

EVEREST REINSURANCE COMPANY

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(called “We”, “Us” or “Our”)

Everest Reinsurance Company furnishes this Disability Insurance **Policy**, together with the Application for Insurance, the **Policy** Schedule of Insurance, any insurance coverage riders, and any endorsements which make up the entire contract of insurance. All of the provisions on this page and the pages that follow are part of this **Policy**.

This **Policy** is a legal contract between You and Everest Reinsurance Company.  
**READ IT WITH CARE.**

**NOTICE OF THIRTY (30) DAY RIGHT TO REVIEW POLICY**

You have thirty (30) days to review this **Policy** from the date You receive it. Within that time, You can deliver or mail it to Our home office or to Our authorized agent or agency for a prompt refund of all premiums. This **Policy** will then be void from the Policy Effective Date of the **Policy** shown in the Policy Schedule Page.

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## Disability Insurance Policy

### INDEPENDENT CONTRACTOR AND SELF-EMPLOYED SCHEDULE PAGE

POLICY NUMBER: POLICY EFFECTIVE DATE:

INSURED: DATE OF BIRTH: AGE AT ISSUE:

POLICY TERM: Months

MONTHLY INSURANCE BENEFIT AMOUNT for Disability:

AVERAGE MONTHLY INCOME AT TIME OF APPLICATION:

ACTIVELY AT WORK: days

WAITING PERIOD: days to the incurred date of qualifying event

PRE-EXISTING CONDITIONS MONTHS: Months

INVOLUNTARY UNEMPLOYMENT INSURANCE VESTING PERIOD: days

INVOLUNTARY UNEMPLOYMENT INSURANCE BENEFIT RATIO: of the Disability Benefit

SALARYGAP ELIGIBILITY MONTHS: Months

SALARYGAP INSURANCE VESTING PERIOD: days

SALARY GAP REDUCTION RATIO:

SALARYGAP BENEFIT RATIO: of the Disability Benefit.

SALARYGAP BENEFITS ARE: to the starting date of replacement employment

MAXIMUM BENEFIT PERIOD: Months

LOOK BACK PERIOD: Months

MAXIMUM BENEFIT AMOUNT: per Month

AVERAGE MONTHLY INCOME LOSS RATIO:

LIFETIME AGGREGATE MAXIMUM BENEFITS: times the Maximum Benefit Amount times the Maximum Benefit Period

PREMIUM:

**PREMIUM MODE:** Monthly

Disability Policy:

Involuntary Unemployment Rider:

SALARYGAP Rider:

**Total Premium:** \_\_\_\_\_

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Endorsement(s):	<p>Endorsements listed below attach to and form a part of the Disability Insurance Policy.</p> <p>WP IU IC 001 NV 1223 WP SG IC 001 NV 1223</p>
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## INDEX

The major provisions of this **Policy** appear on the following pages.

Benefit Provisions	Pages 6, 7
Claim Provisions	Page 7, 8
Definitions	Pages 4 - 6
Exclusions	Page 7
General Provisions	Pages 9, 10
Premium and Renewal Provisions	Pages 8, 9

If You have questions about Your **Policy**, You may call Everest Reinsurance Company, or its Administrative Services Provider, at .

## DEFINITIONS

### **Actively at Work – Independent Contractor and Self-Employed**

Your contracts require at least thirty (30) hours of work per week which You were considered an Independent Contractor or Self-Employed and You have done so for at least the Actively At Work period, as shown in the Schedule Page, immediately prior to the Policy Effective Date and on a continuous basis for wages or profit, excluding temporary paid or unpaid absences during which You are considered an Independent Contractor or Self-Employed;

Self-Employed means a person working for income coming directly from his or her own business, trade, profession or a partnership (a company or entity in which the individual has a ten percent (10%) or greater equity or ownership interest will be regarded as his or her own business).

### **Average Monthly Income – Independent Contractor and Self-Employed**

Average Monthly Income is equal to the monthly average of Your total earned income for the Look Back Period, as shown in the Schedule Page, and includes all forms of compensation.

### **Benefit Type**

Benefit Type includes occurrences of Disability and all **Rider** benefits.

### **Complications of Pregnancy**

Complications of Pregnancy means a condition which requires medical treatment and whose diagnosis is distinct from pregnancy but is adversely affected by or are caused by pregnancy, such as:

When pregnancy is NOT terminated:

- acute nephritis;
- nephrosis;
- cardiac decompensation;
- missed abortion;
- eclampsia;
- puerperal infection;
- R.H. Factor problems;
- severe loss of blood requiring transfusion; and
- other similar medical and surgical conditions of comparable severity related to pregnancy.

When pregnancy IS terminated:

- non-elective cesarean section;
- ectopic pregnancy that is terminated; and
- spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy will not include:

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- false labor;
- occasional spotting;
- Physician prescribed rest during the period of pregnancy;
- morning sickness;
- preeclampsia;
- similar conditions associated with the management of a difficult pregnancy but which are not a separate Complication of Pregnancy; and
- elective cesarean section.

Delivery by cesarean section is considered a Complication of Pregnancy if the cesarean section is non-elective. A cesarean section will be considered non-elective if the fetus or mother is determined to be in distress and is in immediate danger of death, Sickness or Injury if a cesarean section is not performed. A cesarean section beyond one performed in any previous pregnancy will also be considered non-elective if vaginal delivery is medically inappropriate, or a vaginal delivery is attempted but discontinued due to immediate danger of death, Sickness or Injury to the child or mother.

### **Disability/Disabled**

Disability/Disabled means that the Insured is:

- unable to perform the material and substantial duties of the occupation held when the Insured became Disabled; and
- under the continuous care of a licensed Physician other than You or a Family Member; and
- not working for wages or profit during the Disability; and
- Disabled longer than the Waiting Period, as shown in the Schedule Page.

### **Family Member**

Family Member means the Insured's parent (includes step-parent), grandparent, spouse, child(ren) (includes legally adopted or step or foster child(ren)), brother, sister, grandchild(ren), or in-laws. A Family Member includes an individual who normally lives in the Insured's household.

### **Injury**

Injury means accidental bodily harm to the Insured which occurs while this **Policy** is in force.

### **Insured (called "You" or "Your")**

The named Insured on the application for this **Policy**.

### **Lifetime Aggregate Maximum Benefit**

This coverage provides for a Lifetime Aggregate Maximum Benefit multiple, as shown in the Schedule Page. The Lifetime Aggregate Maximum Benefit amount payable is equal to the Maximum Benefit Amount times the Maximum Benefit Period, as each is shown in the Schedule Page, times this multiple and includes all **Policy** and chosen Rider(s) benefit payments made for all Benefit Types under this **Policy**.

### **Look Back Period**

The Look Back Period is shown in the Schedule Page. It is the time period (number of months) used to calculate the Maximum Lump Sum Insurance Benefit Amount and for Independent Contractors and Self-Employed Average Monthly Income.

### **Maximum Benefit Period**

The Maximum Benefit Period is shown in the Schedule Page. It is the longest period of time for which We will pay a Benefit for continuous Disability from a single occurrence while the **Policy** is in force.

### **Physician**

Physician means a legally qualified licensed Physician or surgeon other than the Insured or a Family Member who is acting within the scope of his or her license.

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**Sickness**

Sickness means an illness or disease of the body of the Insured which is diagnosed or treated while this **Policy** is in force.

**Waiting Period**

The Waiting Period is shown in the Schedule Page. It is the number of consecutive days following a qualifying event before benefits begin. Benefits begin one day following the end of the Waiting Period. Benefits may or may not be retroactive to the incurred date of the qualifying event, as shown in the Schedule Page.

**MONTHLY INSURANCE BENEFIT AMOUNT**

This benefit provides You a set Monthly Insurance Benefit Amount, as shown in the Schedule Page, for up to the Maximum Benefit Period, as shown in the Schedule Page, for a qualifying Disability.

The total aggregate Monthly Insurance Benefit Amount for this coverage cannot exceed the lesser of Your Maximum Benefit Amount, as shown in the Schedule Page, or 60% of Your Monthly Salary, immediately prior to the incurred date of a qualifying event, from the occupation shown in the application. If the total aggregate Monthly Insurance Benefit Amount issued to You under any one (1) or more policies with Us exceeds Your Maximum Benefit Amount, Your coverage under the **Policy** will be reduced to the Maximum Benefit Amount and a proportionate share of any premium charge for the excess coverage will be refunded to You or coverage will be cancelled, and the full amount of premium charged will be refunded less any claims paid.

There is also a Lifetime Aggregate Maximum Benefit, as shown in the Schedule Page, and is described in the Definitions section.

**DISABILITY PROVISIONS****Disability Benefits**

When You are Disabled, We will pay the benefits, as shown in the Schedule Page, as follows:

- You must become Disabled while this **Policy** is in force;
- You must remain Disabled for the Waiting Period, as shown in the Schedule Page. Benefits begin one day after the Waiting Period, as shown in the Schedule Page. Benefits may or may not be retroactive to the incurred date of the qualifying event, as shown in the Schedule Page;
- Benefits may be assigned;
- Insurance Benefits for Disability will stop when the Insurance Benefits have been paid for the entire Benefit Period shown in the Schedule Page or, if earlier, on the date You are no longer Disabled;
- For the Monthly Insurance Benefits, each month of continuous Disability will be calculated from the date Disability began to the same date in each subsequent month. For periods of Disability that are less than one (1) month, We will consider each day of Disability to be 1/30<sup>th</sup> of a month and the Insurance Benefit Amount will be pro-rated accordingly.

**MONTHLY INSURANCE BENEFIT AMOUNT****Recurrent Periods of Disability**

You are eligible for benefits from a new Disability if You have recovered from a Disability for which You have been paid benefits and:

- If You have been Actively at Work for at least twelve (12) months since the recovery from the last period of Disability, and You have satisfied a new Waiting Period, as shown in the Schedule Page; or
- If You have been Actively at Work for less than twelve (12) months since the recovery from the last period of Disability, the current period of Disability will be considered a continuation of the previous period (regardless of the cause of Disability) and no new Waiting Period is required. Benefits will resume on the incurred date of the new disability and will not be paid retroactively to the recovery date of the prior disablement.

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- And You have not exceeded the Maximum Benefit Period or Lifetime Aggregate Maximum Benefit, as shown in the Schedule Page.

### **Medical Care Requirement**

We will not pay benefits under this **Policy** for any period of Disability during which You are not under the care of a licensed Physician. Such care must be appropriate, according to generally accepted medical standards, for the condition which is causing the Disability, and must be provided by a licensed Physician whose area of practice is appropriate for Your Sickness or Injury.

## **DISABILITY EXCLUSIONS**

This **Policy** excludes benefits for disabilities that are:

- a result of a pre-existing medical condition which means: You have been treated by, diagnosed by or consulted with, a licensed Physician or licensed chiropractor for the medical condition in the Pre-Existing Conditions Months, as shown in the Schedule Page, before the Policy Effective Date and such condition becomes the cause of Disability within the Pre-Existing Conditions Months, as shown in the Schedule Page, after the Policy Effective Date;
- due to hospitalization that occurs during the first ninety (90) days after the Policy Effective Date due to illness;
- a result of normal pregnancy that does not include Complications of Pregnancy;
- a result of war or any act of war (declared or undeclared);
- a result of a self-inflicted injury;
- a result of voluntary ingestion of illegal drugs;
- a result of intoxication;
- a result of injuries during commission of a felony;
- a result of participation in a riot or insurrection; or
- a result of an illegal occupation or activity.

## **CLAIM PROVISIONS**

### **Notice of Claim**

You must give Us notice of claim within thirty (30) days after any loss which is covered by this **Policy** occurs or starts, or as soon after that as is reasonably possible. Notice, with sufficient information to identify You, will be deemed notice to Us if given to Us at: Everest Reinsurance Company, or to Our authorized agent.

### **Claim Forms**

When We get Your notice of claim, We will send claim forms for filing proof of loss. If You do not receive such forms within fifteen (15) days after said notice, You may submit a written statement within the time fixed in this **Policy** for filing proof of loss, which provides the nature and extent of the loss for which a claim is made.

### **Time for Filing Proof of Loss**

Timely Proof of Loss is required prior to any benefit payment. We are liable for benefits at the end of each month while You are Disabled beyond the Waiting Period until the Maximum Benefit Period ends or, if earlier, the date You are no longer Disabled.

You must give Us written proof of loss at Our home office or at Our authorized agency office for loss from Disability within ninety (90) days after the end of each month you are claiming You are Disabled.

If You cannot reasonably give Us proof of loss within such time, We will not deny or reduce a claim if You give Us proof as soon as possible. We will not pay benefits in any case if proof is delayed for more than one (1) year.

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**Time of Payment of Claims**

Subject to written proof of loss, We will pay the Insurance Benefit Amount due, as shown in the Schedule Page, under the terms of this **Policy**.

**Payment of Claims**

We will pay the Insurance Benefit Amount, as shown in the Schedule Page, under this **Policy** to the Insured named in the Schedule Page or assignee if selected.

Any accrued benefits unpaid upon Your death will be paid to Your estate.

If We are to pay benefits to Your estate or to a person who is incapable of giving a valid release, We may pay up to \$1,000.00 to a relative by blood or marriage whom We believe is equitably entitled. This good faith payment satisfies Our legal duty to the extent of that payment.

**Physical Examination**

We shall have the right and opportunity to have You medically examined at Our expense when and as often as We may reasonably require while You claim to be Disabled under this **Policy**.

**Legal Actions**

No one can bring an action at law or equity under this **Policy** until sixty (60) days after written proof has been furnished as required by this **Policy**. In no case can an action be brought against Us more than three (3) years after written proof has been furnished.

**Misstatement of Age**

If Your age has been misstated, the benefits will be what the premium paid would have bought at the correct age. If We would not have issued this **Policy** at Your correct age, there will be no insurance and We will owe only a refund of all premiums paid for the period not covered by this **Policy**.

**PREMIUM AND RENEWAL PROVISIONS****Age**

When We refer to a specific age, such as age 70, We mean Your age as of the policy anniversary that first occurs on or after the birthday on which You attained that age.

**Policy Anniversary**

A **Policy** anniversary is the recurrence each month/quarter/year of the Policy Effective Date.

**Renewal**

This **Policy** will be continued for successive policy periods up to the Policy Term, as shown in the Schedule Page, commencing from the Policy Effective Date shown in the Schedule Page.

**Premium and Grace Period**

Premiums are based on the information You provided in the application.

The premium is shown in the Schedule Page. Premiums are due on the policy anniversary month/quarter/year based on the Premium Mode selected. You have a grace period of thirty-one (31) days after the premium due date in which to pay each premium after the first one.

This **Policy** stays in force during the grace period. If You have not paid the premium and We have not received it by the end of the grace period, this **Policy** will be cancelled effective 12:01 AM on the day after the date of Your last premium payment paid through date.

If You die, We will refund to Your estate that part of any premium which applies to the period after Your death.

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### **Premium Change**

We may change premium rates subject to approval by the Department of Insurance. We will notify You:

- at least sixty (60) days prior to the change; and
- set forth the revised rates and effective date.

An increase or decrease in rates will not be retroactive.

### **Cancellation of Coverage**

**By You:** You can cancel this **Policy** at any time by providing notice in writing. The mailing of the written notice will be sufficient proof of notice. The effective date of cancellation is the date We receive Your notice and will be the end of the coverage.

**By Us:** We may cancel this **Policy** by mailing written notice, including Our reason for cancellation, at least 31 days before the date of cancellation takes effect. Proof of mailing will be sufficient proof of notice.

Our reason for cancellation may include one of the following. Your **Policy** will be cancelled:

- on the date of Your last premium payment paid through date if cancelled for non-payment of premium;
- on the policy anniversary date following Your 70<sup>th</sup> birthday;
- on the date of Your death;
- upon the loss of or substantial change in Our applicable reinsurance;
- on the date coverage is cancelled under such policies for all members of a given class of Insureds;
- on the date total benefits paid under the **Policy** exceeds the Lifetime Aggregate Maximum Benefit, as shown in the Schedule Page; or
- for any other reasons that are approved by the commissioner of insurance.

If this **Policy** is cancelled by Us, such cancellation will not affect any claim then in progress or any loss commencing for which We are liable at the time of cancellation. We will not be liable for losses after the effective date of cancellation.

### **Refunds**

In the event of cancellation, any unearned portion of any premium paid to Us shall be promptly refunded to the person entitled thereto. Such refund shall be based on the pro-rata method. A refund of less than \$5.00 will not be made.

## **GENERAL PROVISIONS**

### **Consideration**

We have issued this **Policy** in consideration of the representations in Your application and payment of the first premium. A copy of Your application is attached and is a part of this **Policy**.

### **Effective Date of Insurance**

Insurance takes effect on the Policy Effective Date shown in the Schedule Page. This **Policy** starts on the Policy Effective Date at 12:01 AM standard time in the place where You live.

### **Entire Contract; Changes**

The **Policy**, Application form and attached papers, if any, is the entire contract of insurance. No change in this **Policy** will be valid unless it has been endorsed on or attached to this **Policy** in writing by an executive officer of Everest Reinsurance Company.

No agent has the authority to change this **Policy** or waive any of its provisions.

### **Incontestable**

This **Policy** will be incontestable as to the statements contained in the application after it has been in force for a period of two (2) years during Your lifetime. We will exclude from the calculation of the two (2) year period any period

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of time during which You are Disabled if such is related to a misstatement in the application. No claim for a Disability as defined in the **Policy**, that begins after this period of time will be reduced or denied because a disease or physical condition existed prior to the Policy Effective Date.

**Conformity with State Laws**

Any provision of this **Policy** which, on the Policy Effective Date, is against the laws of the state in which You reside on such date is hereby amended to conform to the minimum requirements of such laws.

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