

GROUP DISABILITY INCOME INSURANCE PLAN



**FOR MEMBERS OF THE
PENNSYLVANIA STATE
EDUCATION ASSOCIATION**



Underwritten by New York Life Insurance Company





IT WORKS WHEN YOU CAN'T

Although many people carry life and health insurance, neither is designed to replace the income you could lose if you were out of work for six months...a year...or more. However, the Group Disability Income Insurance Plan is designed to help protect your income and help you meet your financial responsibilities with up to \$5,000 per month in disability income insurance. It's like protecting your home with homeowner's insurance or your car with auto insurance.

The Plan offers flexibility to develop a benefit structure that best fits your needs by allowing you to choose your waiting period and monthly benefit amount.

For more information,
contact USI Affinity today at

800.327.1550

COVERAGE DETAILS AND BENEFITS

WHO IS ELIGIBLE?

If you are a member of the Pennsylvania State Education Association (PSEA), under age 60, and at FULL-TIME WORK, you are eligible to apply for this coverage.

"FULL-TIME WORK" means actively performing the regular duties of your normal occupation for pay or profit on the basis of at least 30 hours per week.

This offer is available only to residents of the U.S. (except territories) and Puerto Rico. Coverage may not be available in all states at this time; contact the Administrator for current information.

HOW THE PLAN WORKS

The Plan pays monthly benefits when you are Totally Disabled. Totally Disabled is defined as being prevented by sickness or accident from performing the material and substantial duties of:

- for the first five years after your Waiting Period, your usual occupation;
- after this five year period, any occupation for which you are reasonably qualified by reason of education, training or experience;

provided you are under the care of a licensed physician, and you are not otherwise working for pay or profit. Benefits begin at the end of the waiting period, provided you are Totally Disabled.

Select the plan that's Best for You

You can choose from three plans:

- 1. To Age 65 Plan** — If you are Totally Disabled before age 64, benefits are payable up to age 65. For Total Disabilities starting at age 64 but before age 70, benefits are payable for 12 months, but not beyond age 70.
- 2. Two Year Plan** — If you are Totally Disabled before age 64, benefits are payable up to 24 months. For Total Disabilities starting at age 64 but before age 70, benefits are payable for one year, but not beyond age 70.
- 3. 12-month Plan** — Benefits are payable up to 12 months, but not beyond age 70.

Choice Of Waiting Period Before Benefits Begin

A Waiting Period is the number of consecutive days you must be Totally Disabled before benefits may commence. Under this plan, you have a choice of Waiting Periods: 60, 90, 180 or 365 days. (The 180 and 365 day Waiting period are only available with the "To Age 65" Plan.) You can lower your premium by selecting a longer Waiting Period.

PLAN FEATURES

Monthly Benefit Amounts Available (in multiples of \$100)

Monthly Benefit Amount are available as follows:

- **Class 3: Faculty and Administration, Librarians, Guidance Counselors and School Nurses:** Monthly Benefits Amounts up to \$5,000 are available
- **Class 6: Clerical Staff:** Monthly Benefits Amounts up to \$2,500 are available
- **Class 9: Nurses Aides, Bus Drivers, Maintenance and Food Service Staff:** Monthly Benefits Amounts up to \$1,500 are available.

The option you choose, together with any other disability income insurance you may have, or for which you are applying, cannot exceed 60% — 50% if you are age 50 or over — of your AVERAGE MONTHLY INCOME.

AVERAGE MONTHLY INCOME means your average monthly wages, salaries, commissions, fees and other amounts received for personal services -- before the deduction of income or social insurance taxes and after the deduction of the normal business expenses which are deductible for income tax purposes. It does not include income from interest, dividends, rent, royalties, annuities, other insurance or other unearned income.

The monthly average is computed based on the immediately preceding period which produces the highest average: preceding tax year; preceding two tax years, or; the entire period, if less than 12 months.

Benefits under this Plan will be reduced to reflect any benefits you are eligible to receive under the following disability plans:

1. governmental retirement system;
2. the United States Social Security Act, the Canada Pension Plan, the Quebec Pensions Plan, the Railroad Retirement Act, or any similar Plan or Act;
3. mandatory part of any "no-fault" auto insurance policy;
4. a Workers' Compensation Act or similar act; and/or
5. a state compulsory benefit act or law; and/or
6. other group insurance policy.

Benefits due to Mental Disorders are limited as described under "Exclusions and Limitations".

Waiver Of Premium

After you have been receiving benefits for Total Disability for three consecutive months, all future premium contributions under the Plan will be waived for as long as you receive benefits for that disability. This benefit will end when the disability ends, or when coverage ends as stated under "When Coverage Ends".

Benefits For Recurring Disability

Successive periods of disability which are due to the same or related causes will be considered a single period of disability unless separated by a return to FULL-TIME WORK of six consecutive months or more.

Rehabilitation Benefit

This benefit helps certain disabled individuals return to the work force. Under this provision, a professional rehabilitation staff reviews case histories and identifies those individuals who appear to have the greatest likelihood of rehabilitation. Individuals selected by New York Life Insurance Company will be offered the option of participating in a rehabilitation program at no cost to them. Participation is voluntary and benefits will not be reduced due to participation in the program.

Organ Donation Benefit

If you have been insured under the Plan for at least six months and undergo a surgical procedure to donate an organ for transplant, you will be considered Totally Disabled. No waiting period will apply, and benefits will be payable from the first day of Total Disability. However, any portion of the Monthly Benefit Option which became effective in the six months immediately prior to such organ donation will not be payable for this Total Disability.

Partial Disability Benefit

While you are recovering from a Total Disability that resulted from an injury, you may be eligible to receive a Partial Disability benefit even though you return to work. If you are able to perform some but not all duties of your regular occupation, you may receive up to 50% of your Monthly Benefit Amount for up to three months. (This benefits is not available for disabilities resulting from illness or from organ donation.) Refer to your Certificate of Insurance for more information.

Workplace Modification

This benefit can be payable while you are receiving benefits for a Covered Disability. If approved by New York Life, you or your employer will be reimbursed for the reasonable costs incurred to modify your workplace to accommodate your return to work. This benefit will not exceed the lesser of six Monthly Benefit Amounts, or \$15,000.

Exclusions and Limitations

The Plan does not provide benefits for any disability that occurs during or is due or related to: intentionally self-inflicted injury while sane or insane (Missouri Residents: the exclusion for intentionally self-inflicted injury is not applicable to injury caused by an attempted suicide while insane); declared or undeclared war or any act thereof; military service; your use of drugs, alcohol or narcotics, unless prescribed by a doctor; operating, riding in or descending from any aircraft, except when riding as a passenger on a licensed, non-military commercial aircraft; incarceration for or participation in (except as a victim) an illegal occupation/activity or the commission of a crime. Moreover, no benefits will be payable for any disability that is due or related to: pregnancy, except complications thereof; a **Pre-Existing Condition** (see below); or for any impairment or disease specifically excluded from your coverage

Pre-Existing Condition is an injury or sickness for which medical advice was given, treatment was received or recommended by a physician within the three months prior to your effective date of coverage. Expenses incurred 12 months after your effective date of coverage will not be subject to this limitation.

The Plan limits benefits for disabilities due to Mental Disorders to a maximum of 24 monthly payments (if such disability begins after age 63, benefits are limited to 12 months or until age 65, whichever occurs first.)

No benefits will be paid unless the disability occurs while you are insured under the Plan and you are under the care of a licensed physician other than yourself (or immediate family/household member) during the period of disability.

ADDITIONAL PLAN INFORMATION

Effective Date

You will become insured on the date specified by New York Life provided the first premium contribution is paid within 31 days of your effective date of coverage, satisfactory evidence of insurability has been submitted, and you are at FULL-TIME WORK on that date. If you are not at FULL-TIME WORK as required, coverage will not become effective until the day you are at FULL-TIME WORK, provided such date is within three months of the date insurance would have otherwise become effective and you are still eligible for insurance.

Payment of premium contribution for insurance does not mean that there is any coverage in force before the effective date specified by New York Life Insurance Company.

There are instances where New York Life may be able to offer insurance (at the same premium contribution) by eliminating coverage for a specific impairment or disease.

When Coverage Ends

Once coverage is validly in force, it may be continued until the premium due date on or immediately after you reach age 70. Your coverage will end earlier, if: you cease FULL-TIME WORK (other than for reasons of Total Disability); you fail to pay premiums when due; your membership in the PSEA ceases; you enter full-time active duty in the armed forces (coverage may be restored upon termination of active duty status, subject to policy guidelines); the policy is terminated or modified by the Policyholder or New York Life to exclude coverage for the group of insureds to whom you belong, or; you request to end such coverage.

OPTIONAL BENEFITS

For an additional premium, you can add one or more of the following benefits to your coverage:

- **Accident Expense**
- **Specified Injury**
- **Cost of Living Adjustment (COLA)**
- **Accidental Death & Dismemberment (AD&D)**
- **In-Hospital benefit**

These benefits are described below:

Accident Expense

This benefit can be payable if, as the result of an accident you've suffered, you incur expenses for services rendered by a physician or registered nurse, or for treatment, services or supplies provided by a hospital, but only if provided within

26 days of the accident. The maximum benefit payable after completion of the Waiting Period is either \$25 or \$50, as selected by you. Also, benefits cannot exceed the Monthly Benefit Amount you selected.

This benefit is not payable for accidents resulting from professional sports or high school or college intramural or interschool activities; or for any accident for which benefits are provided by worker's compensation or employer's liability laws.

In-Hospital Benefit

This additional monthly benefit can be payable if a covered injury or illness results in your being confined in a hospital for at least one full month. The benefit is payable for up to six months while so confined, but will end earlier if you reach age 65 or when you retire, whichever occurs first.

The benefit amount available ranges from \$600 to \$3,000 (in \$100 units).

Specified Injury Benefit

This benefit can pay you a minimum amount for certain specified injuries - bone fracture, joint dislocation, or the loss of one or more digits -- as described in your Certificate. The benefit payable ranges from 25% to 300% of your Monthly Benefit Amount. This benefit is available only with a 60 or 90 day Waiting Period.

This benefit ends when you reach age 65 or when you retire, whichever occurs first.

Cost of Living Adjustment (COLA)

The COLA benefit allows you to keep pace with the rate of inflation. If you become Totally Disabled before age 64, monthly benefits will be adjusted annually from the date of disability. The adjustment is based on a formula reflecting changes in the Consumer Price Index for Urban Consumers (CPI-U) up to a maximum of 5%. Once you are no longer disabled and benefit payments stop, the Monthly benefit returns to its original amount. This benefit is available only to Class 3 and Class 6 members, and is not available under the 12-month Plan.

Accidental Death & Dismemberment Benefit

Your coverage can include an Accidental Death & Dismemberment (AD&D) benefit, in an amount from \$10,000 to \$100,000 (in \$10,000 multiples). This benefit, or a percentage thereof, is payable if a covered accident results in your death or a specified loss - limb(s), sight, speech, or hearing – as outlined below:

<u>Covered Loss</u>	<u>Percentage of Benefit Payable</u>
loss of life	100%
loss of two hands	100%
loss of two feet	100%
loss of sight of both eyes	100%
loss of one limb and the sight of one eye	100%
loss of speech and hearing	100%
loss of one hand	50%
loss of one foot	50%
loss of sight of one eye	50%
loss of speech or hearing	50%
loss of thumb and index finger on one hand	50%

Loss of sight, speech or hearing means total and permanent loss thereof.

Loss of limb means severance through or above the wrist or ankle.

Loss of thumb and index finger means severance through or above the metacarpophalangeal joints.

The injury must occur while you are covered under the plan and must directly result in a covered loss within 365 days.

No more than one benefit, the largest benefit, is payable for all losses to the same limb due to or related to any one accident. No more than the Principal Sum is payable for all losses due to or related to any accident.

AD&D coverage does not include losses resulting from: suicide, attempted suicide, or intentionally self-inflicted injury; any medical, dental or surgical treatment not related to the accident, and; disease or infirmity. All other “**Exclusions and Limitations**” previously noted also apply.

CURRENT 2010 ANNUAL PREMIUM CONTRIBUTIONS STANDARD GROUP DISABILITY PLANS

Cost is based on the Waiting Period, Plan and Monthly Benefit Option you select, your age when coverage becomes effective, and on whether you select any of the Optional Benefit riders. The cost increases on the premium contribution due date on or immediately after you reach a higher age bracket.

Member's Age:	12 Month Plan		2 Year Plan	
	60 Day Waiting Period	90 Day Waiting Period	60 Day Waiting Period	90 Day Waiting Period
Under 39	\$7.20	\$4.80	\$12.00	\$7.20
40 - 44	\$13.20	\$10.80	\$15.60	\$12.00
45 - 49	\$15.60	\$12.00	\$21.60	\$16.80
50 - 54	\$22.80	\$16.80	\$33.60	\$25.20
55 - 59	\$30.00	\$24.00	\$43.20	\$37.20
60+	\$44.40	\$37.20	\$66.00	\$56.40

To Age 65 Plan				
Member's Age:	60 Day Waiting Period	90 Day Waiting Period	180 Day Waiting Period	365 Day Waiting Period
Under 39	\$21.60	\$16.80	\$13.20	\$12.00
40 - 44	\$34.80	\$27.60	\$24.00	\$21.60
45 - 49	\$48.00	\$39.60	\$37.20	\$31.20
50 - 54	\$73.20	\$61.20	\$52.80	\$46.80
55 - 59	\$91.20	\$76.80	\$67.20	\$57.60
60+	\$91.20	\$76.80	\$67.20	\$57.60

+ Renewal only at ages 60-69. Coverage terminates at age 70.

The premium contributions shown reflect the current rate and benefit structure. Premium contributions may be changed by New York Life on any premium contribution due date, but not more than once in any 12-month period, and any date on which benefits are changed.

CURRENT 2010 ANNUAL PREMIUMS CONTRIBUTIONS OPTIONAL BENEFIT RIDERS

If These Benefits Are Selected, Add These Costs To Your Standard Premium
PER \$100* MONTHLY BENEFIT OPTION

Cost is based on the Waiting Period, Plan and Monthly Benefit Option you select, your age when coverage becomes effective, and on whether you select any of the Optional Benefit riders. The cost increases on the premium contribution due date on or immediately after you reach a higher age bracket.

In-Hospital Benefit		
Age:	Male ⁺	Female ⁺
< age 30	\$4.80	\$4.80
30-39	\$6.00	\$7.20
40-49	\$7.20	\$8.40
50-59	\$12.00	\$8.40
Age 60-64	\$14.40	\$12.00

COLA			
Age:	2 Year Plan Class 3 and 6	Age 65 Plan Class 3	Age 65 Plan Class 6
Under 39	\$1.20	\$7.20	\$19.20
40-44	\$1.20	\$8.40	\$20.40
45-49	\$1.20	\$8.40	\$21.60
50-54	\$1.20	\$7.20	\$20.40
55 - 59	\$1.20	\$6.00	\$15.60
60+	\$1.20	\$4.80	\$13.20

Specific Injury Benefit		
	Male ⁺	Female ⁺
Class 3	\$3.60	\$4.80
Class 6	\$4.80	\$6.00
Class 9	\$7.20	\$10.80

Accident Expense - Additional Annual Premium		
	\$25 Maximum Benefit	\$50 Maximum Benefit
< age 60	\$4.80	\$6.24
Age 60+	\$7.20	\$9.36

*Except as noted for AD&D and Accident Expense Benefits

⁺Montana residents: Male rates apply to all applicants, regardless of gender.

The premium contributions shown reflect the current rate and benefit structure. Premium contributions may be changed by New York Life on any premium contribution due date, but not more than once in any 12-month period, and any date on which benefits are changed.

CURRENT 2010 ANNUAL PREMIUM CONTRIBUTIONS - OPTIONAL BENEFIT RIDERS (CONT'D)

PER \$100* MONTHLY BENEFIT OPTION

Cost is based on the Waiting Period, Plan and Monthly Benefit Option you select, your age when coverage becomes effective, and on whether you select any of the Option Benefit riders. The cost increases on the premium contribution due date on or immediately after you reach a higher age bracket.

Accidental Death & Dismemberment (AD&D) Annual Cost Per \$1,000				
	Male ⁺	Female ⁺	Male ⁺	Female ⁺
Class 3	\$0.84	\$0.60	\$2.76	\$1.80
Class 6	\$0.84	\$0.60	\$2.76	\$1.80
Class 9	\$1.68	\$1.08	\$3.12	\$2.04

*Except as noted for AD&D and Accident Expense Benefits

⁺**Montana residents:** Male rates apply to all applicants, regardless of gender.

The premium contributions shown reflect the current rate and benefit structure. Premium contributions may be changed by New York Life on any premium contribution due date, but not more than once in any 12-month period, and any date on which benefits are changed.

HOW TO CALCULATE YOUR ANNUAL COST

1. Decide on the Standard Disability Plan, Waiting Period, and Monthly Benefit Option (in \$100 units) you desire.
2. Locate the applicable annual rate for your age in the Standard rate chart above. Multiply this by the number of \$100 units in your desired Monthly Benefit Option.
3. Add to this the cost of any Optional Benefits Riders desired. **This is your annual premium.**

Rates shown are annual. You can also choose to pay semi-annually, quarterly, or monthly. Simply divide the annual premium by 2, 4 or 12, as applicable.

Important Notice

How New York Life Insurance Company Underwrites Your Request for Group Disability Income Insurance

Information regarding insurability will be treated as confidential. In considering your request for coverage, we will rely on the medical information you provide, and on the information you authorize us to obtain from your doctor, other medical practitioners and facilities, other insurance companies to which you have applied for insurance and MIB, Inc. (formerly known as Medical Information Bureau). New York Life Insurance Company will not disclose such information to anyone except those you authorize or where required or permitted by law. We may make a brief report to MIB; however, we will not disclose our underwriting decision. Information in our files may be seen by New York Life Insurance Company and Plan Administrator employees, but only on a "need to know" basis in considering your request. Upon receipt of all requested information, we will make a determination as to whether your request for insurance can be approved.

MIB is a nonprofit organization of life insurance companies which operates an information exchange on behalf of its members. When you apply for insurance or submit a claim for benefits to a MIB member company, medical or non-medical information may be given to the Bureau, which may then be furnished to member companies.

If we cannot provide the coverage you requested, we will tell you why. If you feel our information is inaccurate, you will be given a chance to correct or complete the information in our files. Upon written request to New York Life Insurance Company or MIB, you will be provided with non-medical information. Generally, medical information will be given either directly to the proposed insured or to a medical professional designated by the proposed insured. Your request is handled in accordance with the Fair Credit Reporting Act procedures. If you question the accuracy of the information provided by MIB, you may

contact MIB and seek a correction. MIB's information office is at 50 Braintree Hill Park, Suite 400, Braintree, MA 02184-8734. For Canadian residents, the address is 330 University Avenue, Suite 403, Toronto, Canada M5G 1R7. You may call MIB at 866-692-6901 (TTY 866-346-3462). Information for consumers about MIB may be obtained on its website at www.mib.com.

For NM residents: *In addition, PROTECTED PERSONS_ have a right of access to certain CONFIDENTIAL ABUSE INFORMATION_ we maintain in our files and they may choose to receive such information directly. You have the right to register as a PROTECTED PERSON by sending a signed request to the Administrator at the address listed on the application. Please include your full name, date of birth and address.*

¹PROTECTED PERSON means a victim of domestic abuse: who has notified us that he/she is or has been a victim of domestic abuse; and who is an insured person or prospective insured person.

²CONFIDENTIAL ABUSE INFORMATION means information about: acts of domestic abuse or abuse status; the work or home address or telephone number of a victim of domestic abuse; or the status of an applicant or insured as family member, employer or associate of a victim of domestic abuse or a person with whom an applicant or insured is known to have a direct, close, personal, family or abuse-related relationship.

If we can provide the coverage you requested, we will inform you as to when such coverage will be effective. Under no circumstances will coverage be effective prior to this date. Payment of a premium contribution with your application does not mean that there is any insurance in force before the effective date as determined by New York Life Insurance Company.

Application Instructions

HOW TO APPLY

Group Disability Income Protection Plan is medically underwritten based on the information provided by you on the Application, so it is important that you complete this form truthfully and completely. Your Application is subject to New York Life's approval and more medical information may be requested.

1. Refer to the Plan description for benefits and premium cost as you fill out the Application.
2. After reading the brochure, complete, date and sign the application
3. Mail your completed application to the Administrator in the postage-paid return envelope provided.
SEND NO MONEY NOW. You will be billed upon approval.

MEDICAL REQUIREMENTS

New York Life reserves the right to request medical information needed to determine an applicant's eligibility for coverage. Based upon the age of the person proposed for insurance and the amount of coverage requested, a physical exam, EKG, blood test or other medical information may be required.

Not all applicants will have to supply additional information. However, if required, we will arrange for a professional paramedic to contact you to perform these simple tests at your convenience. The exam and blood test will be paid for by the Plan.

Requests for insurance will be processed promptly and coverage will be issued for members whose evidence of insurability has been found to be satisfactory.

HOW TO FILE A CLAIM

To file a claim, write the Administrator for the proper forms.

30-DAY FREE LOOK

When you become insured, you will be sent a Certificate of Insurance summarizing your coverage. If you're not completely satisfied with the Certificate's terms you may return it, without claim, within 30 days and your premium will be promptly refunded. No questions asked! Your insurance will then be invalidated.

This Brochure contains only a partial description of some of the principal provisions and definitions of the coverage. The complete terms and conditions are set forth in the group policy issued by New York Life Insurance Company to the Pennsylvania State Education Association Health and Welfare Fund.



AFFINITY

The Group Disability Income Insurance is
Administered by:

Eastern PA Office:
One International Plaza
Suite 400
Philadelphia, PA 19113
800.265.2876

AR Ins. Lic. # is 325944
CA Ins. Lic. # is 0G11911

Western PA Office:
Stealth Technology Center
333 Technology Drive, Suite 255
Canonsburg, PA 15317
800.327.1550



Underwritten by New York Life Insurance
Company, 51 Madison Avenue, NY 10010
Under Group Policy No. G-29445-0

For more information, visit
www.usiaffinity.com/psea
or call 800.327.1550