

May 6, 2002

University of California
300 Lakeside Drive, 5th Floor
Oakland, CA 94612-3556

RE: Liberty Life Assurance Company of Boston
Policy Numbers: GD3-861-037972-01 and GF3-861-037972-01

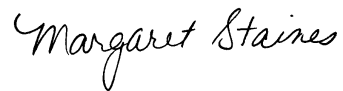
This letter will confirm our willingness to administratively provide the following as part of your group Short Term Disability and Long Term Disability contract:

The coverage as described in the attached "EPD Continuation Rider Addendum".

The effective date of this administrative letter is January 1, 1997.

All other policy terms and provisions apply.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Staines".

Margaret Staines
Chief Underwriter

**The University of California Employee-Paid Disability Insurance Plan
EPD Continuation Rider Addendum (1/97)**

Foreword to Employees

The University of California Employee-Paid Disability (EPD) Insurance Plan includes a rider (the EPD Continuation Rider) allowing you to elect to continue EPD Coverage and to cover your **full pre-leave pay during certain types of approved leaves for professional development**. The purpose of this addendum is to describe the aspects of the EPD Continuation Rider which differ from the regular University of California EPD Insurance Plan. When you elect the EPD Continuation Rider, this addendum will govern with respect to these areas of difference.

The benefits of the University's EPD Plan and the EPD Continuation Rider are subject to change. The University of California intends to continue the EPD Plan and the Rider described in this addendum but reserves the right to terminate or amend them at any time.

The University's EPD Continuation Rider described here is governed by the terms and conditions of contracts between The Regents of the University of California and Liberty Life Assurance Company of Boston and by the University's Group Insurance Regulations, where applicable. Those terms and conditions apply if information in this addendum is not the same.

TABLE OF CONTENTS

EPD Continuation Rider - Definitions.....	Page 3
	Qualified Leave Pre-Leave Monthly Covered Salary Rate EPD Continuation Rate Reactivation Trigger Date Total Disability
Eligibility.....	Page 3
Enrollment.....	Page 3-4
Effective Date.....	Page 4
Waiting Periods.....	Page 4
Length of Continuation That You May Purchase.....	Page 4
Return from Leave/Reactivation of Payroll Deduction EPD.....	Page 4
Benefits.....	Page 4
Offsets/Other Sources of Income.....	Page 5
Maximum Benefit Period.....	Page 5
Examples of EPD Plan Benefits.....	Page 5
Medical Plan Contribution During the First Six Months of Benefits.....	Page 5
Taxes on Benefits.....	Page 5
Cost of EPD Continuation Rider Coverage.....	Page 5-6
Waiver of Premium.....	Page 7
Dropping Your EPD Continuation Rider Coverage.....	Page 6-7
Limitations.....	Page 7
Pre-Existing Conditions Exclusion.....	Page 7
Partial Disability.....	Page 7
Successive Disabilities.....	Page 7
Overpayments/Underpayments.....	Page 7
Filing a Claim.....	Page 7
Plan Administration.....	Page 7
Nondiscrimination Statement.....	Page 7

DEFINITIONS

Qualified Leave is the type of leave qualifying you to continue your regular University EPD coverage under the EPD Continuation Rider. This includes approved leaves under regular University leave programs for research or teaching related to your University position such as the Educational and Professional Development Leave Program for MAP employees and the Professional Research and Teaching Leave Program at the Labs, and approved leaves to work under a professional grant or fellowship related to your University position such as a Guggenheim fellowship. (Leave to enroll as a student in a degree program, personal leaves, and furloughs are **not** Qualified Leaves.) The University determines whether an employee's leave meets the requirements of a Qualified Leave.

Note: If you are going on a sabbatical leave of any appointment time, see your Benefits Office for options regarding continuation of disability coverage.

Pre-Leave Monthly Covered Salary Rate is the basis for premium calculation. It is the monthly salary for your appointment at the 100% rate for the full calendar month preceding the month in which your leave begins. For split appointments at different rates, the Pre-Leave Monthly Covered Salary Rate is the monthly salary you would receive if working at 100% time in the appointment which has the highest 100% time salary rate. (This definition replaces the MONTHLY COVERED SALARY RATE definition in the regular EPD Booklet.)

EPD Continuation Rate is the premium rate factor used to calculate the monthly EPD Continuation Rider premium and is taken from the special table of rates by age for EPD Continuation Rider coverage.

Reactivation Trigger Date is the date 60 days before the predetermined ending date of the Qualified Leave. On this date, which is noted by the Benefits Office at enrollment, Liberty will send a reminder to you and the Benefits Office that it is time to reactivate your payroll deduction EPD coverage. At this time, if you have not already done so, you should notify the University and Liberty **in writing** of any change in your leave plans.

Total Disability will continue to be defined as it is in the regular EPD plan. If you file a claim while covered by the EPD Continuation Rider, your disability will be reviewed relative to your occupation with the University immediately before the date your approved, Qualified Leave began.

Please refer to your EPD booklet for definitions and descriptions not included in this addendum.

ELIGIBILITY

You are eligible to enroll under the EPD Continuation Rider if you are enrolled in the University EPD plan immediately before the beginning of an approved, Qualified Leave and you are in Active Employment on the last full day of work before your leave.

Enrollment

You may apply for coverage under the EPD Continuation Rider when you set up an approved, Qualified Leave, as early as two months before the starting date of the leave. Liberty's confirmation of coverage will depend on the University's confirmation that you have an approved, Qualified Leave and that you are covered under the regular University EPD plan immediately before the leave.

Enrollment (Continued)

The final date to apply for the EPD Continuation Rider coverage is the last full day worked before the starting date of the approved, Qualified Leave. This means that the application and premium check sent to Liberty must be postmarked no later than this date. NO APPLICATIONS WILL BE CONSIDERED OR ACCEPTED AFTER THIS DATE.

Effective Date

EPD Continuation Rider coverage will begin immediately following the last day of regular payroll deduction EPD coverage with no lapse in coverage. You must be in Active Employment on the last full day of work before your approved, Qualified Leave.

Within 2 to 3 weeks of making application, you will receive a confirmation of EPD Continuation Rider coverage from Liberty. If you have heard nothing at the end of this time period, contact your Benefits Office to determine when the University Statement was sent to Liberty. With that information, contact Liberty to confirm that they received your application and premium check. You may be given telephone confirmation of coverage; however, you will always receive written confirmation of coverage for your records.

Waiting Periods

Your Waiting Period will be the same as under your regular payroll deduction EPD coverage.

Length of Continuation That You May Purchase

You may continue your EPD coverage under the EPD Continuation Rider for a maximum of two years of approved, Qualified Leave.

Return from Leave/Reactivation of Payroll Deduction EPD

When you apply for coverage under the EPD Continuation Rider, it is your responsibility to ensure that your payroll deduction EPD is cancelled. At this same time, the Benefits Office will put the Reactivation Trigger Date on your application for EPD Continuation Rider coverage. You must also fill out the re-enrollment form as part of the process. Your Benefits Office will hold your re-enrollment form until Liberty sends notice to reactivate the payroll deduction. This notice is sent on the Reactivation Trigger Date. It will notify you and the University that you have a pre-arranged return-to-work date coming in 60 days. The Benefits Office or Payroll Office (depending on procedures at your location) will process your enrollment form unless you notify them in writing of a change in plans. Be sure to send written notification to Liberty if your plans have changed.

Benefits

Benefits are the same for the EPD Continuation Rider and the regular payroll deduction EPD plan. See your EPD plan booklet for benefit amounts. Benefits will begin no sooner than your elected plan Waiting Period (the same Waiting Period as your payroll deduction EPD plan) or the end of any UC pay status or other leave income, whichever is later. EPD Continuation Rider benefits will be based on your Eligible Earnings for the last full month before the approved, Qualified Leave. (See "Eligible Earnings" in your EPD plan booklet.)

Offsets/Benefits from Other Income

Disability benefits under the EPD Continuation Rider will be reduced by any Benefits from Other Income you are eligible to receive as defined in the regular EPD booklet. In addition, any partial income earned during an approved, Qualified Leave such as income from a grant will be coordinated with the disability benefit so that the total amount of income from all sources does not exceed 70% of your Eligible Earnings for the last full month worked before your leave and subject to all plan maximums as described in Section 1 - Schedule of Benefits under "Plan Benefits" in your EPD plan booklet.

Also see "Estimated Benefits" and "Benefits from Other Income" in your EPD plan booklet.

Maximum Benefit Period

Same as the regular EPD plan. See your EPD booklet for full details.

Examples of EPD Plan Benefits

Calculation of EPD benefits and coordination with Benefits from Other Income while enrolled in the regular EPD plan is explained in the EPD booklet. These examples also apply to benefits under the EPD Continuation Rider.

Medical Plan Contribution During the First Six Months of Benefits

During the first six months of benefits for a claim under the EPD Continuation Rider coverage, the University contribution for your medical plan coverage will be paid, provided you do not separate from UC employment and your UC medical coverage has been continuous during your approved, Qualified Leave.

Taxes on Benefits

The EPD Continuation Rider coverage is fully employee-paid and as such, is not generally taxable under current provisions of the Internal Revenue Code.

Cost of the EPD Continuation Rider Coverage

You pay the full premium for the continuation of EPD coverage under the EPD Continuation Rider directly to Liberty when application for coverage is made. Premium is based on your age on the January 1 preceding or coinciding with the first day of your Qualified Leave, your Pre-Leave Monthly Covered Salary Rate and the length of your leave. To calculate the premium due, multiply your Pre-Leave Monthly Covered Salary Rate times the EPD Continuation Rate for your age times the number of months of leave. The annual rate table may be obtained from your local benefits office. Disregard any partial salary being paid during your leave. Be sure to cancel your payroll deduction EPD Coverage when applying for the EPD Continuation Rider.

Cost of the EPD Continuation Rider Coverage (Continued)

If your Pre-Leave Monthly Covered Salary Rate is higher than \$14,286 per month, use \$14,286 for the purpose of calculating premium.

Example: Professor, age 52, on a grant for 12 months (180 day WP)

$$\begin{array}{rcccccc}
 \$ & 10,000 & & & \$ & 0.0083^* & & & 12 & & & \$ & 996.00 \\
 \hline
 & \text{Pre-Leave Monthly} & & \text{X} & \text{EPD Continuation} & & \text{X} & & \text{Months} & & = & \text{Total} & \\
 & \text{Covered Salary} & & & \text{Rate} & & & & \text{of Leave} & & & \text{Premium} & \\
 & \text{Rate} & & & & & & & & & & \text{Due} & \\
 \hline
 & & & & & & & & & & & & \\
 \hline
 \end{array}$$

* Rates vary based on Waiting Period and Age under the Cost Example

When calculating the number of months of leave, start counting with the first full month after the leave begins. If the leave begins on the first of the month, begin counting with the month leave begins. The last month to count will be the month in which the leave ends.

Example: A leave begins April 19, 1997 and ends October 11, 1997. The first month counted will be May 1997. The last month counted will be October 1997. Leave = 6 months.

Coverage and premium adjustments are usually made based on changes in salary rate and age in effect on January 1. If you elect the EPD Continuation Rider, such adjustments will not be made until you return to Active Employment status.

Waiver of Premium

As with the regular EPD plan, when you are receiving benefits under the EPD Continuation Rider, no premium is required. Because you must pay the total premium for the EPD Continuation Rider upon application for coverage, if you go into benefit status while covered by the Continuation Rider, premium will be refunded from the first of the month coinciding with or next following the date of disability through the earlier of 1) the end of the month in which the end date of the initial claim approval period falls and 2) the end of the month in which the approved, Qualified Leave ends. Refunds will be made in whole month increments only. Approval of an EPD claim will initiate the refund process, which will be handled by Liberty.

Dropping Your EPD Continuation Rider Coverage

Situations may arise where your EPD Continuation Rider coverage needs to be canceled. For example, you may terminate your employment with the University or you may decide that you no longer wish to have the EPD Continuation Rider coverage although you are continuing with an approved, Qualified Leave. In these instances, it is your responsibility to notify Liberty and the University in writing to cancel the coverage. Liberty will contact the University as needed, for example, to verify termination, and begin the process of refunding premium you paid for coverage beyond the actual ending date of coverage. Refunds will be calculated from the first of the month coinciding with or next following the date of cancellation of coverage or termination of employment, to the end of the month in which the approved, Qualified Leave ends. Refunds will be in whole month increments only. Please note: NO COVERAGE EXISTS BEYOND TERMINATION OF EMPLOYMENT WITH THE UNIVERSITY.

If you drop the EPD Continuation Rider coverage during an approved, Qualified Leave, when you return to regular pay status at the University you will have a new Period of Initial Eligibility (PIE) under the terms of the UC Group Insurance Regulations during which you may re-enroll in the payroll deduction EPD plan. No Statement of Health will be required. The normal eligibility guidelines regarding membership in a defined benefit retirement plan, a minimum 50% time appointment and average regular paid time of at least 20 hours per week will apply.

General Exclusions

Same as the regular EPD plan.

Pre-existing Conditions Exclusion

For purposes of administering the Pre-existing Condition Exclusion in the regular EPD plan as well as in the EPD Continuation Rider, the period of continued coverage under the EPD Continuation Rider will be considered a continuation of the regular period of coverage rather than a new separate time period.

Partial Disability

If you begin receiving benefits under the EPD Continuation Rider and decide to request Partial Disability, you must contact Liberty who will coordinate the Partial Disability process.

Successive Period of Total Disabilities

Same as the regular EPD plan

Right of Recovery (with respect to Overpayments/Underpayments)

Same as the regular EPD plan. Please refer to your EPD booklet for details.

Filing a Claim

EPD Continuation Rider claim forms are available from your Benefits Office. One of these special claim forms has been included in your EPD Continuation Rider packet. Claim filing procedures are the same as the regular EPD plan guidelines, except for the use of the special claim form.

Plan Administration

Same as the regular EPD booklet.

Nondiscrimination Statement

In conformance with applicable law and University policy, the University is an affirmative action equal opportunity employer.

Inquiries regarding the University's affirmative action/equal opportunity policies may be directed to Executive Director Trevor Chandler-Academic Affairs at 510-987-9499 (for academic employee-related matters) or to Executive Director Carmen Estrada-Business and Finance at 510-987-9214 (for staff employee-related matters).

GROUP DISABILITY INCOME POLICY

Sponsor: University of California

Policy Number: GD3-860-037972-01/GF3-860-037972-01

Effective Date: January 1, 1997

Governing Jurisdiction is California and subject to the laws of that State.

Premiums are due and payable monthly on the first day of each month.

Policy Anniversaries shall occur each January 1st beginning in 1998.

Liberty Life Assurance Company of Boston (hereinafter referred to as Liberty) agrees to pay the benefits provided by this policy in accordance with its provisions. This policy provides group Short Term Disability and group Long Term Disability coverage(s).

PLEASE READ THIS POLICY CAREFULLY FOR FULL DETAILS.

This policy is a legal contract and is issued in consideration of the Application of the Sponsor, a copy of which is attached, and of the payment of premiums by the Sponsor.

The following pages including any amendments, riders or endorsements are a part of this policy.

Signed at Liberty's Home Office, 175 Berkeley Street, Boston, Massachusetts, 02117.

TABLE OF CONTENTS

FOREWORD

SECTION 1..... SCHEDULE OF BENEFITS

SECTION 2..... DEFINITIONS

SECTION 3..... ELIGIBILITY AND EFFECTIVE DATES

SECTION 4..... DISABILITY INCOME BENEFITS

SECTION 5..... EXCLUSIONS

SECTION 6..... TERMINATION PROVISIONS

SECTION 7..... GENERAL PROVISIONS

SECTION 8..... PREMIUMS

SECTION 9..... APPLICATION

FOREWORD

The University-Paid Disability (UPD) Insurance Plan and the Employee-Paid Disability (EPD) Insurance Plan described in this policy are fully governed by this policy between The Regents of the University of California and Liberty, by the insurance statutes and regulations of the State of California, and by the University's Group Insurance Regulations. Any provisions of this policy which are in conflict with the University's Group Insurance Regulations are hereby amended to conform to the University's Group Insurance Regulations, except if such regulations are in direct conflict with the statutes or regulations of the State of California, then this policy is hereby amended to conform to the minimum requirements of each statute or regulation.

SECTION 1 - SCHEDULE OF BENEFITS

ELIGIBLE CLASSES FOR INSURANCE COVERAGE: Employees, who are members of a defined benefit retirement plan (such as UCRP, PERS, etc.) to which the University contributes, appointed to work at least 50% time for 12 months or more and who maintain an average regular paid time equal to 20 hours or more per week

Short Term Disability Coverage:

Class 1: All Employees participating in the UPD plan who are in Active Employment.

Class 2: All Employees participating in the UPD plan and electing to participate in the EPD plan who are in Active Employment.

Long Term Disability Coverage:

All Employees electing to participate in the EPD plan who are in Active Employment are eligible for an "Any Occupation" definition of Total Disability benefit after 12 months of Short Term Disability (UPD/EPD) have been paid.

ELIGIBILITY WAITING PERIOD:

1. Present Employees: None
2. New Employees: None

EMPLOYEE CONTRIBUTIONS REQUIRED: Short Term Disability Coverage:	Class 1-UPD	No
	Class 2-EPD	Yes
Long Term Disability Coverage:		Yes

NAME OF ASSOCIATED COMPANIES: As on file with the Sponsor

SHORT TERM DISABILITY COVERAGE

All Eligible Employees are covered under the UPD Plan. Employees may elect to be covered under the EPD Plan. Employees who elect to be covered under the EPD Plan have Four Waiting Period Options. The Option elected is on file with the Sponsor. The Waiting Period under the UPD Plan will correspond with the Option elected under the EPD Plan.

UPD (UNIVERSITY PAID DISABILITY)

Waiting Period:

The period for which a benefit is payable will commence on the later of the following:

- a. the 8th day of continuous Total Disability resulting from Injury or Sickness;
- b. exhaustion of accumulated sick leave (must exhaust 30 calendar days which equates to 22 working days not including paid holidays); or
- c. earnings cease.

SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

SHORT TERM DISABILITY COVERAGE (Continued)

Note: If the Covered Person chooses to use additional sick leave days or the Covered Person's Salary Continuance is longer than 30 calendar days, benefits will commence when pay ends. If the Covered Person elects not to use sick leave beyond the required 30 calendar days, and then decides at a later date to use up his/her remaining sick leave, he/she must contact Liberty so they can temporarily suspend benefits to avoid an overpayment.

A Covered Person may choose a longer UPD Waiting Period of 30, 90 or 180 days. If he/she chooses to do so, benefits will not change except the date benefits begin will be delayed. If a Covered Person enrolls in the Employee-Paid Disability (EPD) Insurance Plan, his/her UPD coverage will have the same Waiting Period as his/her EPD coverage which means that UPD and EPD benefits, if approved, will begin at the same time.

Amount of Insurance Benefits:

The lesser of a) 55% (Benefit Percentage) of Eligible Earnings; or b) 70% (Benefit Percentage) of Eligible Earnings less Benefits from Other Income shown in Section 4; or c) the Maximum Monthly Benefit of \$800.

Maximum Benefit Period:

The period for which a benefit is payable for any one Total Disability will end on the earliest of:

- a. the end of the Total Disability; or
- b. the end of the 26th week of Total Disability for which a benefit is payable.

EPD (EMPLOYEE PAID DISABILITY)

Waiting Period:

The period for which a benefit is payable will commence on the later of the following:

- a. completion of chosen Waiting Period from the options listed below:
 - Option 1:** on the 8th day of continuous Total Disability resulting from Injury or Sickness.
 - Option 2:** on the 31st day of continuous Total Disability resulting from Injury or Sickness.
 - Option 3:** on the 91st day of continuous Total Disability resulting from Injury or Sickness.
 - Option 4:** on the 181st day of continuous Total Disability resulting from Injury or Sickness.
- b. exhaustion of accumulated sick leave (must exhaust 30 calendar days which equates to 22 working days not including paid holidays); or
- c. earnings cease.

SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

SHORT TERM DISABILITY COVERAGE (Continued)

Note: If the Covered Person chooses to use additional sick leave days or the Covered Person's Salary Continuance is longer than 30 calendar days, benefits will commence when pay ends. If the Covered Person elects not to use sick leave beyond the required 30 calendar days, and then decides at a later date to use up his/her remaining sick leave, he/she must contact Liberty so they can temporarily suspend benefits to avoid an overpayment.

Employees will be required to submit Evidence of Insurability to shorten their Waiting Period Option after the initial enrollment period ends.

Amount of Insurance Benefits:

The lesser of a) 70% (Benefit Percentage) of Eligible Earnings or b) 70% (Benefit Percentage) of Eligible Earnings less Benefits from Other Income shown in Section 4; or c) the Maximum Monthly Benefit of \$10,000.

Maximum Benefit Period:

The period for which a benefit is payable for any one Total Disability will end on the earliest of:

- a. the end of the Total Disability; or
- b. the end of the 52nd week of Total Disability for which a benefit is payable.

LONG TERM DISABILITY COVERAGE (EMPLOYEE-PAID DISABILITY)

Waiting Period: 12 months from the date EPD Short Term Total Disability Benefits begin

Amount of Insurance Benefits:

The lesser of a) 50% (Benefit Percentage) of Eligible Earnings or b) 70% (Benefit Percentage) of Eligible Earnings less Benefits from Other Income shown in Section 4; or c) the Maximum Monthly Benefit of \$10,000.

Maximum Benefit Period:

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60.....	to age 65 (but not less than 5 years)
60 through 69.....	the lesser of 5 years or to age 70
70 and over.....	1 year

The Minimum Monthly Benefit is \$100.

SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

MISCELLANEOUS PROVISIONS

Lump Sum Benefits

Other benefits treated as lump sum benefits include, but are not limited to the following:

1. Lump-Sum Cashout from the University of California Retirement Plan (UCRP) - A one-time offset in the month in which the Lump-Sum Cashout payment is made.
2. Capital Accumulation Provision (CAP) benefit under UCRP - A one-time offset in the month in which the CAP payment is made.
3. Payout of Terminal Vacation Leave - If terminal vacation leave is paid out in a lump sum, it is not an offset for Disability benefit purposes. If terminal vacation leave is paid out in periodic payments as regular pay, it is offset as any full or partial wage or salary payments or other payments by the University would be.
4. Executive Severance Pay/Health Science Severance Pay - Offset in the month in which the severance payment is received.
5. Defined Contribution Retirement Plan benefits from a University-sponsored plan or from a plan sponsored by any other employer (e.g. TIAA-CREF) are not offset whether paid by lump sum or by periodic payments.
6. Settlements are offset if they are paid as wage replacement or in lieu of wages.

In the event of a one-time payment under a special University program, such as any early retirement program or any other special program, the University directions announced at the time of the special payment will apply.

SECTION 2 - DEFINITIONS

In this section Liberty defines some basic terms needed to understand this policy.

"Active Employment" means the Employee must be actively at work for the Sponsor:

1. on a full-time basis and paid regular earnings;
2. for at least the minimum number of hours shown in the Schedule of Benefits; and either perform such work:
 - a. at the Sponsor's usual place of business; or
 - b. at a location to which the Sponsor's business requires the Employee to travel.

An Employee will be considered in Active Employment if he/she was actually at work on the day immediately preceding:

1. a weekend (except where one or both of these days are scheduled days of work);
2. holidays (except when such holiday is a scheduled workday);
3. paid leaves of absence for non-health reasons.

"Administrative Office" means Liberty Life Assurance Company of Boston, 100 Liberty Way, Dover, New Hampshire 03820.

"Application" is the document designated in Section 9; it is attached to and is made a part of this policy.

"Covered Person" means an Employee insured under this policy.

"Eligible Earnings" or **"Pre-Disability Earnings"** means the Covered Person's monthly pay or salary which the Covered Person receives through their academic, nonacademic and/or administrative title(s) payable through the University. This includes such things as stipends for department chairs and shift differentials. However, such earnings will not include bonuses, honoraria or pay in lieu of private practice, general assistance "by-agreement" payments, compensation for extension teaching, compensation received for summer session or other vacation period employment which is more than regular earnings, any pay received which is more than 100% of the full-time equivalent of the Covered Person's regular and normal position, perquisites, overtime pay and extra compensation.

If the Covered Person is a salaried employee with a fixed appointment, the Covered Person's benefits will be based on his/her actual salary rate for the full calendar month immediately prior to the month in which Total Disability begins. For example, if the Covered Person is appointed at 75% time, the applicable salary rate for benefits purposes is the 75% rate. This is the amount the Covered Person would have earned had he/she worked the total amount of time for which hired, not the Covered Person's actual earnings.

SECTION 2 - DEFINITIONS

(Continued)

"Eligible Earnings" or "Pre-Disability Earnings" (Continued)

If the Covered Person is a salaried employee with a variable-time appointment and for hourly or positive time reporting employees, earnings for benefits purposes is an average of the actual Eligible Earnings for three calendar months or six full pay periods immediately prior to the period in which Total Disability begins, excluding periods with Furlough or Approved Leave without pay. This average is calculated as follows: the sum of the actual Eligible Earnings for the three calendar months (for employees paid monthly or semi-monthly) or six full pay periods (for employees paid bi-weekly) is divided by 480 (the total full-time hours for 12 weeks/6 bi-weekly pay periods) to yield an adjusted hourly rate. The rate is then multiplied times 174 hours which is the average number of hours per month for a full-time employee to produce an adjusted average monthly salary for Disability claims purposes.

For Benefits after 12 months, earnings means the average of the Covered Person's actual Eligible Earnings for the 12 full calendar months immediately prior to the month in which the Total Disability occurs, excluding the months in which there was a period of Furlough or Approved Leave of Absence without pay.

Shift differentials, if earned during the six pay periods before Total Disability, are included. Overtime, uniform allowances or other extras are not included.

Some Employees' University service may include periods of time when they are not normally scheduled to work and are off pay status, for example, Furlough employees. After 12 months of Total Disability benefits for these employees, an earnings adjustment is also made so that Long-Term Total Disability benefits are continuous rather than stopping for scheduled periods off pay status.

The adjustment is made by multiplying the Eligible Earnings the Covered Person was appointed to receive for the full calendar month immediately prior to the month in which Total Disability begins by the number of months the Covered Person is normally scheduled to work. The result is divided by 12 to arrive at the salary on which Long Term Disability Benefits will be based.

Note: The Benefit for members of the Academic Senate on Sabbatical should be calculated using the earnings in effect immediately prior to the sabbatical.

"**Eligibility Date**" means the date an Employee becomes eligible for insurance under this policy. Eligible Classes are shown in the Schedule of Benefits.

"**Eligibility Waiting Period**" as shown in the Schedule of Benefits means the continuous length of time an Employee must serve in an eligible class to reach his/her Eligibility Date.

"**Employee**" means a person in Active Employment with the Sponsor.

"**Evidence of Insurability**" means a statement or proof of an Employee's medical history upon which acceptance for insurance will be determined by Liberty.

"**Gross Weekly Benefit**" or "**Gross Monthly Benefit**" means the Covered Person's Weekly or Monthly Benefit before any reduction for Benefits from Other Income and earnings.

"**Injury**" means bodily impairment resulting directly from an accident and independently of all other causes. Any Total Disability which begins more than 60 days after an Injury will be considered a Sickness for the purpose of determining benefits under this policy.

SECTION 2 - DEFINITIONS

(Continued)

"Physician" means a person who:

1. is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
2. is a licensed practitioner of the healing arts in a category specifically favored under the health insurance laws of the State where the policy is delivered and practicing within the terms of his/her license.

"Physician" does not mean the Covered Person or his/her spouse, daughter, son, father, mother, sister or brother.

"Pre-Disability Earnings" - See definition of Eligible Earnings.

"Retirement Benefit", when used with the term Retirement Plan, means money which:

1. is payable under a Retirement Plan either in a lump sum or in the form of periodic payments; or
2. is payable upon early or normal retirement.

"Retirement Plan" means a plan which provides Retirement Benefits to employees and which is not funded wholly by employee contributions. The term shall not include: a profit-sharing plan, informal salary continuation plan, registered retirement savings plan, stock ownership plan, or a non-qualified plan of deferred compensation.

"Schedule of Benefits" means the section of this policy which shows, among other things, the Eligible Classes, Eligibility Waiting Period, Waiting Period, Amount of Insurance, Minimum Benefit, and Maximum Benefit Period.

"Sickness" means illness, disease, pregnancy or complications of pregnancy.

"Sponsor" means the entity to whom the policy is issued.

"Sponsor's Retirement Plan" is deemed to include any Retirement Plan:

1. which is part of any Federal, State, Municipal or Association retirement system; or
2. for which the Employee is eligible as a result of employment with the Sponsor.

"Total Disability" or **"Totally Disabled"** with respect to Short Term Disability coverage means the Covered Person will be considered Totally Disabled when Liberty determines that all of these conditions are met:

1. Due to a medically determinable physical impairment or mental impairment resulting from a bodily injury or disease, the Covered Person is completely unable to perform any and every duty pertaining to his/her own occupation;
2. The Covered Person is not working at any occupation for wage or profit; and
3. The Covered Person is under the direct and continuous care of a Physician.

SECTION 2 - DEFINITIONS

(Continued)

"**Total Disability**" or "**Totally Disabled**" with respect to Long Term Disability Coverage means the Covered Person will be considered Totally Disabled when all of these conditions are met :

From the 13th month of benefits onward:

1. Due to a medically determinable physical impairment or mental impairment resulting from a bodily injury or disease, the Covered Person is completely unable to perform the material and substantial duties of any occupation for which he/she is reasonably fitted by education, training or experience;
2. The Covered Person is not working at any occupation for wage or profit; and
3. The Covered Person is under the direct and continuous care of a Physician.

Liberty requires Covered Person must be under the direct and continuous care of a Physician who will provide medical documentation proving his/her continuous Total Disability. This Physician care must begin no later than 7 days following the date he/she is first unable to work on an Active Employment basis. Telephone contact with the Physician is not considered direct care or regular attendance of his/her Physician.

"**Waiting Period**" means a period of consecutive days of Total Disability for which no benefit is payable. The Waiting Period is shown in the Schedule of Benefits and begins on the first day of Total Disability.

After the Covered Person has begun his/her Waiting Period and returns to work for a consecutive number of days equal to 20% or less of the Waiting Period, the Covered Person will retain credit for the earlier period if he/she is Totally Disabled again for the same condition.

"**Weekly Benefit**" or "**Monthly Benefit**" means the amount payable to the Covered Person if he/she is Totally Disabled. Benefits for Short Term Disability coverage are determined on a Monthly basis and paid bi-weekly and benefits for Long Term Disability coverage are determined and paid to the Covered Person on a monthly basis.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

Eligible Classes for Insurance Coverage

The Eligible Classes for Insurance Coverage are shown in the Schedule of Benefits.

Eligibility Date for Insurance Coverage

An Employee in an eligible class will qualify for insurance on the later of:

1. this policy's Effective Date; or
2. the day after the Employee completes the Eligibility Waiting Period shown in the Schedule of Benefits.

Effective Dates of Insurance

1. Insurance will be effective at 12:01 A.M. Standard Time in the governing jurisdiction on the day determined as follows, but only if the Employee's written Application for insurance is:
 - a. made with Liberty through the Sponsor; and
 - b. on a form satisfactory to Liberty.
2. An Employee will be insured for non-contributory insurance on his/her Eligibility Date.
3. An Employee will be insured for contributory insurance on the latest of these dates:
 - a. the Employee's Eligibility Date, if he/she makes written Application for insurance on or before the 31st day from his/her Eligibility Date; or
 - b. the date Liberty gives its approval, if the Employee:
 - i. makes written Application for insurance more than 31 days after his/her Eligibility Date; or
 - ii. terminated his/her insurance while continuing to be eligible; or
 - iii. applies for a shorter Waiting Period.

In the case of i., ii. and iii. above, the Employee must submit an Application and Evidence of Insurability to Liberty for approval. This will be at the Employee's expense.

4. Delayed Effective Date for Insurance - The Effective Date of any initial, increased or additional insurance will be delayed for an individual if he/she is not in Active Employment because of Injury or Sickness. The initial, increased or additional insurance will start on the day following the date the individual completes one full day of Active Employment based on his/her normally scheduled work day.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Rehire Terms

If a former Employee is re-hired by the Sponsor within 120 days of his/her termination date and was continuously insured under this policy for 12 consecutive months, he/she will not be required to re-satisfy the Pre-Existing Condition Exclusion. If a former Employee is re-hired by the Sponsor more than 120 days after his/her termination date, he/she is considered to be a new Employee and will be required to re-satisfy the Pre-Existing Condition Exclusion.

Associated Companies

Companies, corporations, firms or individuals that are subsidiary to, or affiliated with, the Sponsor will be called Associated Companies. The Associated Companies, if any, are listed in the Schedule of Benefits. Employees of Associated Companies will be considered Employees of the Sponsor for purposes of this policy.

As they relate to this policy, all actions, agreements and notices between Liberty and the Sponsor will be binding on the Associated Companies.

If an Associated Company ceases to be an Associated Company for any reason, its Employees will be deemed to have transferred to a class of Employees not eligible for coverage under this policy.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Transfer Provision

In order to prevent loss of coverage for an individual because of a transfer of insurance carriers, this policy will provide coverage for certain individuals as follows:

Failure to be in Active Employment due to Injury or Sickness

This policy will cover, subject to premium payments, individuals:

1. insured by the prior carrier at the time of transfer; and
2. who are not in Active Employment due to Injury or Sickness on the Effective Date of the policy.

The benefit payable will be in accordance with the provisions of this policy, less any benefit for which the prior carrier is liable. However, in no event will the benefit payable be greater than that which would have been paid under the prior carrier's benefit schedule.

Total Disability due to a Pre-Existing Condition

If there is a Pre-Existing Condition Exclusion, a benefit may be payable for a Total Disability due to a Pre-Existing Condition for an individual who:

1. was insured by the prior carrier at the time of transfer; and
2. was in Active Employment and insured under this policy on its Effective Date.

The benefit will be determined as follows:

1. Liberty will apply this policy's pre-existing condition exclusion. If the individual qualifies for a benefit, he/she will be paid according to this policy's benefit schedule.
2. If the individual cannot satisfy this policy's pre-existing condition exclusion, the prior carrier's pre-existing condition exclusion will be applied.
 - a. If the individual satisfies the prior carrier's pre-existing condition exclusion, giving consideration towards continuous time insured under both policies, he/she will be paid according to this policy's benefit schedule. However, in no event will the benefit payable be greater than that which would have been paid under the prior carrier's benefit schedule.
 - b. If he/she cannot satisfy the pre-existing condition exclusion of this policy or that of the prior carrier, no benefit will be paid.

Note: All Former UCSF Stanford Health Care Employees are to be given credit for time served toward the satisfaction of any pre-existing condition exclusions. If no prior coverage exists, all pre-existing conditions will apply.

SECTION 4 - DISABILITY INCOME BENEFITS

SHORT TERM UPD/EPD COVERAGE

Disability Benefit

When Liberty receives proof that a Covered Person is Totally Disabled due to Injury or Sickness and requires the regular attendance of a Physician, Liberty will pay the Covered Person a Weekly Benefit on a bi-weekly basis, after the end of the Waiting Period. The benefit will be paid for the period of Total Disability if the Covered Person gives to Liberty proof of continued:

1. Total Disability; and
2. regular attendance of a Physician.

The proof must be given upon Liberty's request and at the Covered Person's expense.

For the purpose of determining Total Disability, the Injury must occur and the Covered Person's Total Disability must begin while the Employee is insured for this coverage; and Total Disability which is the result of the Covered Person's Sickness must begin while the Employee is insured for this coverage. In addition, a loss of a license for any reason does not, in itself, constitute Total Disability.

The Weekly Benefit will not:

1. exceed the Covered Person's Amount of Insurance; or
2. be paid for longer than the Maximum Benefit Period.

The Amount of Insurance and the Maximum Benefit Period are shown in the Schedule of Benefits.

Amount of Total Disability Weekly Benefit

To figure the amount of Weekly Benefit:

1. Multiply the Covered Person's Eligible Earnings by the Benefit Percentage shown in the Schedule of Benefits.
2. Take the lesser of:
 - a. the amount figured in step (1) above; or
 - b. 70% of the Covered Person's Eligible Earnings less the Benefits from Other Income, (shown in the Benefits from Other Income provision of this coverage); or
 - c. the Maximum Weekly Benefit shown in the Schedule of Benefits.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

SHORT TERM UPD/EPD COVERAGE (Continued)

Benefits from Other Income (Applicable to Class 1-UPD)

Benefits from Other Income means those benefits shown below and in Section 1 - Schedule entitled "Lump Sum Benefits":

1. any Disability and/or Retirement benefits for which the Covered Person is eligible under Social Security; or
2. any other governmental program or coverage required or provided by statute; or
3. the amount of earnings the Covered Person earns or receives from any form of Partial Disability or any other salary, wages or payments except for Health Sciences Supplemental Income by the University to the Covered Person; or
4. Disability or retirement benefits under any Defined Benefit Retirement Plan for which a University Employee receives credit for University Service.

NOTE: Liberty will not offset for University Sponsored group Disability benefits available to certain employees with respect to compensation that is not covered by University Disability programs such as Disability coverage of Health Sciences Supplemental Income.

Liberty will not offset your benefit with (a) any disability benefits from privately purchased individual disability insurance policies; or (b) Defined Contribution Plan benefits (DCP) such as TIAA-CREF, 401k plans and 403b plans through the University of California and other employers.

Cost of Living Freeze

After the first deduction for each of the Benefits from Other Income, the Weekly Benefit will not be further reduced due to any cost of living increases payable under the Benefits from Other Income provision of this coverage.

Lump Sum Payments

Benefits from Other Income which are paid in a lump sum will be prorated on a monthly basis over the Maximum Benefit Period with the exception of those payments shown in Section 1 - Schedule entitled "Lump Sum Benefits".

Prorated Benefits

For any period for which a Short Term Disability Benefit is payable that does not extend through a full week, the benefit will be paid on a prorated basis. The rate will be 1/7th per day for such period of Total Disability.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

SHORT TERM UPD/EPD COVERAGE (Continued)

Benefits from Other Income (Applicable to Class 1-UPD) (Continued)

Discontinuation of the Short Term Disability Benefit

The Monthly Benefit will cease on the earliest of:

1. the date the Covered Person is no longer Totally Disabled;
2. the date the Covered Person dies;
3. the end of the Maximum Benefit Period;
4. the date the Covered Person begins work for another employer for wage or profit unless he/she is on approved Partial Disability;
5. the date the Covered Person's current earnings from Partial Disability exceed 80% of his/her Pre-Disability Earnings; or
6. the date the Covered Person's current earnings from Partial Disability plus benefits from other income exceed 100% of his/her Pre-Disability Earnings.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

SHORT TERM UPD/EPD COVERAGE (Continued)

Benefits from Other Income (Applicable to Class 2-EPD)

Benefits from Other Income means those benefits shown below and in Section 1 - Schedule entitled "Lump Sum Benefits":

1. any Disability and/or Retirement benefits for which the Covered Person is eligible under Social Security; or
2. any other governmental program or coverage required or provided by statute; or
3. any benefit payable under Workers' Compensation law or any other act or law of like intent;
4. the amount of earnings the Covered Person earns or receives from any form of Partial Disability or any other salary, wages or payments except for Health Sciences Supplemental Income by the University to the Covered Person; or
5. Disability or retirement benefits under any Defined Benefit Retirement Plan for which a University Employee receives credit for University Service.

NOTE: Liberty will not offset for University Sponsored group Disability benefits available to certain employees with respect to compensation that is not covered by University Disability programs such as Disability coverage of Health Sciences Supplemental Income.

Liberty will not offset your benefit with (a) any disability benefits from privately purchased individual disability insurance policies; or (b) Defined Contribution Plan benefits (DCP) such as TIAA-CREF, 401k plans and 403b plans through the University of California and other employers.

Cost of Living Freeze

After the first deduction for each of the Benefits from Other Income, the Weekly Benefit will not be further reduced due to any cost of living increases payable under the Benefits from Other Income provision of this coverage.

Lump Sum Payments

Benefits from Other Income which are paid in a lump sum will be prorated on a monthly basis over the Maximum Benefit Period with the exception of those payments shown in Section 1 - Schedule entitled "Lump Sum Benefits".

Prorated Benefits

For any period for which a Short Term Disability Benefit is payable that does not extend through a full week, the benefit will be paid on a prorated basis. The rate will be 1/7th per day for such period of Total Disability.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

SHORT TERM UPD/EPD COVERAGE (Continued)

Benefits from Other Income (Applicable to Class 2-EPD) (Continued)

Discontinuation of the Short Term Disability Benefit

The Monthly Benefit will cease on the earliest of:

1. the date the Covered Person is no longer Totally Disabled;
2. the date the Covered Person dies;
3. the end of the Maximum Benefit Period;
4. the date the Covered Person begins work for another employer for wage or profit unless he/she is on approved Partial Disability;
5. the date the Covered Person's current earnings from Partial Disability exceed 80% of his/her Pre-Disability Earnings; or
6. the date the Covered Person's current earnings from Partial Disability plus benefits from other income exceed 100% of his/her Pre-Disability Earnings.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

SHORT TERM UPD/EPD COVERAGE (Continued)

Successive Periods of Disability

If a covered person returns to work and becomes Totally Disabled again, he/she may qualify for Successive Periods of Total Disability. "Successive Periods of Total Disability" means a Total Disability which is related or due to the same cause(s) as a prior Total Disability for which a Monthly Benefit was payable.

During the first 12 months of benefits:

A Successive Period of Total Disability will be treated as part of a prior Total Disability if, after receiving Total Disability Benefits under this coverage, the Covered Person (1) returns to work for the University on an Active Employment basis, based on his/her normally scheduled workday; and (2) in less than four consecutive weeks (20 consecutive workdays) after he/she returns to work for the University and while covered under this plan, he/she again becomes Totally Disabled due to the same or related cause as the prior Total Disability.

Benefit payments will be subject to the terms of this coverage for the prior Total Disability.

If the Covered Person returns to a job with the University on an Active Employment basis for four consecutive weeks or more, the Successive Period of Total Disability will be treated as a new period of Total Disability. He/she must complete another Waiting Period. For example, if he/she normally works 8 hours a day, Monday through Friday each week, then he/she must be in Active Employment twenty consecutive 8-hour days to satisfy this requirement.

A Covered Person may take up to one-half day off per week, based on his/her normal work schedule, for routine follow-up appointments with the attending physician without being required to restart the four-week period. However, if he/she takes additional vacation, compensated time and/or sick leave before the completion of the four-week period, he/she will be required to restart this period.

If regular University holidays are scheduled during this period, they will not be counted as workdays nor will they be considered a reason to restart the four-week period. The balance of the period should be completed beginning with the first workday after the holiday. Changes to a Covered Person's work schedule made after the date of Disability will not be considered a normal work schedule for this purpose.

If the later Disability is due to an unrelated cause and the Covered Person had returned to full-time Active Employment based on his/her normally scheduled workday, it will be considered a new Disability and a new Waiting Period will apply.

If a Covered Person becomes eligible for coverage under any other employer's group Short Term Disability coverage, this Successive Period of Disability provision will cease to apply.

SECTION 4 - DISABILITY INCOME BENEFITS

LONG TERM EPD COVERAGE

Total Disability Benefit

When Liberty receives proof that a Covered Person is Totally Disabled due to Injury or Sickness and requires the regular attendance of a Physician, Liberty will pay the Covered Person a Monthly Benefit after the end of the Waiting Period. The benefit will be paid for the period of Total Disability if the Covered Person gives to Liberty proof of continued:

1. Total Disability; and
2. regular attendance of a Physician.

The proof must be given upon Liberty's request and at the Covered Person's expense.

For the purpose of determining Total Disability, the Injury must occur and the Covered Person's Total Disability must begin while the Employee is insured for this coverage; and Total Disability which is the result of the Covered Person's Sickness must begin while the Employee is insured for this coverage. In addition, a loss of a license for any reason does not, in itself, constitute Total Disability.

The Monthly Benefit will not:

1. exceed the Covered Person's Amount of Insurance; or
2. be paid for longer than the Maximum Benefit Period.

The Amount of Insurance and the Maximum Benefit Period are shown in the Schedule of Benefits.

Amount of Total Disability Monthly Benefit

To figure the amount of Monthly Benefit:

1. Multiply the Covered Person's Eligible Earnings by the Benefit Percentage shown in the Schedule of Benefits.
2. Take the lesser of:
 - a. the amount figured in step (1) above; or
 - b. 70% of the Covered Person's Eligible Earnings less the Benefits from Other Income, (shown in the Benefits from Other Income provision of this coverage); or
 - c. the Maximum Monthly Benefit shown in the Schedule of Benefits.

The Total Disability Benefit payable will never be less than the Minimum Monthly Benefit shown in the Schedule of Benefits.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM EPD COVERAGE (Continued)

Mental Illness and Substance Abuse Limitation

This Limitation applies after the first 12 months of benefits if the Covered Person's Total Disability, as determined by Liberty, is caused at least in part by a mental, psychoneurotic or personality disorder or substance abuse. In such cases, benefits are not payable for his/her Total Disability for more than 24 months. If the Covered Person is Totally Disabled at the end of the 24th month for which Long Term benefits are payable and he/she is Continuously Hospitalized for one or more of the disorders above at the end of the 24 month period, while he/ she remains Totally Disabled benefits will be payable for the duration of that hospitalization.

The 24 month limit is a lifetime maximum. But, benefits are not payable for more than the Maximum Benefit Period shown in the policy in Section 1 -Schedule of Benefits.

"**Continuously Hospitalized**" means the Covered Person is hospitalized at some point before the end of the 24 month period, but not necessarily from the beginning of the benefit period, and is discharged some time after the end of the 24 month period. Benefits will continue while he/she is hospitalized but not beyond the Maximum Benefit Period.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM EPD COVERAGE (Continued)

Benefits from Other Income

Benefits from Other Income means those benefits shown below and in Section 1 - Schedule entitled "Lump Sum Benefits":

1. The amount for which the Covered Person is eligible under:
 - a. Workers' or Workmen's Compensation Law (temporary benefits);
 - b. occupational disease law;
 - c. any compulsory benefit act or law; or
 - d. any other act or law of like intent.
2. The amount of any Disability benefits which the Covered Person is eligible to receive under:
 - a. any other group insurance plan of the Sponsor, excluding Accidental Death and Dismemberment (AD&D);
 - b. any governmental retirement system as a result of his/her job with the Sponsor.
3. The amount of benefits the Covered Person receives under the Sponsor's Retirement Plan as follows: The amount of any Disability Benefits, or Retirement Benefits the Covered Person voluntarily elects to receive as retirement payment under the Sponsor's Retirement Plan.
4. The amount of benefits the Covered Person receives under: (a) any other Disability plan or (b) any Defined Benefit Retirement Plan for which a University employee receives credit for University Service.
5. The amount of Disability and/or Retirement Benefits under the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act, for which:
 - a. the Covered Person receives or is eligible for; and
 - b. the Covered Person's spouse, minor child* or minor children* receives or are eligible for because of the Covered Person's Disability; or
 - c. the Covered Person's spouse, minor child* or minor children* receives or are eligible for because of the Covered Person's eligibility for Retirement Benefits.

* Liberty will not offset the Covered Person's Disability Benefit with any Social Security Benefits their child or children receive or are eligible to receive if the child or children do not live with the Covered Person on a permanent basis.
6. The amount of earnings the Covered Person earns or receives from any form of employment or any other salary, wages or payments except for Health Sciences Supplemental Income by the University to the Covered Person.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM EPD COVERAGE (Continued)

Benefits from Other Income (Continued)

NOTE: Liberty will not offset for University Sponsored Group Disability benefits available to certain employees with respect to compensation that is not covered by University Disability programs such as Disability coverage of Health Sciences Supplemental Income.

Liberty will not offset your benefit with (a) any disability benefits from privately purchased individual disability insurance policies; or (b) Defined Contribution Plan benefits (DCP) such as TIAA-CREF, 401k plans and 403b plans through the University of California and other employers.

These Benefits from Other Income, except Retirement Benefits, must be payable as a result of the same Disability for which Liberty pays a benefit.

Cost of Living Freeze

After the first deduction for each of the Benefits from Other Income, the Monthly Benefit will not be further reduced due to any cost of living increases payable under the Benefits from Other Income provision of this coverage. This provision does not apply to increases received from any form of employment.

Lump Sum Payments

Benefits from Other Income which are paid in a lump sum will be prorated on a monthly basis over the time period for which the sum is given or the Maximum Benefit Period, whichever is less, with the exception of those payments shown in Section 1 - Schedule entitled "Lump Sum Benefits".

Prorated Benefits

For any period for which a Long Term Disability Benefit is payable that does not extend through a full month, the benefit will be paid on a prorated basis. The rate will be 1/30th per day for such period of Total Disability.

Benefit Period Extension

The Maximum Benefit Period is shown in the Schedule of Benefits. However, the benefit will be extended beyond the end of the Maximum Benefit Period if a Covered Person who is Totally Disabled attains the age specified in the benefit duration and has not received 12 Monthly Benefit payments. In this event, the benefit period will be extended during the continuance of Total Disability until 12 monthly payments have been paid.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM EPD COVERAGE (Continued)

Discontinuation of Long Term Total Disability Benefits

The Monthly Benefit will cease on the earliest of:

1. the date the Covered Person is no longer Totally Disabled; or
2. the date the Covered Person dies; or
3. the end of the Maximum Benefit Period; or
4. the date the Covered Person begins work for another employer for wage or profit unless he/she is on approved Partial Disability; or
5. the date the Covered Person's current earnings from Partial Disability exceed 80% of his/her Pre-Disability Earnings; or
6. the date the Covered Person's current earnings from Partial Disability plus benefits from other income exceed 100% of his/her Pre-Disability Earnings.

Successive Periods of Disability

If a covered person returns to work and becomes Totally Disabled again, he/she may qualify for Successive Periods of Total Disability. "Successive Periods of Total Disability" means a Total Disability which is related or due to the same cause(s) as a prior Total Disability for which a Monthly Benefit was payable.

Beginning with the 13th month of benefits:

A Successive Period of Total Disability will be treated as part of a prior Total Disability if, after receiving Total Disability Benefits under this coverage, the Covered Person (1) returns to work for the University on an Active Employment basis, based on his/her normally scheduled workday; and (2) in less than six consecutive months after he/she returns to work for the University and while covered under this plan, he/she again becomes Totally Disabled due to the same or related cause as the prior Total Disability.

Benefit payments will be subject to the terms of this coverage for the prior Total Disability.

If the Covered Person returns to a job with the University on an Active Employment basis for six consecutive months or more, the Successive Period of Total Disability will be treated as a new period of Total Disability. He/she must complete another Waiting Period.

A Covered Person may take up to one-half day off per week, based on his/her normal work schedule, for routine follow-up appointments with the attending physician without being required to restart the six month period. However, if he/she takes additional vacation, compensated time and/or sick leave before the completion of the six-month period, he/she will be required to restart this period.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM EPD COVERAGE (Continued)

Successive Periods of Disability (Continued)

If regular University holidays are scheduled during this period, they will not be counted as workdays nor will they be considered a reason to restart the six-month period. The balance of the period should be completed beginning with the first workday after the holiday. Changes to a Covered Person's work schedule made after the date of Disability will not be considered a normal work schedule for this purpose.

If the later Disability is due to an unrelated cause and the Covered Person had returned to full-time Active Employment based on his/her normally scheduled workday, it will be considered a new Disability and a new Waiting Period will apply. If a Covered Person becomes eligible for coverage under any other employer's group Long Term Disability coverage, this Successive Period of Disability provision will cease to apply to that Covered Person.

SECTION 5 - EXCLUSIONS

GENERAL EXCLUSIONS

This policy will not cover any Total Disability due to:

1. war, declared or undeclared or any act of war;
2. intentionally self-inflicted injuries;
3. active Participation in a Riot;
4. the Covered Person's committing of or the attempting to commit an indictable offense.

With respect to this provision, **Participation** shall include promoting, inciting, conspiring to promote or incite, aiding, abetting, and all forms of taking part in, but shall not include actions taken in defense of public or private property, or actions taken in defense of the person of the insured, if such actions of defense are not taken against persons seeking to maintain or restore law and order including, but not limited to police officers and firemen.

With respect to this provision, **Riot** shall include all forms of public violence, disorder or disturbance of the public peace, by three or more persons assembled together, whether or not acting with a common intent and whether or not damage to persons or property or unlawful act or acts is the intent or the consequence of such disorder.

SHORT TERM DISABILITY COVERAGE

Applicable to Class 1-UPD

Total Disability Benefit Exclusions

A Weekly Benefit will not be payable if a Covered Person becomes Totally Disabled due to:

1. Injury that arises out of or in the course of employment; or
2. Sickness when a benefit is payable under a Workers' Compensation Law, or any other act or law of like intent.

SECTION 5 - EXCLUSIONS

(Continued)

LONG TERM EPD COVERAGE

Pre-Existing Condition Exclusion

The first 12 months of benefits under this plan will not be subject to a pre-existing condition exclusion.

After 12 months of benefits, the Pre-Existing Condition Exclusion will apply as follows to any sickness or injury:

If medical treatment (including examination, laboratory test, diagnosis and/or prescription) of any kind was prescribed for or rendered to or received by the Covered Person during the 90 days immediately before the effective date of his/her coverage under this plan:

1. a period of Total Disability due to that Sickness or Injury that begins within 12 months of the effective date of coverage under this policy will not be covered after the first 12 months of Short Term UPD and EPD benefits have been paid under the policy; and
2. any later Total Disability considered a continuation of that period of Total Disability, will not be covered.

For the purpose of this Pre-Existing Condition exclusion, a Total Disability is considered a continuation of an earlier period of Total Disability if both are due to the same or related Sickness or Injury and are not separated by (a) a return to full-time Active Employment based on the Covered Person's normally scheduled workday and b) a continuous period of 90 days after a return to full-time work during which no medical treatment (including examination, laboratory test, diagnosis and/or prescription) of any kind was prescribed for or rendered to or received by the Covered Person in connection with that Sickness or Injury.

SECTION 6 - TERMINATION PROVISIONS

Termination of Covered Person's Insurance

A Covered Person will cease to be insured on the earliest of the following dates:

1. the date this policy terminates, but without prejudice to any claim originating prior to the time of termination;
2. the date the Covered Person is no longer in an eligible class;
3. the date the Covered Person's class is no longer included for insurance;
4. the last day for which any required Employee contribution has been made;
5. the date employment terminates. Cessation of Active Employment will be deemed termination of employment, except the insurance will be continued for an Employee absent due to Total Disability during:
 - a. the Waiting Period; and
 - b. the period during which premium is being waived.

Liberty reserves the right to review and terminate all classes insured under this policy if any class(es) cease(s) to be covered.

Furlough and Paid Leaves of Absence

The Sponsor may allow continuation of the Covered Person's coverage(s) during certain types of Paid Leaves of Absence. In continuing such coverage under this provision, the Sponsor agrees to treat all Covered Persons equally.

NOTE: The Termination of Covered Person's Insurance and Furlough or Paid Leaves of Absence provisions and Lay-off or Leave of Absence provisions (shown above) will be administered in accordance with the University's Group Insurance Regulations.

SECTION 6 - TERMINATION PROVISIONS

(Continued)

Policy Termination

1. Termination of this policy under any conditions will not prejudice any claim which occurs while this policy is in force.
2. If the Sponsor fails to pay any premium within the grace period, this policy will terminate at 12:00 midnight Standard Time on the last day of the grace period. The Sponsor may terminate this policy by advance written notice delivered to Liberty at least 60 days prior to the termination date. This policy will not terminate during any period for which premium has been paid. The Sponsor will be liable to Liberty for all premiums due and unpaid for the full period for which this policy is in force.
3. Liberty may terminate this policy on any premium due date by giving written notice to the Sponsor at least 60 days in advance if the Sponsor fails:
 - i. to furnish promptly any information which Liberty may reasonably require; or
 - ii. to perform any other obligations pertaining to this policy.
4. Liberty may terminate this policy or any coverage(s) afforded hereunder and for any class of covered Employees on any premium due date after it has been in force for 12 months. Liberty will provide written notice of such termination to the Sponsor at least 60 days before it is effective.
5. Termination may take effect on an earlier date if agreed to by the Sponsor and Liberty.

SECTION 7 - GENERAL PROVISIONS

Statements

In the absence of fraud, all statements made in any signed Application are considered representations and not warranties (absolute guarantees). No representation by:

1. the Sponsor in applying for this policy will make it void unless the representation is contained in the signed Application; or
2. any Employee in applying for insurance under this policy will be used to reduce or deny a claim unless a copy of the application for insurance, signed by the Employee, is or has been given to the Employee.

Complete Contract - Policy Changes

1. This policy is the complete contract. It consists of:
 - a. all of the pages;
 - b. the attached signed Application of the Sponsor;
 - c. if contributory each Employee's signed Application for insurance.
2. This policy may be changed in whole or in part. Only an officer of Liberty can approve a change. The approval must be in writing and endorsed on or attached to this policy.
3. No other person, including an agent, may change this policy or waive any part of it.

Employee's Certificate

Liberty will provide a Certificate to the Sponsor for delivery to each Covered Person, upon request. It will state:

1. the name of the insurance company and the policy number;
2. a description of the insurance provided;
3. the method used to determine the amount of benefits;
4. to whom benefits are payable;
5. limitations or reductions that may apply;
6. the circumstances under which insurance terminates; and
7. the rights of the Covered Person upon termination of this policy.

If the terms of a Certificate and this policy differ, this policy will govern.

Interpretation of the Policy

Liberty shall possess the authority, in its sole discretion, to construe the terms of this policy and to determine benefit eligibility hereunder. Liberty's decisions regarding construction of the terms of this policy and benefit eligibility shall be conclusive and binding.

SECTION 7 - GENERAL PROVISIONS

(Continued)

Furnishing of Information - Access to Records

1. The Sponsor will furnish at regular intervals to Liberty:
 - a. information relative to Employees:
 - i. who qualify to become insured;
 - ii. whose amounts of insurance change; and/or
 - iii. whose insurance terminates.
 - b. any other information about this policy that may be reasonably required.

The Sponsor's records which, in the opinion of Liberty, have a bearing on the insurance will be opened for inspection at any reasonable time.

2. Clerical error or omission will not:
 - a. deprive an Employee of insurance;
 - b. affect an Employee's amount of insurance; or
 - c. effect or continue an Employee's insurance which otherwise would not be in force.

Misstatement of Age

If a Covered Person's age has been misstated, an equitable adjustment will be made in the premium. If the amount of the benefit is dependent upon an Employee's age, the amount of the benefit will be the amount an Employee would have been entitled to if his/her correct age were known.

A refund of premium will not be made for a period beginning earlier than the beginning date of the current policy year before the date Liberty is advised of the error.

Notice and Proof of Claim

1. Notice
 - a. Written notice of claim must be given to Liberty within 30 days of the date of the loss on which the claim is based, if that is possible. If that is not possible, Liberty must be notified as soon as it is reasonably possible to do so.
 - b. When Liberty has the written notice of claim, Liberty will send the Covered Person its claim forms. If the forms are not received within 15 days after written notice of claim is sent, the Covered Person can send Liberty written proof of claim without waiting for the form.
2. Proof
 - a. Proof of claim must be given to Liberty. This must be done no later than 30 days after the end of the Waiting Period.
 - b. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it was not reasonably possible to furnish such proof within such time. Such proof must be furnished as soon as reasonably possible, and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

SECTION 7 - GENERAL PROVISIONS

(Continued)

Notice and Proof of Claim (Continued)

2. Proof (Continued)

- c. Proof of continued Total Disability, when applicable, and regular attendance of a Physician must be given to Liberty within 30 days of the request for the proof.
- d. The proof must cover, when applicable:
 - i. the date Total Disability started;
 - ii. the cause of Total Disability; and
 - iii. the degree of Total Disability.

Time of Payment of Claims

When Liberty receives satisfactory proof of claim, the benefit payable under this policy may be paid at least monthly, depending on the coverage for which claim is made, during any period for which Liberty is liable. Any balance remaining unpaid upon the termination of the period of liability will be paid immediately upon receipt of due written proof.

Payment of Claims

The benefit is payable to the Covered Person. But, if a benefit is payable to a Covered Person's estate, a Covered Person who is a minor, or who is not competent, Liberty has the right to pay up to \$2,000 to any of the Covered Person's relatives or any other person whom Liberty considers entitled thereto by reason of having incurred expense for the maintenance, medical attendance or burial of the Covered Person. If Liberty, in good faith, pays the benefit in such a manner, Liberty will not have to pay such benefit again.

Examination

Liberty, at its own expense, will have the right and opportunity to have a Covered Person, whose Injury or Sickness is the basis of a claim, examined by a Physician or vocational expert of its choice. This right may be used as often as reasonably required.

SECTION 7 - GENERAL PROVISIONS

(Continued)

Legal Proceedings

A claimant or the claimant's authorized representative cannot start any legal action:

1. until 60 days after proof of claim has been given; or
2. more than three years after the time proof of claim is required.

Right of Recovery

If a benefit overpayment on any claim occurs, it will be required that reimbursement be made to Liberty within 60 days of such overpayment, or Liberty has the right to reduce future benefit payments until such reimbursement is received. Liberty has the right to recover such overpayments from the Covered Person or the Covered Person's estate.

Conformity with State Statutes

Any provision of this policy which, on its Effective Date, is in conflict with the statutes of the governing jurisdiction of this policy is hereby amended to conform to the minimum requirements of such statute.

Incontestability

The validity of this policy shall not be contested, except for non-payment of premiums, after it has been in force for two years from the date of issue. The validity of this policy shall not be contested on the basis of a statement made relating to insurability by any person covered under this policy after such insurance has been in force for two years during such person's lifetime, and shall not be contested unless the statement is contained in a written instrument signed by the person making such statement.

Workers' Compensation

This policy and the coverages provided are not in lieu of, nor will they affect any requirements for coverage under any Workers' Compensation Law or other similar law.

SECTION 8 - PREMIUMS

Premium Rates

Liberty has set the premiums that apply to the coverage(s) provided under this policy. Those premiums are shown in a notice given to the Sponsor with or prior to delivery of this policy.

Liberty may establish new rates for all future premiums as well as the one then due:

1. when the terms of this policy are changed, any such change in policy terms will be made in accord with the General Provisions regarding "Complete Contract - Policy Changes";
2. when a division, or Associated Company is added to this policy; or
3. when the number of Covered Persons changes by 25% or more from the number insured on this policy's Effective Date; or
4. for reasons other than 1., 2., or 3. above, such as, but not limited to a change in factors bearing on the risk assumed. But, the rates may not be changed within the first 12 months following this policy's Effective Date.

No premium may be increased unless Liberty notifies the Sponsor at least 210 days in advance. Premium increases may take effect on the next January 1st anniversary date.

Payment of Premiums

1. All premiums due under this policy, including adjustments, if any, are payable by the Sponsor on or before their due dates at Liberty's Administrative Office, or to Liberty's agent. The due dates are specified on the first page of this policy.
2. Premium payment calculations will be based on the coverage(s) provided under this policy. Both are determined by the definition of Monthly Covered Salary Rate.
3. The premium charge for insurance terminated during a policy month will cease at the end of the policy month in which such insurance terminates. This manner of charging premium is for accounting purposes only.
4. Except for fraud and premium adjustments, refunds or charges will be made only for the current policy year.

Grace Period

This is the 60 days following a premium due date, other than the first, during which premium payment may be made. During the grace period this policy shall continue in force, unless the Sponsor has given Liberty written notice 60 days in advance of discontinuance of this policy.

Waiver of Premium

With respect to Employee Paid Disability Benefits, premium payments for a Covered Person are waived during any period for which benefits are payable. If coverage is to be continued, premium payments may be resumed following a period during which they were waived.

NOTICE REGARDING POLICYHOLDER INQUIRY PROCEDURES

For inquiries, information about coverage or assistance in resolving complaints you may contact Liberty Life Assurance Company of Boston at:

1-800-344-0197

Written inquiries should be directed to:

Presidential Service Team
Liberty Mutual Insurance Group
175 Berkeley Street
Boston, MA 02117


For policies issued or delivered by authorized representatives or agents of Liberty Life Assurance Company of Boston, you should contact that representative or agent directly for assistance.

The California Department of Insurance may be contacted only after discussions with Liberty Life Assurance Company of Boston, or its agents or other representatives, or both, have failed to produce a satisfactory resolution to the problem. You may contact the department at:

1-800-927-4357 or 213-897-8921.

Written inquiries should be directed to:

Department of Insurance
Consumer Communications Bureau
300 South Spring Street-South Tower
Los Angeles, California 90013


PRESIDENT

AMENDMENT 8

It is agreed the following changes are hereby made to this policy: GD/GF3-860-037972-01

ADDITIONS

Form DOP3-SCH-0003 R (2)
Form DOP3-SCH-0004 R (3)

DELETIONS

Form DOP3-SCH-0003 R (1)
Form DOP3-SCH-0004 R (2)

The Effective Date of this change is January 1, 2013.

The changes will only apply to Disabilities or Partial Disabilities which start on or after the Effective Date of this change.

This policy's terms and provisions will apply other than as stated in this amendment.

Dated this 14th day of January, 2013.

Issued to and Accepted by:

University of California
Sponsor

By _____
Signature and Title of Officer

Liberty Life Assurance Company of Boston

