

Group Office Overhead Expense Insurance

issued by The Prudential Insurance Company of America

(AVAILABLE ONLY TO STATE BAR MEMBERS)

Covered Expenses

Expenses actually incurred by the Participant for the ordinary and necessary fixed office expenses, that are normal and customary in the conduct of the Participant's occupation, such as:

1. Rent or mortgage interest payments
2. Real estate taxes
3. Principal and interest on debt related to purchase of practice
4. Principal and interest on student loans (amounts previously payable by practice)
5. Charges for electricity, telephone, heat, water and laundry
6. Employees' salaries or wages
7. Membership fees and dues to professional societies
8. Cost of maintenance of equipment
9. Leased equipment and furniture payments
10. Car allowances (as related to the practice)
11. Business loan interest on existing loans incurred prior to disability
12. Subscription charges for professional journals and periodicals
13. Other maintenance services
14. Accountants' and auditors' fees
15. Interest on office equipment loans
16. Business insurance premiums
17. Telephone answering service
18. Depreciation of equipment
19. Payroll taxes
20. Other fixed overhead expenses that are normal and customary in the operation of your practice, as approved by Prudential

Total Disability

You will be considered totally disabled if as a result of sickness or injury you are unable to perform the material and substantial duties of your occupation or employment, you are not engaged in any gainful employment, and you are under the care of a physician.

Exclusions

- Any salaries, fees, drawing accounts or other remuneration for the insured or a close relative, or for any person employed to perform the duties of the insured's occupation.
- All or part of the principal of any indebtedness.

- Income taxes, cost of merchandise of any nature, goods or wares.
- Any expense resulting from intentionally self-inflicted injuries, attempted suicide whether or not sane, any act of war.
- Any charges in excess of the insured's share when the expenses are shared with one or more persons.
- Any charges to the extent they would be covered under one or more of the following plans in the absence of any provision in such plans coordinating the benefits of such plans with other benefits: any group insurance (other than under the Group Policy) or any other arrangement of coverage for individuals in a group, whether on an insured or uninsured basis.

Benefits

You may select any monthly benefit maximum you wish in \$100 increments subject to a minimum of \$300 and maximum of \$10,000. The insurance will pay 100% of your actual covered expenses accrued up to the monthly benefit maximum selected.

Benefits become payable after you have been totally disabled for 16 days and continue for up to 24 months for each period of disability unless the aggregate benefit amount (monthly amount times 24) is not reached. In that case, benefits may be continued for an additional 12 months or until the aggregate amount is reached whichever occurs first.

Pregnancy Benefits

Same as other disability.

Survivor Benefit

If you die while receiving monthly benefits, a one sum payment will be paid to your spouse, if living, otherwise to your children. The amount of the payment will be equal to the lesser of (1) 3 times your Maximum Monthly Benefit and (2) 50% of your Maximum Monthly Benefit times the number of months remaining in the unexpired portion of the Maximum Benefit Duration at the time of your death.

Pre-existing Condition

If an individual receives medical treatment for sickness

The Group Office Overhead Expense Insurance coverage is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. The Booklet Certificate contains all details, including any policy exclusions, limitations and restrictions, which may apply. CA COA # 1179, NAIC # 68241

or injury within 12 months before his coverage starts, and he becomes totally disabled due to that condition within one year after being covered, benefits will not be paid for that disability or subsequent periods of disability due to the same condition. But this exclusion will not apply to a subsequent period of disability starting after he has been covered for one year.

Future Increase Option

Members who apply and are medically approved prior to age 40 will be permitted to increase their coverage by \$1,000 annually (up to a \$5,000 lifetime maximum) without requiring Proof of Good Health. The offer is open to the participant annually and, if not exercised that year, future offers will be lost.

Who is Eligible to Apply

Attorneys—All members of the State Bar of Texas who are less than age 70.

Health Requirements

You will be required to submit evidence of good health satisfactory to Prudential in order to become insured or increase existing coverage. A physical examination may be required.

Effective Date of Coverage

Initial Coverage—Coverage will become effective on the date the application is approved by Prudential subject to any applicable pre-existing condition exclusion as explained earlier.

Increases in Existing Coverage—Optional changes in coverage may be made by making written request. If the change results in an increase in benefits, evidence of good health satisfactory to Prudential will be required. A physical examination may be required. The change will be effective on the quarterly premium due date coinciding with or next following the date of approval of the application by Prudential.

In any event, should you not be working full time on the effective date of initial coverage or an increase in coverage, the insurance will be delayed until you return to full-time work.

Termination of Coverage

Your insurance will terminate if you are no longer practicing your occupation on a full-time basis, if you cease to be a member of the State Bar of Texas, if you enter military service, if you discontinue the required payments or if the Group Insurance Contract is discontinued.

Coverage will terminate on the January 1 coinciding with or next following attainment of age 70.

How to Enroll

All applicants should complete an enrollment form and return it to:

State Bar of Texas Insurance Trust
206 E. 9th Street, Suite 1501
Austin, Texas 78701

Local (512) 479-0941 • Houston (713) 224-4024
Ft. Worth (817) 654-3347 • Toll-Free 1-800-460-7248
FAX (512) 479-4109

SEND NO MONEY AT THIS TIME—You will receive a statement for the appropriate amount.

Payments

Payments can be made only on a quarterly basis. The regular quarterly due dates are January 1, April 1, July 1 and October 1 of each year.

Costs will increase per the charts with your attained age. These age determinations are made on January 1 of each year.

How to File a Claim

Contact the Insurance Trust office for claim forms and questions regarding claims.

Quarterly Costs

Effective 7-1-87

In Units of \$100 Up to Maximum of \$10,000	Quarterly Cost Per \$100 of Monthly Benefit
Less than age 30	\$ 2.55
Age 30 through age 39	3.00
Age 40 through age 49	3.60
Age 50 through age 59	4.90
Age 60 through age 69	6.85

Rates change as the insured enters a higher age category, also rates may change if plan experience requires a change for all insureds.