CYPRESS FAIRBANKS INDEPENDENT SCHOOL DISTRICT

GROUP LONG TERM DISABILITY POLICY

Union Security Insurance Company insures the eligible employees of:

POLICYHOLDER: CYPRESS FAIRBANKS INDEPENDENT SCHOOL DISTRICT

POLICY NUMBER: 7027036

POLICY EFFECTIVE DATE: September 01, 2013

POLICY ANNIVERSARY DATE: 09/01

GOVERNING JURISDICTION: Texas

Union Security Insurance Company (referred to as "the Company") will provide benefits under this policy. The Company makes this promise subject to all of this policy's provisions.

The **Policyholder** should read this policy carefully and contact the Company promptly with any questions. This policy is delivered in and is governed by the **laws** of the governing jurisdiction, and to the extent applicable by the Employee Retirement Income Security **Act** of 1974 (ERISA) and any amendments. The entire policy consists of:

1. all policy provisions and any amendments and/or attachments issued;
2. the **Employer's** signed application;
3. the Certificate of Coverage;
4. **employees'** signed **enrollment form**; and
5. **employees' confirmation statements**.

The policy may be changed in whole or in part. Only the President, Vice President, or Chief Financial Officer of the Company can approve a change. The approval must be in writing and endorsed on or attached to this policy. No other person, including an agent, may change this policy or waive any part of it.

Signed for Union Security Insurance Company at its home office in Kansas City, Missouri on the Policy Effective Date.

UNION SECURITY INSURANCE COMPANY
Kansas City, Missouri

Secretary

President and Chief Executive Officer

THIS IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS POLICY, AND IF THE EMPLOYER IS A NON-SUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATION THAT MUST BE FILED AND POSTED.

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POLICYHOLDER PROVISIONS

COST OF INSURANCE

The initial premium for the policy is based on the initial rate(s) shown in the Rate Information Amendment(s).

INITIAL RATE GUARANTEE AND RATE CHANGES

Refer to the Rate Information Amendment(s).

WHEN PREMIUM IS DUE

Premium Due Dates: Premium due dates are based on the Premium Due Dates Shown in the Rate Information Amendment(s).

The **Policyholder** must send all premiums to **us** on or before their respective due date. The premium must be paid in United States dollars.

PREMIUM INCREASES OR DECREASES

Premium increases or decreases which take effect during a policy month are adjusted and due on the next premium due date following the change. Changes will not be pro-rated daily.

Premium charges for new **employees** or for increases in insurance amounts will begin on the premium due date which coincides with or next follows the date of the add or the change. Premium charges for terminated **employees** will end, and decreases for insurance amounts will begin, on the premium due date which coincides with or next follows the termination or the change in amount. This method of charging premium will neither commence any insurance after the date it would otherwise begin nor extend any insurance coverage beyond the date it would otherwise terminate pursuant to the applicable effective date or termination provisions of the policy.

If premiums are paid on other than a monthly basis, premiums for increases and decreases will result in a monthly pro-rated adjustment on the next premium due date.

We will only adjust premium for the current policy year and the prior policy year. In the case of fraud, premium adjustments will be made for all policy years.

WAIVER OF PREMIUM

We do not require premium payments for an **employee** beginning the first of the month following 30 consecutive days of disability for that **employee**, and thereafter while the **employee** is receiving Long Term disability payments under this policy.

INFORMATION REQUIRED FROM THE POLICYHOLDER

The **Policyholder** must provide **us** with the following on a regular basis:

1. information about **employees**:

   A. who are eligible to become insured;
   B. who **enroll** for coverage and their initial amount of coverage;
   C. whose amounts of coverage change; and
   D. whose coverage ends.

2. occupational and salary information and any other information that may be required to manage a claim; and

3. any other information that may be reasonably required.

Policyholder records that have a bearing, in **our** opinion, on this policy will be available for review by **us** at any reasonable time as determined by **us**.

INFORMATION PROVIDED BY US

We will furnish to the **Policyholder** a Certificate of Coverage that outlines the benefits under the policy. The **Policyholder** will distribute a Certificate of Coverage to each insured **employee**.

AMENDING OR CANCELING THE POLICY

This policy can be canceled:

1. by **us**; or
2. by the **Policyholder**.

We may amend or cancel this policy if:

1. there is less than 25% participation of those eligible **employees** who pay all or part of their premium for the policy;
2. the **Policyholder** does not promptly provide **us** with information that is reasonably required;
3. the **Policyholder** fails to perform any of its obligations that relate to this policy;
4. fewer than 10 **employees** are insured under the policy;
5. the premium is not paid in accordance with the provisions of this policy;
6. the **Policyholder** does not promptly report to **us** the names of any **employees** who are added or deleted from the eligible class(es);
7. **we** determine that there is a significant change, in the size, occupation or age of the eligible class(es) as a result of a corporate transaction such as a merger, divestiture, acquisition, sale, or reorganization of the **Policyholder** and/or its **employees**; or
8. **we** determine that there is a significant change in the size, occupation or age of the overall eligible class(es) insured under this policy and/or the policies issued to **Associated Companies**; or
9. any of the policies issued to **Associated Companies** are amended or canceled; or
10. the **Policyholder** fails to pay any portion of the premium within the 60 day **grace period.**

Associated Companies means a company or companies associated with the **Policyholder** that is included on the listing of policyholders as maintained in **our** underwriting file.

We reserve the right to review and terminate all class(es) covered under the policy if any class(es) cease(s) to be covered.

If **we** amend or cancel this policy for reasons other than the **Policyholder's** failure to pay premiums, written notice will be mailed to the **Policyholder** at least 31 days prior to the amendment date or cancellation date. The **Policyholder** may cancel this policy if the amendments are unacceptable.

If any portion of the premium is not paid during the **grace period**, the policy will terminate automatically at the end of the **grace period**. The **Policyholder** is liable for premium for coverage during the **grace period.**

The **Policyholder** must pay **us** all premium due for the full period the policy is in force.

The **Policyholder** may cancel this policy by providing written notice to **us** at least 31 days prior to the cancellation date. When both the **Policyholder** and **we** agree, this policy can be canceled on an earlier date. If the **Policyholder** or **we** cancel this policy, coverage will end at 12:00 midnight Standard Time at the **Policyholder's** address on the last day of coverage.

If this policy is canceled, the cancellation will not affect a **payable claim**.

DIVISIONS, SUBSIDIARIES OR AFFILIATED COMPANIES INCLUDED

NAME	**LOCATION (CITY AND STATE)**
NONE	