

The State Treasurer of New Jersey

Long Term Disability Coverage
for Participants in the Defined
Contribution Retirement Program



Foreword

We are pleased to present you with this Booklet. It describes the Program of benefits we have arranged for you and what you have to do to be covered for these benefits.

We believe this Program provides worthwhile protection for you and your family.

Please read this Booklet carefully. If you have any questions about the Program, we will be happy to answer them.

Insurance Enabling Act – The term “Insurance Enabling Act” means Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

IMPORTANT NOTICE: *This Booklet and Certificate are important documents and should be kept in a safe place. When you become covered under the Program, you will receive a Cover Page to the Certificate. You should attach the Cover Page to this Booklet.*

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Schedule of Benefits

Covered Classes: All Employees of the Employer who participate in the Defined Contribution Retirement Program* (DCRP), and who belong to one of the following classes:

Class 1: All Employees: (i) who are elected or appointed officials, including those serving in the State Legislature, and (ii) who commence service on or after July 1, 2007 in an employment, office, or position of the State or of a political subdivision of the State, or an agency, board, commission, authority or instrumentality of the State or of a subdivision, and (iii) who are not otherwise eligible to participate in another New Jersey State Administered Retirement System.

Class 2: All Employees: (i) who participate in the Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007 or the Public Employees Retirement System (PERS) on or after July 1, 2007, and (ii) whose compensation exceeds the current social security wage limit.

*The Definitions section explains what "Employer" and what "Defined Contribution Retirement Program" means.

Program Date: July 1, 2007. This Booklet describes the benefits under the Group Program as of the Program Date.

- This Booklet and the Certificate of Coverage together form your Group Insurance Certificate. The Coverages in this Booklet are insured under a Group Contract issued by Prudential. All benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate. It alone forms the agreement under which payment of insurance is made.

EMPLOYEE LONG TERM DISABILITY COVERAGE

Calendar Month: One of the twelve months of a Calendar Year.

Initial Duration: The Elimination Period plus 24 months.

Elimination Period:

For each period of Total Disability due to Sickness or accidental Injury, the first 6 months of continuous Total Disability.

If you temporarily recover from your Total Disability for 14 days or less during the 6 month period, your Total Disability will be treated as continuous. But recovery days will not count toward the 6 month period.

Delay of Effective Date: The Delay of Effective Date section applies to determine your Scheduled Benefit. It does not apply to any other change in your insurance under this Coverage.

Assignments: The insurance is assignable only as a gift, except as follows: you may assign benefits for expenses of a rehabilitation program to a provider of service.

Amount of Insurance:

Maximum Benefit Duration for a period of your Total Disability:

If the period of Total Disability starts before you reach age 69: Benefits through the day before the earlier that you reach age 70 or you begin to receive retirement benefits from the Defined Contribution Retirement Program established by Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

If the period of Total Disability after you reach age 69: Benefits for 12 months but not beyond the day you begin to receive retirement benefits from the Defined Contribution Retirement Program established by Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

Adjusted Benefit:

When the Adjusted Benefit is payable for a full Calendar Month, it is equal to (1) minus (2):

- (1) Your Scheduled Benefit. This is the amount shown below.
- (2) Your Offset Amount for that Calendar Month.

But your Adjusted Benefit for a full Calendar Month will not be less than \$100.00.

When the Adjusted Benefit is payable for only part of a Calendar Month, it is equal to (3) minus (4):

- (3) 1/30 of your Scheduled Benefit described above times the number of days in that part of that Calendar Month.
- (4) Your Offset Amount for that part of that Calendar Month.

But your Adjusted Benefit for part of a Calendar Month will not be less than 1/30 of \$100.00 for each day in that part of that Calendar Month.

Your Offset Amount is determined from the Schedule Supplement described on a later page.

Scheduled Benefit:

Class 1: 60% of your monthly Base Salary.

Class 2: 60% of the amount of your monthly Base Salary that exceeds the current social security wage limit.

The Definitions section explains what "Base Salary" means.

OTHER INFORMATION

Contract Holder: THE STATE TREASURER OF NEW JERSEY

Group Contract No.: G-14800-NJ

Employment Waiting Period: You must complete one year of full-time continuous employment in a position eligible for participation in the Defined Contribution Retirement Plan (DCRP).

Cost of the Insurance: The insurance in this Booklet is Non-contributory Insurance. The entire cost of the insurance is being paid by the Contract Holder.

Prudential's Address:

The Prudential Insurance Company of America
80 Livingston Avenue
Roseland, New Jersey 07068

WHEN YOU HAVE A CLAIM

Each time a claim is made, please contact:

State of New Jersey
Department of the Treasury
Division of Pensions & Benefits
P.O. Box 295
Trenton, NJ 08625

609-292-7524

Who is Eligible to Become Insured

FOR EMPLOYEE INSURANCE

You are eligible for Employee Insurance while:

- You are an Employee of the Employer; and
- You are a Participant of the Defined Contribution Retirement Program; and
- You are in a Covered Class; and
- You have completed the Employment Waiting Period.

Your class is determined by the Contract Holder. This will be done under its rules, on dates it sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance under a Coverage. "Class" means Covered Class, Benefit Class or anything related to work.

The rules for obtaining Employee Insurance are in the When You Become Insured section.

When You Become Insured

FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will begin the first day on which you have met the conditions below if you do not have to provide evidence of insurability. But, if you are required to give evidence of insurability, your Coverage will be effective on the first day of the month following the date Prudential decides the evidence is satisfactory.

- You are eligible for Employee Insurance; and
- You are in a Covered Class for that insurance; and
- You have met any evidence requirement for Employee Insurance; and
- Your insurance is not being delayed under the Delay of Effective Date section below; and
- That Coverage is part of the Group Contract.

At any time, the benefits for which you are insured are those for your class, unless otherwise stated.

When evidence is required: In any of these situations, you must give evidence of insurability. This requirement will be met when Prudential decides the evidence is satisfactory.

- (1) You are age 60 or older on the date you file an application for participation in the Defined Contribution Retirement Program.
- (2) You have not met a previous evidence requirement to become insured under any Prudential group contract covering Employees of the Employer.

Delay of Effective Date

FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will be delayed if you do not meet the Active Work Requirement on the day your insurance would otherwise begin. Instead, it will begin on the first day you meet the Active Work Requirement and the other requirements for the insurance. The same delay rule will apply to any change in your insurance that is subject to this section. If you do not meet the Active Work Requirement on the day that change would take effect, it will take effect on the first day you meet that requirement.

Employee Long Term Disability Coverage

FOR YOU ONLY

This Coverage pays benefits when you have a long period of Total Disability. Those benefits start after an Elimination Period. The benefits of Section A are subject to the provisions of Sections B and D.

Not all Total Disabilities are covered. See Section D below.

"Total Disability" exists when Prudential determines that all of these conditions are met:

- (1) Due to Sickness or accidental Injury, both of these are true:
 - (a) You are not able to perform, for wage or profit, the material and substantial duties of your occupation.
 - (b) After the Initial Duration of a period of Total Disability, you are not able to perform for wage or profit the material and substantial duties of any job for which you are reasonably fitted by your education, training or experience. The Initial Duration is shown in the Schedule of Benefits.
- (2) You are not working at any job for wage or profit. This does not apply to a job with another employer which began prior to your Total Disability.
- (3) You are under the regular care of a Doctor.

A. BENEFITS FOR TOTAL DISABILITY.

Benefits are payable under this Section for a period of your Total Disability. Those benefits start on the first day after the Elimination Period (in the Schedule of Benefits) for that period of Total Disability.

The benefits are payable for your period of Total Disability only if the period of Total Disability began while you were a Covered Person.

Amount Payable: Benefits are payable for your Total Disability past the Elimination Period. There is an Adjusted Benefit payable for each full Calendar Month of such Total Disability. An Adjusted Benefit is also determined and payable for any part of a Calendar Month made up of a day or days of such Total Disability which do not fall within a full Calendar Month of such Total Disability. Benefits are not payable for more than the Maximum Benefit Duration. "Calendar Month" is defined in the Schedule of Benefits. The Adjusted Benefit and the Maximum Benefit Duration are shown in the Schedule of Benefits.

Separate Periods of Total Disability Treated as One: This part applies if a period of your Total Disability starts after a prior period for which benefits were payable under this Coverage.

In that case, the later period will be treated as part of the prior period unless one of these conditions is met:

- (1) Between the periods, you have performed, for wage or profit, all the material and substantial duties of a job with the Employer for at least 6 consecutive months.
- (2) The periods are due to wholly unrelated causes.
- (3) Between the periods, you became eligible for other long term disability coverage through the Employer or any other employer.

B. REHABILITATION STATUS DURING TOTAL DISABILITY.

While you are receiving benefits under this Coverage you may ask Prudential to place you on rehabilitation status. If your request is approved by Prudential, being on rehabilitation status means that you may work for wage or profit and continue to receive some benefits under this Coverage. Such work will not, in itself, prevent you from meeting the requirements for Total Disability.

To be placed on rehabilitation status, you must make advance written request to Prudential: Prudential will decide if you will be placed on rehabilitation status and for how long. It will not be for more than 3 months. You will be notified in writing.

You must also request, in writing, to have your rehabilitation status extended. It will not be extended for more than 3 months at a time. In no event shall you be on rehabilitation status for more than a total of 12 months for all Total Disability due to the same or related causes.

The benefits for Total Disability payable while you are on rehabilitation status will be (1) minus (2):

- (1) The benefits for Total Disability that would be payable under this Coverage had you not been working for wage or profit.
- (2) 80% of your earnings from such work while on rehabilitation status.

You must give Prudential any proof needed to confirm your earnings.

C. BENEFITS FOR EXPENSES OF REHABILITATION.

This Section applies if:

- (1) you are Totally Disabled; and
- (2) you are, or may become, entitled to benefits under this Coverage for that Total Disability.

Prudential may determine, after consulting your Doctor, that:

- (1) you are able to be in a program of rehabilitation that may help you to be able to support yourself; and
- (2) you should cease to be Totally Disabled and be able to support yourself after being in such program.

Prudential will determine the type of expenses that will be covered and when they may be incurred. Prudential will inform you of the terms under which payment will be made.

If you agree to be in that program, benefits will be payable for the covered expenses you are charged. Benefits will not be provided to the extent coverage for the expenses is required, or is available at no cost to you, under a law or governmental program which provides rehabilitation. Nor will benefits be provided to the extent that coverage for the expenses is provided by an insured or uninsured plan under which the Employer or any other employer has paid any of the cost or made payroll deductions.

D. NOT COVERED.

- (1) Any Total Disability caused, wholly or partly, by one or more of these:
 - (a) Intentionally self-inflicted injury or attempted suicide while sane or insane.
 - (b) War or any act of war. "War" means declared or undeclared war and includes resistance to armed aggression.
- (2) A period of Total Disability, or part of such period, while you are confined in a prison or other house of correction due to a conviction in a court of law.
- (3) A period of Total Disability, or part of such period, which occurs while you are outside the following area: the United States; territories and possessions of the United States; Canada.
- (4) Any Total Disability caused wholly or partly by Pregnancy. As used here, "Pregnancy" does not include a Complication of Pregnancy.

The benefits of this Coverage are payable to you. Payment will be made monthly. The Claim Rules apply to payment of the benefits.

SCHEDULE SUPPLEMENT FOR EMPLOYEE LONG TERM DISABILITY COVERAGE

- The Adjusted Benefit under Employee Long Term Disability Coverage in the Schedule of Benefits refers to your Offset Amount. That Offset Amount is determined from this Schedule Supplement. It describes the Periodic Benefits from other sources that are used to calculate your Offset Amount and how those Periodic Benefits are computed. Your Offset Amount is used to determine your Adjusted Benefit under the Coverage, as outlined in the Schedule of Benefits.

Offset Amount: This is the amount used to determine your Adjusted Benefit under the Coverage for a full Calendar Month or part of a Calendar Month. It is equal to the total amount of payments or benefits which for that Calendar Month or part of a Calendar Month are Periodic Benefits (described below) payable to you or to your spouse or children based on your work and earnings, or would be so payable if timely claim for them were made.

In computing those Periodic Benefits for all or part of a Calendar Month, these rules apply:

- (1) If any Periodic Benefit is not payable on a full Calendar Month basis, it will be adjusted to that basis.
- (2) When any Periodic Benefit is payable or being determined for part of a Calendar Month, 1/30 of its full Calendar Month basis will be used for each day to which it applies in that part of the Calendar Month.

Periodic Benefits: These are all of the benefits listed in (A) through (E) below. As stated above, they will be used to find your Adjusted Benefit. A change in your Periodic Benefits under (A), (B)(2), (D) or (E) will not be considered in determining your Adjusted Benefit for all or part of a Calendar Month if the following are true:

- (1) It is not due to a change in your personal or family status.
- (2) It is effective after benefits of the Coverage begin for that period.

The Periodic Benefits are:

- (A) Loss of time benefits payable for disability, whether permanent or temporary, due to a Sickness or Injury arising out of work for wages or profit with the Employer if the benefits are payable under or by reason of the following:
 - (1) A workers' compensation law, occupational disease law or similar law. This includes periodic benefits or any lump sum payments made in place of periodic benefits. Lump sum payments will be prorated as described below.
 - (2) The maritime doctrine or maintenance, wages and cure. This includes only the "wages" part of such benefits.

- (B) Loss of time disability benefits payable under or by reason of:
 - (1) Any insurance or a health or welfare plan or other employee benefit plan where the Employer, directly or indirectly, has paid all or part of the cost or made payroll deductions.
 - (2) A state, Provincial or other Federal law of the United States or Canada. This does not include loss of time benefits provided under a motor vehicle law. This item (2) does not include a law providing benefits or payments due to military service.
- (C) Payments made to you by the Employer as, or in place of, all or part of your wage or salary.
- (D) Periodic benefits under the United States Social Security Act as amended from time to time. This includes loss of time disability benefits. This does not include:
 - (1) benefits paid to your former spouse or to your children living with such spouse; or
 - (2) retirement benefits.
- (E) Retirement benefits other than those from the Defined Contribution Retirement Plan, and Disability payments under your Employer's retirement plan to the extent they are funded by Employer contributions if they are from an insurance, annuity or pension contract, or a welfare or other employee benefit plan.

However, this (E) does not include benefits for any month before you reach age 65, unless you choose to receive benefits for that month.

Estimated Social Security Benefits: This section applies with respect to disability benefits under the United States Social Security Act. As stated above, Periodic Benefits include benefits that would be payable if timely claim for them is made. In the case of Social Security benefits, this includes timely and diligent application for and pursuit of benefits through each level of appeal up to and including the Administrative Law Judge level.

Until you give Prudential written proof that you have completed the application and appeal process through each level of appeal as noted above, and benefits are finally denied, Prudential may:

- (1) estimate your monthly Social Security benefit; and
- (2) use that amount to determine your Adjusted Benefit.

But, Prudential will not estimate Social Security benefits while your application and appeals are pending if you sign Prudential's Reimbursement Agreement.

If Prudential finds that the amount of benefits that should have been used to determine your Adjusted Benefit differs from the amount actually used, these rules apply:

- (1) If benefits have been underpaid, Prudential will make a lump sum payment to bring the total payments to the amount that should have been paid.
- (2) If benefits have been overpaid, Prudential may ask for a lump sum payment or, at its option, reduce or eliminate future payments. If Prudential reduces or eliminates future payments, the minimum Adjusted Benefit, if any, will not apply.

Estimated Benefits Under a State, Provincial or other Federal Law: This section applies with respect to disability benefits under B(2) above. If you are eligible for benefits under a State, Provincial or other Federal Law, you must make timely and diligent application for these benefits. If Prudential determines you may be eligible for these benefits, your payment under this Coverage will be reduced by an estimated benefit amount. If your payment has been reduced by an estimated amount, your payment will be adjusted when we receive proof:

- (1) of the amount awarded; or
- (2) that benefits have been denied. In this case, a lump sum refund of the estimated amount will be made to you.

Lump Sum Benefits: If benefits payable under a workers' compensation law, occupational disease law or similar law are paid in a lump sum that is in place of Periodic Benefits, that lump sum will be treated as loss of time disability benefits unless otherwise stated in the award. The lump sum will be treated as follows:

- (1) the amount deemed to be paid monthly will be the amount stated in the award, settlement, or agreement as a periodic monthly benefit; or,
- (2) the sum will be prorated on a monthly basis over your expected lifetime, as determined by Prudential, if the sum is not paid for a specific time period.

If benefits from any other sources included in Periodic Benefits above are paid in a lump sum:

- (1) the sum will be prorated on a monthly basis over the time period for which the sum is paid; or
- (2) the sum will be prorated on a monthly basis over your expected lifetime, as determined by Prudential, if the sum is not for a specific time period.

General Information

LIMITS ON ASSIGNMENTS

You may assign your insurance under a Coverage. Unless the Schedule of Benefits states otherwise, the following rules apply to assignments: (1) Insurance under any Coverage providing periodic benefits on account of disability may be assigned only as a gift assignment; (2) Insurance under any other Coverage may be assigned without restriction. Any rights, benefits or privileges that you have as an Employee may be assigned. Prudential will not decide if an assignment does what it is intended to do. Prudential will not be held to know that one has been made unless it or a copy is filed with Prudential through the Contract Holder.

DEFINITIONS

Active Work Requirement: A requirement that you be actively at work at the Employer's place of business, or at any other place that the Employer's business requires you to go.

Base Salary (earnings):

For Class 1: This is the gross amount of money paid to you by the Employer in cash for performing the duties required of your job. Bonuses, overtime pay, extra compensation beyond normal work schedules, and all other benefits are not included.

For Class 2: This is the gross amount of money paid to you by the Employer in cash above the social security wage limit for performing the duties required of your job. Bonuses, overtime pay, extra compensation beyond normal work schedules, and all other benefits are not included.

Calendar Year: A year starting January 1.

Coverage: A part of the Booklet consisting of:

- (1) A benefit page labeled as a Coverage in its title.
- (2) Any page or pages that continue the same kind of benefits.
- (3) A Schedule of Benefits entry and other benefit pages or forms that by their terms apply to that kind of benefits.

Covered Person under a Coverage: An Employee who is insured for Employee Insurance under that Coverage.

Defined Contribution Retirement Program means the Defined Contribution Retirement Program established by Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

Doctor: A licensed practitioner of the healing arts acting within the scope of the license.

Employee: A person employed by the Employer, including elected and appointed officials.

Employee Insurance: Insurance on the person of an Employee.

Employer: The State of New Jersey or a political subdivision of the State, or an agency, board, commission, authority or instrumentality of the State or a subdivision.

Injury: Injury to the body of a Covered Person.

Non-contributory Insurance: Non-contributory Insurance is insurance for which the Contract Holder does not have the right to require your contributions.

Participant: A participant in the Defined Contribution Retirement Program established by Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

Prudential: The Prudential Insurance Company of America.

Sickness: Any disorder of the body or mind of a Covered Person, but not an Injury; pregnancy of a Covered Person, including abortion, miscarriage or childbirth.

You: An Employee of the Employer and a Participant in the Defined Contribution Retirement Program established by Section 43:15C 1 through 15 of the New Jersey Statutes Annotated.

CLAIM RULES

These rules apply to payment of benefits under a Coverage when the Coverage states that they do.

Notice of Claim: This paragraph applies only to Employee Long Term Disability Coverage. Prudential must be given written notice that a claim will be made. The notice must be given to Prudential within 30 days after the end of the Elimination Period (defined in the Coverage). But, failure to meet that time limit will not make the claim invalid if the notice is given as soon as reasonably possible. The notice may be given by you or for you. It must show your name, the Employer's name and the Group Contract Number.

Proof of Loss: Prudential must be given written proof of the loss for which claim is made under the Coverage. This proof must cover the occurrence, character and extent of that loss. It must be furnished within 90 days after the date of the loss, except that :

- (1) If the Coverage is Employee Long Term Disability Coverage, both of these time limits must be met:
 - (a) Initial proof of loss must be furnished within 90 days after the end of the first month following the Elimination Period.
 - (b) Proof for each later month of continuing loss must be furnished within 90 days after the end of that month.
- (2) If any other Coverage provides for periodic payment of benefits at monthly or shorter intervals, the proof of loss for each such period must be furnished within 90 days after its end.
- (3) If payment under a Coverage is to be made for charges incurred during a Calendar Year, the proof for that Calendar Year must be furnished within 90 days after its end.

A claim will not be considered valid unless the proof is furnished within these time limits. However, it may not be reasonably possible to do so. In that case, the claim will still be considered valid if the proof is furnished as soon as reasonably possible.

When Benefits are Paid: Benefits are paid when Prudential receives written proof of the loss. But, if a Coverage provides that benefits are payable at equal intervals of a month or less, Prudential will not have to pay those benefits more often.

A benefit unpaid at your death will be paid to your estate. But this does not apply if the Coverage or the Limits on Assignments section on an earlier page states otherwise.

Physical Exam: Prudential, at its own expense, has the right to examine the person whose loss is the basis of claim. Prudential may do this when and as often as is reasonable while the claim is pending.

Legal Action: No action at law or in equity shall be brought to recover on the Group Contract until 60 days after the written proof described above is furnished. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

INCONTESTABILITY OF INSURANCE TO WHICH THE CLAIM RULES APPLY

This limits Prudential's use of your statements in contesting an amount of that insurance for which you are insured. These are statements made to persuade Prudential to effect an amount of that insurance. They will be considered to be made to the best of your knowledge and belief. These rules apply to each statement:

- (1) It will not be used in a contest to avoid or reduce that amount of insurance unless:
 - (a) It is in a written instrument signed by you; and
 - (b) A copy of that instrument is or has been furnished to you.
 - (2) It will not be used in the contest after that amount of insurance has been in force, before the contest, for at least two years during your lifetime.
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When Your Insurance Ends

EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will end when the first of these occurs:

- Your membership in the Covered Classes for the insurance ends because your employment ends or for any other reason.
- The part of the Group Contract providing the insurance ends.
- You begin to receive retirement benefits from the Defined Contribution Retirement Program.

End of Employment: For insurance purposes, your employment will end when you are no longer an Employee actively at work for the Employer. But, under the terms of the Group Contract, the Contract Holder may consider you as still employed in the Covered Classes during certain types of absences from active work. This is subject to any time limits or other conditions stated in the Group Contract and includes the following situations:

- (1) If you are granted an official leave of absence without pay due to (a) maternity, or (b) fulfilling a residency requirement for an advanced degree, or (c) pursuing a degree as a full-time student at an institution of higher education, your Coverage may be extended for up to a maximum of one year.
- (2) If you are granted an official leave of absence without pay due to your personal illness, your Coverage may be extended for a maximum of two years.
- (3) If you are granted an official leave of absence without pay for any reason other than those listed above, your Coverage may be extended for up to a maximum of 93 days.

If you stop active work for any reason, you should contact the Employer at once to determine what arrangements, if any, have been made to continue any of your insurance.

**This Claims and Appeals Procedure
Section
is not part of the
Group Insurance Certificate.**

PLAN INFORMATION and CLAIMS and APPEALS PROCEDURES

Plan Name

Employee Long Term Disability Coverage

Type of Plan

Employee Welfare Benefit Plan

Plan Sponsor

State of New Jersey
Department of the Treasury
Division of Pension & Benefits
P.O. Box 295
Trenton, New Jersey 08625

Plan Benefits Provided by

The Prudential Insurance Company of America
751 Broad Street
Newark, New Jersey 07102

This Group Contract is underwritten by The Prudential Insurance Company of America (Prudential). It provides insured benefits. For all purposes of this Group Contract, the Employer/Policyholder acts on its own behalf or as an agent of its employees. Under no circumstances will the Employer/Policyholder be deemed the agent of Prudential, absent a written authorization of such status executed between the Employer/Policyholder and Prudential. Nothing in these documents shall, of themselves, be deemed to be such written execution.

Prudential, as Claims Administrator, has the sole discretion to interpret the terms of the Group Contract, to make factual findings, and to determine eligibility for benefits. The decision of the Claims Administrator shall not be overturned unless arbitrary and capricious.

Loss of Benefits

You must continue to be a member of the class to which this plan pertains and continue to make any of the contributions agreed to when you enroll. Failure to do so may result in partial or total loss of your benefits. It is intended that this plan will be continued for an indefinite period of time. But, the employer reserves the right to change or terminate the plan. This booklet describes your rights upon termination of the plan.

Claim Procedures

1. Determination of Benefits

Prudential shall notify you of the claim determination within 45 days of the receipt of your claim. This period may be extended by 30 days if such an extension is necessary due to matters beyond the control of the plan. A written notice of the extension, the reason for the extension and the date by which the plan expects to decide your claim, shall be furnished to you within the initial 45-day period. This period may be extended for an additional 30 days

beyond the original 30-day extension if necessary due to matters beyond the control of the plan. A written notice of the additional extension, the reason for the additional extension and the date by which the plan expects to decide on your claim, shall be furnished to you within the first 30-day extension period if an additional extension of time is needed. However, if a period of time is extended due to your failure to submit information necessary to decide the claim, the period for making the benefit determination by Prudential will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If your claim for benefits is denied, in whole or in part, you or your authorized representative will receive a written notice from Prudential of your denial. The notice will be written in a manner calculated to be understood by you and shall include:

- (a) the specific reason(s) for the denial,
- (b) references to the specific plan provisions on which the benefit determination was based,
- (c) a description of any additional material or information necessary for you to perfect a claim and an explanation of why such information is necessary,
- (d) a description of Prudential's appeals procedures and applicable time limits, and
- (e) if an adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.

2. Appeals of Adverse Determination

If your claim for benefits is denied or if you do not receive a response to your claim within the appropriate time frame (in which case the claim for benefits is deemed to have been denied), you or your representative may appeal your denied claim in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

A full review of the information in the claim file and any new information submitted to support the appeal will be conducted by Prudential, utilizing individuals not involved in the initial benefit determination. This review will not afford any deference to the initial benefit determination.

Prudential shall make a determination on your claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date that Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If the claim on appeal is denied in whole or in part, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include:

- (a) the specific reason(s) for the adverse determination,
- (b) references to the specific plan provisions on which the determination was based,
- (c) a statement that you are entitled to receive upon request and free of charge reasonable access to, and make copies of, all records, documents and other information relevant to your benefit claim upon request,
- (d) a description of Prudential's review procedures and applicable time limits,
- (e) a statement that you have the right to obtain upon request and free of charge, a copy of internal rules or guidelines relied upon in making this determination, and
- (f) a statement describing any appeals procedures offered by the plan.

If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

If the appeal of your benefit claim is denied or if you do not receive a response to your appeal within the appropriate time frame (in which case the appeal is deemed to have been denied), you or your representative may make a second, voluntary appeal of your denial in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your second appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

Prudential shall make a determination on your second claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date by which Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Your decision to submit a benefit dispute to this voluntary second level of appeal has no effect on your right to any other benefits under this plan. If you elect to initiate a lawsuit without submitting to a second level of appeal, the plan waives any right to assert that you failed to exhaust administrative remedies. If you elect to submit the dispute to the second level of appeal, the plan agrees that any statute of limitations or other defense based on timeliness is tolled during the time that the appeal is pending.

If the claim on appeal is denied in whole or in part for a second time, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include the same information that was included in the first adverse determination letter. If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Certificate of Coverage

Prudential certifies that insurance is provided according to the Group Contract(s) for each Insured Employee. Your Booklet's Schedule of Benefits shows the Contract Holder and the Group Contract Number(s).

Insured Employee: You are insured under the Group Contract. This Certificate of Coverage should be attached to your Booklet. Your Booklet and this Certificate of Coverage together form your Group Insurance Certificate.

Coverages and Amounts: The available Coverages and the amounts of insurance are described in the Booklet.

Your Booklet and this Certificate of Coverage form your Group Insurance Certificate. Together they replace any older Booklets and Certificates issued to you for the Coverages in the Schedule of Benefits in your attached Booklet. The Booklet and Certificate of Coverage are made part of the Group Contract which is delivered in and governed by the laws of the State of New Jersey. Future changes in coverage will be described in either a Booklet Notice of Change, which will become a part of your Certificate, or in a new Booklet. All Benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate.

The Prudential Insurance Company of America

PRUDENTIAL'S ADDRESS

The Prudential Insurance Company of America
80 Livingston Avenue
Roseland, New Jersey 07068