administrator** will notify you of the acceptance of your claim for **Benefits** or denial of the claim, or any part of your claim within 45 days after you have submitted the claim. If the **Administrator** determines that, due to reasonable circumstances, additional time is required to make the determination, the **Administrator** may extend the 45 day period for an additional 30 days. The **Administrator** will use its best efforts to notify you before the end of the original 45 day period if a 30 day extension is needed. This decision period may be extended again, for a second 30 day period. If the decision period is extended because the **Administrator** requires more information from you, the **Administrator** will notify you of the additional information needed and you must provide all the requested information within 45 days of your receipt of the request for additional information. A decision may be delayed beyond the periods described above if you fail or refuse to provide requested information.

Any denial of a claim for **Benefits** in whole or in part, will be explained in writing or by electronic mail notification and the explanation will include the specific reason for the denial, the **Plan** provision upon which the denial was based, a description of any additional information you might be required to provide in order to establish eligibility and an explanation of why it is needed, an explanation of the **Plan's** claim review procedure and certain statements regarding your legal rights to contest the decision, if an internal rule, guideline or protocol was used in the determination, a description of the rule, guideline or protocol or notice that you may obtain a copy free of charge, on request, and if the determination was based on issues of medical necessity or

experimental medical procedures, an explanation of the issues or notice that you may obtain a copy free of charge, on request.

You, your **Beneficiary**, or a duly authorized representative may appeal any denial of a claim for **Benefits**, in whole or in part, by filing a written request for a review to the **Executive Board of the Board of Directors** (at the address of the **Administrator** or the **Agent for Service of Process**) within 180 days following the denial. You will be provided the opportunity for a full and fair review, including consideration of all information and documents provided regarding the claim, whether or not you submitted them for the initial determination. You will be provided, upon written request, copies of or access to documents and records that are directly relevant to your claim. Your appeal should detail in writing the reasons for your request and any applicable **Plan** provisions on which your appeal is based and address any other relevant issues to establish the basis of your appeal. You may be represented throughout this review process. The review of your appeal will be conducted by members of the Executive Board committee of the **Board of Directors** who did not make the initial determination (or by a special committee appointed by the Executive Board). The committee may consult with trained medical personnel as to matters requiring medical judgment and will identify any health care professional engaged (who will not be a professional contacted on the initial determination). A representative of the committee will notify you of the decision on the appeal within 45 days after the **Plan's** receipt of the appeal, unless a specific hearing or more information is required. The **Plan** may extend this period by an additional 45 days upon notice to you, which will be provided during the first decision period. Alternatively, the decision may be delayed until after the next regularly scheduled meeting of the committee. The notice of decision will contain the information described in items (1) through (6) below:

- (1) specific reason(s) for the decision;
- (2) reference to the specific **Plan** provisions on which the decision is based;
- (3) a statement that you can receive, free of charge, upon written request, copies or access to all documents and information relevant to your claim;
- (4) a statement describing the negotiation/mediation procedures pursuant to the Plan and your right to obtain information pertaining to these procedures, and a statement about your rights to pursue legal action;
- (5) if an internal rule, guidance or protocol was used in the decision process, a copy of the rule, guideline or protocol or notice that a copy can be obtained free of charge on request;
- (6) if the determination is based upon issues regarding medical necessity or experimental items, an explanation of the basis for the determination or a statement that the explanation can be provided free of charge upon request; and
- (7) a statement concerning voluntary alternative dispute resolution options, such as mediation. You should review the **Plan** document for more details regarding this process.

4. Is there a required negotiation process after the claims procedure is completed?

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Following the completion of the review process, if applicable, if a **Dispute** exists between you and the **Plan**, both you and the **Plan** must be available for a period of 30 days to engage in good faith discussions to resolve the **Dispute** by agreement through negotiations or, at the election of the **Board of Directors**, through a mediation process with a third party mediator. To commence the **Dispute** resolution process, you or the **Plan** may deliver written notice on the other specifically identifying the **Dispute** and requesting that efforts to resolve the **Dispute** begin. Each party must then cooperate in good faith to establish one or more meetings to resolve the **Dispute**.

This good faith negotiation process is a prerequisite to initiating arbitration. If you or the **Plan** are unable to agree after reasonable negotiations, either of you may institute arbitration with regard to the **Dispute** as described in question and answer E-5.

5. *When does the arbitration requirement apply?*

Under the terms of the **Plan**, any claim, dispute or controversy that arises out of, relates to or is based in any way on the **Plan** or the operation or administration of the **Plan** that is not resolved through the claims procedure and negotiation process described in questions and answers E-1 through E-4 is required to be resolved through binding arbitration administered by the American Arbitration Association (“**AAA**”). An exception to the arbitration requirement is that the **Plan** may, at its option, initiate litigation in a court to recover **Benefits** or other amounts that it is entitled to recover.

F. OTHER IMPORTANT MATTERS

1. *What is the procedure to amend the Plan?*

The terms of the **Plan** may be amended at the discretion of the **Board of Directors** or the Executive Board in accordance with the requirements of the **Bylaws**. Notice of any material amendments are periodically given to all **Plan Members**, either directly or through distribution to each **Plan Member's Participating Association** for delivery to the **Plan Member**.

2. *What is the discretionary authority of the Administrator and Directors?*

In carrying out their respective responsibilities under the **Plan**, the **Administrator** and other **Plan** fiduciaries have discretionary authority to interpret the terms of the **Plan** and to determine eligibility for and entitlement to **Plan Benefits** in accordance with the terms of the **Plan**. Any interpretation or determination made pursuant to this discretionary authority has full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

3. *How is the Plan administered and who is the Administrator?*

The **Plan** is administered by a third party contract **Administrator**. The **Administrator** is licensed by the State of California. The **Administrator** is:

California Administration Insurance Services, Inc.

P.O. Box 31
Martell, CA 95654-0031
Telephone: 1-(800) 832-7333

4. What are Plan identification numbers?

The Federal Identification Number is: 94-2988851
The Plan Identification Number is: PN 100-102

5. Who is the Agent for Service of Process?

For **Disputes** arising under the **Plan**, service of legal process may be made upon:

WEINTRAUB GENSHEA CHEDIAK LAW CORPORATION
ATTN: Christopher Chediak, Esq.
400 Capitol Mall, 11th Floor
Sacramento, CA 95814

6. Does this Plan affect my employment?

Nothing contained in the **Plan** or this document should be construed to create any obligation on the part of your **Employer** either to continuing employment or **Benefits**. This **Plan** is not **Employer** provided or sponsored.

7. What are my ERISA Rights?

As a participant in the **Plan** you are entitled to certain rights and protections under the Employee Retirement Security Act of 1974 (**ERISA**). **ERISA** provides that all **Plan** participants shall be entitled to:

(1) Examine, without charge, all **Plan** documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the **Plan** with the United States Department of Labor, such as Annual Reports and **Summary Plan Descriptions**;

(2) Obtain copies of all **Plan** documents and other **Plan** information upon written request to the **Administrator**; the **Administrator** is required by law to furnish each participant with a copy of this Summary Annual Report and may make a reasonable charge for the copies;

(3) Receive a summary of the **Plan's** Annual Financial Report; the **Administrator** may make a reasonable charge for the copies.

In addition to creating rights for **Plan** participants, **ERISA** imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your **Plan** have a duty to do so prudently and in the interest of you and the other **Plan** participants and beneficiaries.

No one, including your **Employer**, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under **ERISA**. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the **Administrator** and the **Board of Directors** (or an authorized committee of the same) review and reconsider your claim.

Under **ERISA**, there are steps you can take to enforce the above rights. For instance, if you request materials from the **Plan** and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the **Administrator** to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the **Administrator**. If you have a claim for **Benefits** which is denied or ignored, or if your other above rights are violated, in whole or in part, you may file suit in a state or federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you

lose, the court may order you to pay these costs and fees, for example, if it finds your claim to be frivolous.

If you have any questions about your **Plan**, you should contact the **Administrator**. If you have any questions about this statement or about your rights under **ERISA**, you should contact the nearest area office of the United States Labor-Management Service Administration, Department of Labor.

CONTACT THE PLAN ADMINISTRATOR

California Law Enforcement Association
Post Office 31
Martell, CA 95654-0031
(800) 832-7333
(209) 223-3971
Fax: (209) 223-2966
E-mail: mail@caladmin.com
CLEA Web Page: www.clea.org

