
**Commonwealth of
Pennsylvania**

Group Contract

G-91475-PA



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

751 Broad Street
Newark, New Jersey 07102

Group Insurance Contract

Contract Holder: COMMONWEALTH OF PENNSYLVANIA

Group Contract No.: G-91475-PA

Prudential will provide or pay the benefits described in the Group Insurance Certificate(s) listed in the Schedule of Plans of the Group Contract, subject to the Group Contract's terms. This promise is based on the Contract Holder's application and payment of the required premiums.

All of the provisions of the Group Insurance Certificate(s), attached to and made a part of the Group Contract, apply to the Group Contract as if fully set forth in the Group Contract.

The Group Contract takes effect on the Contract Date, if it is duly attested under the Group Contract Schedule. It continues as long as the required premiums are paid, unless it ends as described in its General Rules.

The Group Contract is non-participating. This means that it will not share in Prudential's profits or surplus earnings, and Prudential will pay no dividends on it.

The Group Contract is delivered in and is governed by the laws of the Governing Jurisdiction.



Secretary



Chairman of the Board

Group Long Term Disability Coverage

83500
COV 5010

(S-2)(91475-17)

Group Contract Schedule

Contract Date: September 1, 2008

Contract Anniversaries: This contract is written for a period that begins on the Contract Date and ends at 12:01 a.m. on July 1, 2011. For purpose of this Group Contract, the Contract Anniversary is July 1, 2011.

Premium Due Dates: The 15th day of the month beginning with September, 2008.

Governing Jurisdiction: Commonwealth of Pennsylvania

Associated Agencies: Associated Agencies are agencies of the Commonwealth of Pennsylvania that participate in the group long term disability insurance program and are reported to Prudential in writing for inclusion under the Group Contract, provided that Prudential has approved such request.

Minimum Participation Number: 10

INCLUDED EMPLOYERS

Included Employers under the Group Contract are the Contract Holder and its Associated Agencies, if any.

An Employee of more than one Included Employer will be considered an Employee of only one of those employers for the purpose of the Group Contract. That Employee's service with all other Included Employers will be treated as service with that one.

On any date when an employer ceases to be an Included Employer, the Group Contract will be considered to end for Employees of that employer. This applies to all of those Employees except those who, on the next day, are still within the Covered Classes of a plan of benefits of the Group Contract as Employees of another Included Employer. The plans of benefits for Covered Classes are listed in the Group Contract's Schedule of Plans.

The Contract Holder must let Prudential know, in writing, when an employer listed as an Associated Agency is no longer one of its affiliates.

Table of Contents (as of the Contract Date): The Group Contract includes these forms with an 83500 prefix: COV 5010, GCS 1027, SPR 1001, GR 10004, SCH 1001, APP 1001.

Attest: 

Schedule of Premium Rates

G-91475-PA

Classes of Employees to which this Schedule applies:

All Classes

Applicable Coverage

Monthly Rate Per Employee

All Coverages

The premium rates in effect on the Contract Date are those determined by Prudential. Those rates will be shown on the billing notice(s) sent to the Contract Holder (subject to any subsequent corrections).

The premium may be adjusted during the term of the Group Contract to reflect changes to the commissions or fees paid to an insurance producer for the Group Contract, if any.

PERFORMANCE LEVELS

Prudential and the Contract Holder shall establish the performance service levels for each of the services to be measured as set forth in Attachment C-4 attached to the Service Agreement Number 4400002342, entitled Performance Standards and Guarantees. Prudential and the Contract Holder shall mutually agree upon a process for determining whether such performance levels have been met. Prudential and the Contract Holder agree that Prudential's performance will be measured as provided in Attachment C-4.

Any amounts due as result of Prudential failing to meet or exceed the performance service levels shall be credited or paid directly by check to the Contract Holder or to a trustee or other party at the Contract Holder's direction or, at the option of the Contract Holder shall be held by Prudential in an advance premium account and used to adjust premium for future billing periods.

To the extent any portion of the amounts credited or paid to the Contract Holder is required by law to be used or applied solely for the benefit of Employees covered under this Group Contract, the Contract Holder agrees to use or apply such portion solely for the benefit of such Employees and to otherwise comply with any of its obligations under applicable laws. Any funds accumulated in an advance premium account but unused as of the termination of the Group Contract, or any credited amounts otherwise due and unpaid, shall be transferred to the Contract Holder or to a trustee or other party at the Contract Holder's direction for use in connection with the Contract Holder's health and welfare programs. Upon transfer, Prudential shall have no responsibility for the use and/or allocation of any such funds, nor shall Prudential have any continuing obligations under this provision relating to performance levels. This provision does not create any third party beneficiary rights in any insured or other person.

General Rules

A. PAYMENT OF PREMIUMS - GRACE PERIOD.

Premiums are to be paid by the Contract Holder to Prudential. Each may be paid at a Prudential office or to one of its authorized agents. One is due on each Premium Due Date stated in the Group Contract Schedule. The Contract Holder may pay each premium other than the first within 60 days of the Premium Due Date without being charged interest. Those days are known as the grace period. The Contract Holder is liable to pay premiums to Prudential for the time the Group Contract is in force.

B. PREMIUM AMOUNTS.

The premium due on each Premium Due Date is the sum of the premium charges for the insurance under the Coverages. Those charges are determined from the premium rates then in effect and the Employees then insured.

Premiums may be determined in another way. But it must produce about the same amounts and be agreed to by the Contract Holder and Prudential.

No premium charge will be made for an insured Employee under the Employee Long Term Disability Coverage while the Employee:

- (1) is Disabled; and
- (2) is entitled, after the Elimination Period, to benefits under the Coverage.

C. PREMIUM RATE CHANGES.

The premium rates in effect on the Contract Date are shown in the Group Contract's Schedule of Premium Rates. Prudential has the right to change premium rates:

- (1) As of any Premium Due Date; and
- (2) As of any date the extent or nature of the risk assumed is changed for any reason, including the reasons shown below:
 - (a) A change occurs in the plan design.
 - (b) A division or associated agency is added or deleted.
 - (c) A new law or a change in any existing law is enacted which applies to this plan.

But, unless the Schedule of Premium Rates or an amendment states otherwise, (1) above will not be used to change premium rates:

- for Long Term Disability Coverage, within 22 months of the Contract Date.

Prudential will tell the Contract Holder when a change in the premium rates is made.

D. END OF THE GROUP CONTRACT OR OF AN INSURANCE.

During or at End of Grace Period - Failure to Pay Premiums: If any premium is not paid by the end of its grace period, the Group Contract will end when the grace period ends. The Contract Holder may write to Prudential, in advance, to ask that the Group Contract be ended at the end of the period for which premiums have been paid or at any time during the grace period. Then the Group Contract will end on the date requested, but in no event will it end before the date Prudential receives the written request from the Contract Holder.

On a Premium Due Date - Failure to Maintain Insuring Conditions: On any Premium Due Date, Prudential may end the part of the Group Contract for Contributory Employee Insurance under a Coverage if one or more of the following conditions then exists for that part. But notice of its intent to do so must be given to the Contract Holder at least 31 days in advance.

Contributory Insurance: The insured Employees are:

- (1) less than the Minimum Participation Number; or
- (2) contributing at a rate higher than the maximum, if any, stated in the Group Contract for the insurance.

The Minimum Participation Number is shown in the Group Contract Schedule.

Prudential may end the Group Insurance coverage under the contract on any Premium Due Date for the following reasons:

- (1) Fraud or misrepresentation of a material fact by the Contract Holder with respect to the Group Contract or its covered persons; or
- (2) Either through a decision by Prudential or changes in law or regulation, Prudential is no longer providing coverage(s) in a particular market or markets or no longer has the ability to provide coverage(s) in a particular market or markets.

But notice of its intent to do so must be given to the Contract Holder at least 365 days in advance.

E. AGE ADJUSTMENT.

If an age is used to determine the premium charge for an Employee's insurance and the age is found to be in error, the premium charge for that insurance will then be adjusted to reflect the correct age. If this adjustment results in a change in the amount of premium, any difference between the premium paid and the premium required on the basis of the correct age will be paid as follows:

- (1) If the adjustment results in an increased premium, the difference will be paid by the Contract Holder when notified by Prudential.
- (2) If the adjustment results in a decreased premium, the difference will be refunded by Prudential.

If the change in age affects the amount of the Employee's insurance under any Coverage, such amount will be changed on the basis of the correct age. Any premium adjustment will take this into account.

F. EMPLOYEE'S CERTIFICATE.

Prudential will give the Contract Holder an individual certificate to give each insured Employee. It will describe the Employee's coverage under the Group Contract. It will include (1) to whom Prudential pays benefits, (2) any protection and rights when the insurance ends, and (3) claim rights and requirements.

G. RECORDS - INFORMATION TO BE FURNISHED.

Either the Contract Holder or Prudential, as they agree, will keep a record of the insured Employees. It will contain the key facts about their insurance.

At the times set by Prudential, the Contract Holder will send the data required by Prudential to perform its duties under the Group Contract, and to determine the premium rates. All records of the Contract Holder and of the Employer which bear on the eligibility of covered persons and verification of their amounts of insurance must be open to Prudential for its inspection at the Contract Holder's office at any reasonable time.

Prudential will not have to perform any duty that depends on such data before it is received in a form that satisfies Prudential. The Contract Holder may correct wrong data given to Prudential, if Prudential has not been harmed by acting on it. An Employee's insurance under a Coverage will not be made invalid by failure of the Contract Holder or the Employer, due to clerical error, to record or report the Employee for that insurance.

H. THE CONTRACT - INCONTESTABILITY OF THE CONTRACT.

The entire Group Contract consists of: (1) the Group Insurance Certificate(s) listed in the Schedule of Plans, a copy of which is attached to the Group Contract; (2) all modifications and endorsements to such Group Insurance Certificates which are attached to and made a part of the Group Contract by amendment to the Group Contract; (3) the forms shown in the Table of Contents as of the Contract Date; (4) the Contract Holder's application, a copy of which is attached to the Group Contract; (5) any endorsements or amendments to the Group Contract; and (6) the individual applications, if any, of the persons insured.

No statement of the Contract Holder will be used in any contest of the insurance under the Group Contract.

There will be no contest of the validity of the Group Contract, except for not paying premiums, after it has been in force for one year.

I. MODIFICATION OF THE GROUP CONTRACT.

The Group Contract may be amended, at any time, without the consent of the insured Employees or of anyone else with a beneficial interest in it. This can be done through written request made by the Contract Holder and agreed to by Prudential. But an amendment will not affect a claim incurred before the date of change.

Only an officer of Prudential has authority: to waive any conditions or restrictions of the Group Contract; or to extend the time in which a premium may be paid; or to make or change a contract; or to bind Prudential by a promise or representation or by information given or received. A Prudential agent is not an officer.

No change in the Group Contract is valid unless shown in:

- (1) an endorsement on it signed by an officer of Prudential; or

- (2) an amendment to it signed by the Contract Holder and by an officer of Prudential.

But, a change in the Group Contract may be made in an amendment to it that is signed only by an officer of Prudential if:

- (1) The amendment reflects a change in the Group Contract that has been automatically made to satisfy the requirements of any state or federal law or regulation that applies to the Group Contract, as provided in the Conformity With Law section. This change is known as a Statutory Amendment.
- (2) The amendment reflects a change in Prudential's administration of its group insurance benefits and is intended to apply to all group insurance contracts which are affected by the change. This change is known as a Portfolio Amendment. Prudential will give the Contract Holder written notice of its intent to make a Portfolio Amendment in the Group Contract at least 31 days in advance of the effective date of the Amendment. When the Group Contract is so amended, payment by the Contract Holder of the next premium due under the Group Contract will constitute acceptance of the Portfolio Amendment, unless the Contract Holder has rejected the Amendment, in writing, prior to its effective date.

J. CONFORMITY WITH LAW.

If the provisions of the Group Contract do not conform to the requirements of any state or federal law or regulation that applies to the Group Contract, the Group Contract is automatically changed to conform with the requirements of that law or regulation.

Schedule of Plans

Effective Date: September 1, 2008

Group Contract No.: G-91475-PA

This Schedule of Plans sets forth the Plan of Benefits that applies to each Covered Class under the Group Contract listed below as of the Effective Date. The Plan of Benefits for a Covered Class is determined by: (1) the Group Insurance Certificates that apply to the Covered Class; and (2) any modification to those Certificates, provided the modification is listed below or included in an amendment to the Group Contract. A copy of each Certificate and any modification to it are attached to the Group Contract and made a part of it.

Covered Class:

All Employees included in the Covered Classes of the Group Insurance Certificate(s) listed below.

Plan of Benefits that Applies to this Covered Class:

- (1) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:
 - (a) With the Program Date of September 1, 2008; and
 - (b) Bearing the code "91475, LTD, All Permanent Employees, Ed 5-2008, 12".

Application to

The Prudential Insurance Company of America (Prudential)

For Group Contract No. G-91475-PA

Applicant: COMMONWEALTH OF PENNSYLVANIA

Address: Bureau of Risk and Insurance Management
Department of General Services
2221 Forster Street
Harrisburg, Pennsylvania 17104

The Group Contract is approved and its terms are accepted.

This Application is made in duplicate. One is attached to the Group Contract. The other is to be returned to Prudential.

It is agreed that this Application replaces any prior Application for the Group Contract.

COMMONWEALTH OF PENNSYLVANIA

(Full or Corporate Name of Applicant)

Dated at _____

By _____
(Signature and Title)

On _____, 20____

Witness _____
(To be signed by Resident
Agent where required by law)

NOTICE: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.