



Long Term Disability





INTRODUCTION

The Employee Long Term Disability Insurance Plan described in this Booklet has been designed to help protect your most valuable asset – your earning power.

Most of us have obtained protection for our families in case of death, however few of us have been able to make provisions to meet the financial emergency caused by a long term disability. Loss of earning power due to illness or injury would bring serious economic hardship that could wipe out a lifetime's savings and put you hopelessly in debt.

For the financial benefit of you and your family, you are urged to give careful consideration to this Plan and to take advantage of the protection it offers.



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SUMMARY OF BENEFITS

THE LONG TERM DISABILITY INSURANCE PLAN provides income protection if you should suffer a disabling illness or injury and be unable to work for an extended period of time. Both occupational and non-occupational disabilities are covered (see page 10 for excluded disabilities).

The income benefits begin on the 29th consecutive day of such a total disability, and continue for as long as you remain totally disabled, up to age 65.

BENEFITS

The first 22 weeks of benefits will be paid weekly based on the following formula:

60% of the first \$400 of your weekly earnings, plus, 40% of your weekly earnings in excess of \$400, to a maximum weekly benefit of \$553.89.

Benefits thereafter will be paid monthly and will be determined as 4.333 times your weekly benefit.

Your Long Term Disability Insurance benefits will be reduced by certain other periodic benefits you may be entitled to during the disability. (See page 9 for details.)

CONTRIBUTIONS

Your contribution is .68% of your weekly earnings to the nearest \$10.00.

SCHEDULE OF BENEFITS AND CONTRIBUTIONS

EXAMPLES

Weekly Earnings*	Weekly Benefit	Weekly Contribution
\$ 50.00	\$ 30.00	\$.34
80.00	48.00	.54
100.00	60.00	.68
130.00	78.00	.88
150.00	90.00	1.02
180.00	108.00	1.22
200.00	120.00	1.36
300.00	180.00	2.04
400.00	240.00	2.72
500.00	280.00	3.40

etc. — to a maximum benefit of \$2,400.00 per month.

* Normal weekly earnings, exclusive of bonus or overtime pay.

ELIGIBILITY

If you are a regular-permanent employee, scheduled to work 20 or more hours per week, less than 64 yrs., 48 weeks of age, enrolled in the Group Insurance Plan, you may enroll in the Long Term Disability Plan.

The insurance will become effective on the first day of the calendar quarter (January 1, April 1, July 1, October 1) following your completion of one month of continuous service.

If you are not actively at work on the day the insurance would ordinarily have become effective it will become effective on the day you return to active employment under conditions which are within the eligibility requirements of this Plan.

No medical examination is required if you enroll within 31 days following the date your insurance would ordinarily have become effective.

Any employee who does not enroll within 31 days of becoming eligible but who desires this insurance later must submit satisfactory evidence of insurability to the insurance company.

QUESTIONS AND ANSWERS

WOULD I RECEIVE ANY BENEFITS FROM THIS PLAN FOR THE FIRST 28 DAYS OF A DISABILITY?

No, the Plan benefits start on the 29th day of total disability.

NOTES:

California, New York and New Jersey employees receive benefits from their respective State Disability Plans for whatever part of the first 28 days they qualify for such benefits. These benefits vary in amount depending on your present and previous earnings and in which State you are employed. A folder describing the State Plan is available from the Group Insurance Office.

Employees in other states are covered for disability benefits during the first 28 days through the Accident and Sickness provisions of the Group Insurance Program. Details of this Plan are listed in the Medical Plan booklet.

WHAT IS MEANT BY "TOTAL DISABILITY"?

Total disability is defined as follows:

"During the first two years that benefits are payable, total disability is defined as a disability that prevents you from performing each duty of your own occupation. After benefits have been paid for two years, total disability means that you must be unable to engage in any gainful occupation for which you are reasonably fitted by training, education or experience. You must also be under the regular care of a physician.

There is also a "Rehabilitation" provision to encourage recovery from a total disability, it applies as follows:

"If you recover sufficiently to take a "rehabilitative job", even while your disability prevents you from fully performing the duties of your regular job, the Plan will continue to pay a benefit. The benefit will be reduced, but only by 80% of your earnings from the rehabilitative job. You would thus receive a greater total income than if you had not made the effort towards rehabilitation. The rehabilitative job must have the approval of the Insurance Company in order to qualify.



"TOTAL DISABILITY" SOUNDS VERY SERIOUS. DO I HAVE TO BE PERMANENTLY DISABLED TO RECEIVE ANY BENEFITS FROM THIS PLAN?

No, "total disability" is not necessarily "permanent disability". This is a common misconception and unfortunately, discourages some employees from enrolling for this valuable protection.

Short term disabilities are more common, of course, than long term disabilities and by including protection for both in this Plan you have the best possible type of protection.



IF I SHOULD BECOME DISABLED AND ELIGIBLE TO RECEIVE DISABILITY INCOME BENEFITS FROM SOME OTHER SOURCE SUCH AS WORKMEN'S COMPENSATION, WOULD I STILL BE ELIGIBLE FOR BENEFITS UNDER THIS PLAN?

Yes, your income benefits from the Long Term Disability would be reduced by the amount of disability income benefits you were eligible for from the other source.

The other "periodic benefits" by which your LTD Benefits will be reduced include: salary, retirement benefits or benefits from any source for which we have paid any part of the cost or made payroll deductions; U.S. Social Security disability or other periodic benefits, including dependents' benefits and benefits after reaching age 62 if elected; other benefits provided by law except on account of military service.



ARE BENEFITS RECEIVED FROM THE LONG TERM DISABILITY PLAN CONSIDERED AS TAXABLE INCOME?

No, not at the present time. Tax laws do change however, so it is advisable to check with your own tax advisor.

IF I AM RECEIVING BENEFITS UNDER THE PLAN MUST I CONTINUE TO MAKE MY WEEKLY CONTRIBUTIONS?

No, any contributions that fall due while you are receiving benefits are waived, and the insurance is kept in force at no cost to you.

WILL THE AMOUNT OF MY WEEKLY BENEFIT CHANGE IF MY SALARY CHANGES?

Yes, if your salary changes and provided you are actively at work on that date, otherwise on the date you return to your active full time work, the amount of your benefit and your weekly contribution will be changed automatically.

GENERAL PROVISIONS

EXCLUSIONS

The Long Term Disability Plan does not cover disabilities resulting from or contributed to by:

- Intentionally self-inflicted injury; attempted suicide; whether sane or not sane;
- Pregnancy;
- Acts of War;
- Disability during imprisonment;

Regardless of the cause of disability, no payment will be made if you are not under the care of a physician.

Please see your Insurance Certificate for the details of these and other exclusions.



PRE-EXISTING CONDITIONS

No insurance is afforded for a disability resulting from a pre-existing condition if such disability arises during the first 12 months after the effective date of your insurance. A pre-existing condition is an illness or injury for which you incurred medical expenses of any kind during the three months immediately preceding the effective date of your insurance.

This Pre-existing Conditions Clause will not apply if you became insured on the effective date of the Plan.



RECURRENT DISABILITY

If you have received benefits under the Plan, then return to work, and within six months become disabled again from the same or related causes, the 28 day waiting period is waived and benefits begin on your first day of absence.

If six months or more separate the two periods of disability, or if the disability is from a different cause, the 28 day waiting period applies.



TERMINATION OF INSURANCE

Your coverage under the Plan will be effective for as long as the Company continues the policy, or until you:

- Cease to be eligible;
- Withdraw from the Plan;
- or terminate your employment with the company.

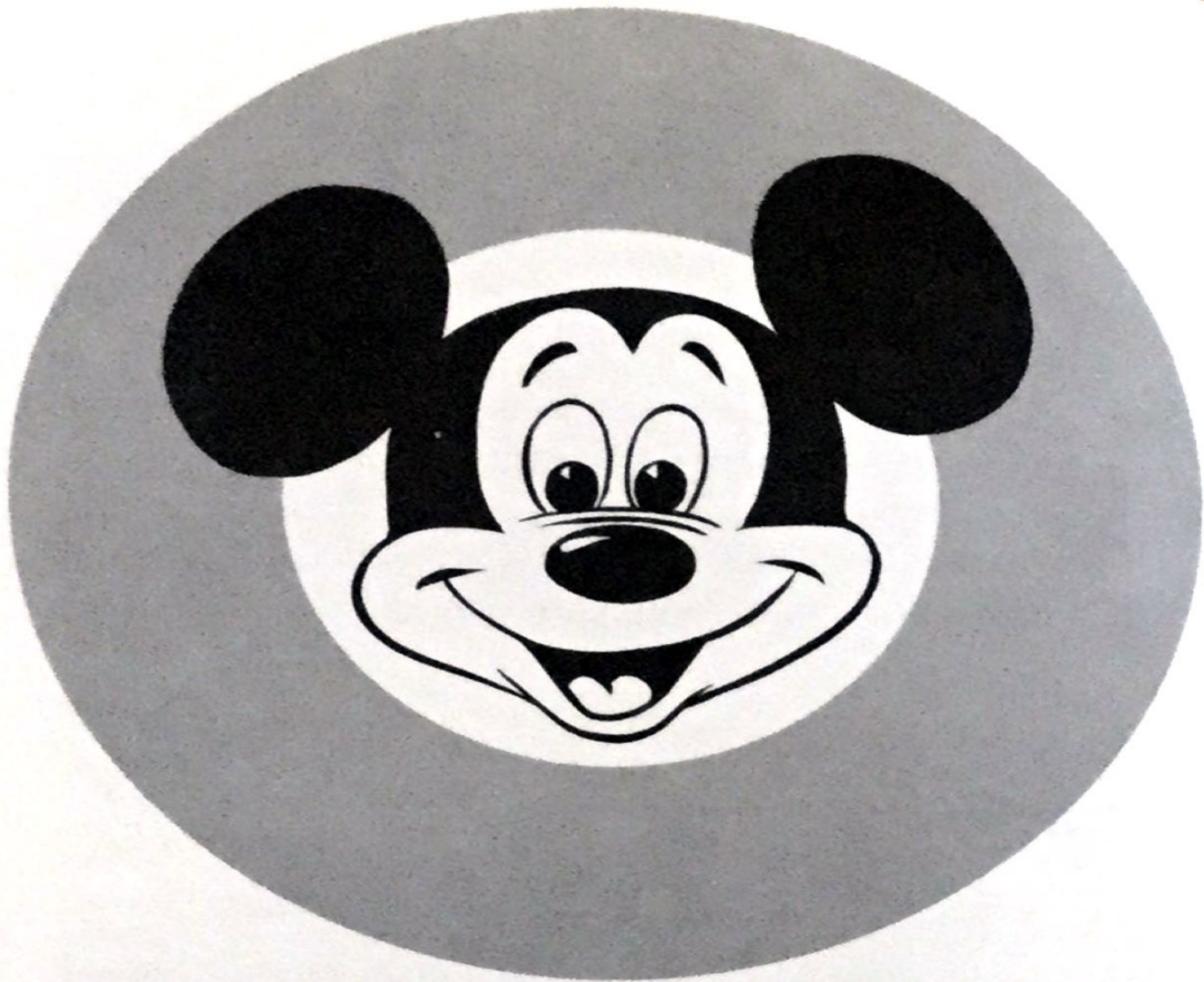


CLAIM PAYMENT PROCEDURE

Please report your claim to the Group Insurance Office of your Personnel Department as soon as possible. You will be given the appropriate forms for submitting proof of your disability. Remember that the Insurance Company requires you to submit written proof of your claim no later than 90 days after the end of the 28 day waiting period.

While you remain totally disabled and eligible for benefits, the Insurance Company has the right to have you examined by a physician (designated and paid by the Insurance Company) when and as often as it may be reasonably required.





POLICY AND CERTIFICATES

For simplicity, the Plan has been described in a rather general manner in this booklet. The benefits are described more fully in the individual certificates given to insured employees. The extent of the insurance for each individual is governed at all times by the complete terms of the master Group Insurance Policy issued by The Prudential.

CHANGE OR DISCONTINUANCE OF THE PLAN

The Company expects to continue the Plan indefinitely, but as is customary in group insurance plans, the right of change or discontinuance at any time must be reserved.



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