The Oklahoma Life and Health Insurance Guaranty Association was set up by the Oklahoma Legislature in 1981 at the request of Insurance Commissioner Gerald Grimes. The Guaranty Association exists to protect most Oklahoma residents who have purchased life insurance, health insurance or annuities from insurance companies which become insolvent and are unable to meet their contractual obligations. A number of other states have similar guaranty associations.

The law require that you be furnished with this statement to make you familiar with the existence of the Guaranty Association and the extent of the protection, if any, afforded to you as a policyholder under the Oklahoma Life and Health Insurance Guaranty Association Act. All insurance companies selling life insurance, health insurance or annuities are required to furnish this statement when delivering a policy.

This is a summary of the basic provisions of the Oklahoma Life and Health Insurance Guaranty Association Act. It is only a summary, and does not provide an in-depth analysis of the act. Nothing in this summary modifies the rights of persons who are protected by the act, or the rights of the association.

**DISCLAIMER**

THE OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION MAY NOT PROVIDE COVERAGE FOR THIS POLICY. IF COVERAGE IS PROVIDED IT MAY BE SUBJECT TO SUBSTANTIAL LIMITATIONS OR EXCLUSIONS, AND MAY BE DEPENDENT UPON CONTINUED RESIDENCE IN OKLAHOMA. THEREFORE, YOU SHOULD NOT RELY UPON COVERAGE BY THE OKLAHOMA LIFE AND HEALTH GUARANTY ASSOCIATION IN SELECTING AN INSURANCE COMPANY OR IN SELECTING AN INSURANCE POLICY. INSURANCE COMPANIES AND THEIR AGENTS ARE PROHIBITED BY LAW FROM USING THE EXISTENCE OF THE OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION IN SELLING YOU ANY FORM OF AN INSURANCE POLICY, OR TO INDUCE YOU TO PURCHASE ANY FORM OF AN INSURANCE POLICY.

IF YOU HAVE ANY QUESTIONS ABOUT THE OPERATION OF THE ACT OR THE EXTENT OF ITS COVERAGE, PLEASE FEEL FREE TO CONTACT THE GUARANTY ASSOCIATION OR COMMISSIONER GRIMES' OFFICE AT THE FOLLOWING ADDRESSES:

**THE OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

Bank of Oklahoma Plaza
201 Robert S. Kerr, Suite 600
Oklahoma City, Oklahoma 73102-4267

**THE OKLAHOMA INSURANCE DEPT.**

2301 N.W. 23rd
Oklahoma City, Oklahoma 73105

Basically, the purpose of the Oklahoma Life and Health Insurance Guaranty Act is to protect residents of this state who purchase life insurance, annuities or health insurance. The act also protects their beneficiaries, payees or assignees, even if they don't live in this state. The act provides a method for the association to charge insurance companies for this protection and establish a fund to pay or provide insurance coverage to individuals when a life or health insurance company is unable to meet its obligations by reason of insolvency or financial impairment.

Generally, individuals will be covered if they live in this state, and hold a life or health insurance contract or annuity, or a certificate under a group policy or contract. However, not all individuals with a right to recover under life or health insurance policies or annuities are protected by the act. An individual is not protected when:

1. the individual is eligible for protection under the laws of another state,
2. the individual purchased the insurance from a company that was not authorized to do business in this state,
3. the policy is issued by a nonprofit hospital or medical service organization, a health maintenance organization (HMO), a fraternal benefit society, a mandatory state pooling plan, a
mutual assessment company or another type of assessment policy, or in insurance exchange, or

4. the individual does not live in this state, except under limited circumstances.

Additionally, the association may not provide coverage for the entire amount the individual expects to receive from the policy. The association does not provide coverage for: any portion of the policy where the individual has assumed the risk; for any policy of reinsurance (unless an assumption certificate was issued); for interest rates that exceed a specified average rate; for employers’ plans that are self-funded; for parts of plans that provide dividends or credits in connection with the administration of a policy; for policies sold by companies not authorized to business in this state; or for unallocated annuity contracts (which are generally issued to pension plan trustees.)

The act also limits the amount the association is obligated to pay individuals on various policies. The association does not pay more than the amount of the contractual obligation of the insurance company. The association does not have to pay more than $300,000 in death benefits for any one life regardless of the number of policies that insure that life. The association does not have to pay amounts over $100,000 in cash surrender or withdrawal benefits on one life regardless of the number of policies insuring that individual. For health insurance benefits, the association is not obligated to pay over $300,000 including net cash surrender and withdrawal benefits. On an annuity contract, the association is not liable for over $300,000 in present value. Finally, the association is never obligated to pay more than a total of $300,000 for any one insured for any combination of insurance benefits.
GROUP LONG TERM DISABILITY INSURANCE POLICY

POLICYHOLDER: Board of Regents of Oklahoma Colleges, or the University of Science and Arts of Oklahoma, an affiliated organization

GROUP POLICY NUMBER: 135140-A

GROUP POLICY EFFECTIVE DATE: January 1, 2004

GROUP POLICY ANNIVERSARY DATE: Each future January 1

STATE OF ISSUE: Oklahoma

This group long term disability insurance policy is issued to the Policyholder by Standard Insurance Company (Standard).

PLEASE READ THE ENTIRE POLICY. IT IS IMPORTANT.

A table of contents can be found on the next page. Defined terms appear with their initial letters capitalized.

Standard issues this group long term disability insurance policy in consideration of the payment of required premiums.

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

STANDARD INSURANCE COMPANY

By

President

Secretary

GPTC1002-LTD
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PART 1: GROUP POLICY SCHEDULE

ELIGIBILITY

Employer(s): Board of Regents of Oklahoma Colleges, or the University of Science and Arts of Oklahoma, an affiliated organization

Eligible Class: All active full-time Employees, including Employees of university foundations and/or alumni associations

INITIAL PREMIUM RATES FOR ALL INSURED EMPLOYEES

Monthly Income Benefit:
Basic Schedule (A): 0.339% of covered Monthly Wage Base.
Optional Schedule (B): 0.487% of covered Monthly Wage Base.

Monthly Annuity Premium Benefit:
Basic Schedule (A): 0.073% of covered Monthly Wage Base.
Optional Schedule (B): 0.101% of covered Monthly Wage Base.

PART 2: THE GROUP POLICY

The Group Policy

The Group Policy is the entire contract between Standard and the Policyholder. Standard will provide benefits according to the terms of the Group Policy.

The Group Policy consists of this group long term disability insurance policy issued by Standard to the Policyholder and identified by the Group Policy Number, the Policyholder’s attached application, group long term disability insurance certificates with the same Group Policy Number, and any amendments or endorsements to the policy or certificates.

The Policyholder’s rights or the rights of any Employee will only be affected by provisions that are part of the Group Policy. Only an executive officer of Standard may: bind Standard by making a promise or a representation; or accept a representation that relates to the Group Policy.

Change of Group Policy

Only an executive officer of Standard may approve a change to the Group Policy or waive any of its provisions. Any change will be endorsed on or added to the Group Policy in writing. Changes may be made without the consent of Employees.

Standard may change the Group Policy in whole or in part if:

(1) the change in the Group Policy is either requested by the Policyholder or is made to satisfy any legal requirement that applies to the Group Policy; or
(2) the change affects Standard’s administration of the Group Policy and is intended to apply to all similar group insurance policies that are affected by the change. Standard will give the Policyholder written notice of Standard’s intent to make this kind of a change at least 31 days in advance of the effective date of the change. Payment of the next premium due under the Group Policy will be the Policyholder’s acceptance of the change, unless the Policyholder rejects the change, in writing, prior to its effective date.

Certificates
Standard will issue to the Policyholder group long term disability insurance certificates to be given to each insured Employee. The certificate will set forth the main features of the Group Policy that apply to the Employee.

Incontestability of the Group Policy or Employer Coverage Under the Group Policy
Any statement made by the Policyholder to obtain the Group Policy or made by an Employer to obtain coverage under the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim, or to deny the validity of the Group Policy or the Employer’s coverage under the Group Policy unless:

(1) the Group Policy would not have been issued or the Employer’s coverage under the Group Policy would not have been approved if Standard had known the truth; and

(2) Standard has given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy or the Employer’s coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

PART 3: PREMIUM PAYMENT

Payment of Premiums
Premiums are to be paid by the Policyholder at Standard’s home office. The first premium is due on the Group Policy Effective Date. Future premiums are due on the first day of each month thereafter. The Policyholder may pay premiums on or before their due dates. Failure to pay a premium when due is a default. Premiums will be paid for all insured Employees but not for an Employee to whom benefits are being paid under the Group Policy.

Standard shall credit to the Policyholder any payment of premiums made in error. A credit shall be given only for the payments made in error during the year in which the error is found and reported to Standard.

Premium Rates
Initial premium rates for all insured Employees are shown in PART 1: GROUP POLICY SCHEDULE. Standard may, as of any premium due date, change the premium rates for this insurance. A change in rates may be made only after Standard has given the Policyholder at least 31 days written notice of the change. The premium rates are guaranteed for 24 months from the Group Policy Effective Date, except when:

(1) Standard and the Policyholder or the Employer mutually agree to change premium rates or coverage under the Group Policy; or
(2) a change or clarification in law or governmental regulation affects the risk assumed under the Group Policy; or

(3) factors material to underwriting the risk Standard assumed under the Group Policy with respect to an Employer, including, but not limited to, the number of persons insured, age, insured earnings for all Employees, gender, or occupational classification, change by 25% or more; or

(4) the premium contribution arrangement for Employees is changed or varies from that stated in the Group Policy when issued or last renewed.

Any such change in premium rates will reflect only the change in Standard’s risks.

**Grace Period**

The Policyholder will be given 31 days from a premium due date to pay each premium that is due after the first one. Insurance will continue during this period. A premium not paid by the end of this grace period will bring about the automatic termination of the Group Policy at the end of the grace period. If the Group Policy terminates for any cause, the Policyholder will owe all due and unpaid premiums; this includes a pro rata premium for the time the Group Policy was in force during the grace period.

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**PART 4: LEAVES OF ABSENCE AND OTHER ABSENCE**

**Leaves of Absence and Other Absence**

When an Employee stops Active Work in an Eligible Class, the Policyholder may, for the types of absences described below, continue the insurance of the Employee for not longer than the time limit shown for each type of absence. Insurance will continue and employment will be deemed to continue, solely for the purposes of this provision, if the required premiums are remitted for the Employee and:

(1) the Employee is either on a sabbatical or on a leave of absence and receives at least one-quarter pay. Insurance may be continued to the end of 24 months, or, if earlier, the end of such leave; or

(2) the Employee is on a leave of absence approved by the Policyholder’s Board of Trustees and receives less than one-quarter pay as long as such leave is for: (1) full-time study for an advanced degree; or (2) work in the field of education or research such as a Fulbright Award, foundation grant, or government project. Insurance may be continued to the end of 24 months, or, if earlier, the end of such leave; or

(3) the Employee is on a leave of absence for pregnancy. Insurance may be continued to the end of 4 months after the pregnancy ends, or, if earlier, the end of such leave; or

(4) the Employee is on a family or medical leave approved by the Policyholder. During such leave, insurance may be continued to the end of 6 months or, if later, the period required by applicable state or federal law.

Employment will not be deemed to continue and insurance cannot be continued during a sabbatical or leave of absence unless the sabbatical or the leave for the Employee is set forth in a written document that is dated on or before the leave is to start and shows that the Employee is scheduled to return to Active Work.

For an Employee on leave, the Monthly Wage Base and premiums will be based on the wages payable by the Employer just prior to the start of the leave.
During the absences set forth above, insurance will be continued with premium payment in a manner that precludes individual selection.

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**PART 5: GENERAL PROVISIONS**

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**Policyholder Information to be Given to Standard**

On request, the Policyholder will give to Standard any information that is required to: administer the Group Policy; and determine changes in premium rates. Standard will have the right at any reasonable time to inspect any records in the Policyholder's possession, control, or custody that relate to the Group Policy or the Employees insured under it.

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**How the Group Policy Can Be Terminated**

(A) **By the Policyholder**

If not in default of any premium payment, the Policyholder may terminate the Group Policy as of any premium due date by giving notice in writing which is received before such date at Standard's home office. If in default, the Group Policy will terminate automatically as set forth under "Grace Period" in PART 3: PREMIUM PAYMENT.

(B) **By Standard**

Standard may terminate the Group Policy as of any date set forth below by giving notice in writing which is mailed to the Policyholder at least 90 days before this date:

1. the Group Policy Anniversary Date; or
2. any premium due date, if on a prior premium due date fewer than 10 Employees were insured under the Group Policy.

Standard may terminate insurance under the Optional Schedule as of any premium due date by giving notice in writing which is mailed to the Policyholder at least 31 days before this date if on a prior premium due date less than 75% of Employees eligible for insurance under the Optional Schedule were insured for such insurance.

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**Assignment of the Group Policy by the Policyholder**

The Policyholder may assign the Group Policy. No assignment will bind Standard unless it is in writing and until it is filed at Standard's home office. Standard is not responsible for whether any assignment is valid.

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**Notice of Suit**

The Policyholder or Employer shall promptly give Standard written notice of any lawsuit or other legal proceedings arising under the Group Policy.

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**Agency and Release**

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard. The Policyholder, Employer and such individuals have no authority to alter, expand, or extend Standard’s liability or to waive, modify or compromise any defense or right Standard may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard from any liability arising from or related to any negligence, error, omission, misrepresentation, or dishonesty of any of them or their representatives, agents, or employees.
Effect on Workers' Compensation, State Disability Insurance

The coverage provided under the Group Policy is not a substitute for coverage under a workers' compensation or state disability income benefit law and does not relieve the Employer of any obligation to provide such coverage.

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