

January 1, 2008

# Short Term Disability MMC



MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN

## Short Term Disability

*Marsh & McLennan Companies, Inc. (“MMC”) provides salary continuation to eligible employees based on a percentage of their base salary for a period of up to twenty six (26) weeks during an absence due to a qualifying serious health condition. Coverage under the Short Term Disability (“STD”) Plan automatically begins on the date an eligible employee meets the eligibility requirements.*

### SPD and Plan Document

This section provides a summary of the Short Term Disability Plan (the “Plan”) as of January 1, 2008.

This section, together with the *Administrative Information* section and the applicable section about participation, forms the Summary Plan Description and plan document of the Plan.

## Contents

<b>Participating in the Plan .....</b>	<b>1</b>
Enrollment .....	2
Cost of Coverage .....	2
<b>Duration and Amount of STD Benefit.....</b>	<b>2</b>
<b>Qualifying for STD Benefits .....</b>	<b>4</b>
Serious Health Condition.....	4
Unpaid Waiting Period.....	5
Filing a Claim.....	5
Disability Review Process .....	6
<b>Denial of a Claim .....</b>	<b>7</b>
Claims Administrator Appeal .....	7
<b>Payment Information .....</b>	<b>7</b>
Initiation of Payments .....	7
Method of Payments .....	8
Reduction in Payments .....	8
Termination of Payments .....	9
<b>Additional Periods of Disability .....</b>	<b>9</b>
Modified Work Schedule .....	9
Recurring Disabilities.....	9
<b>Federal and State Family and/or Medical Leave Laws.....</b>	<b>11</b>
<b>Returning to Work.....</b>	<b>11</b>
<b>Contact with Manager .....</b>	<b>11</b>
<b>Subrogation .....</b>	<b>11</b>
<b>Overpayment .....</b>	<b>12</b>
<b>Amendment or Termination of This Plan .....</b>	<b>12</b>
<b>Plan Interpretation and Appeals .....</b>	<b>12</b>
<b>Contact.....</b>	<b>12</b>

## Participating in the Plan

### **Eligibility**

This section describes who is eligible and when coverage begins.

### **Definition**

#### ***MMC Employees (other than Kroll)***

An employee is eligible for the STD Plan if he/she is classified on payroll as a U.S. regular, salaried employee of MMC or any subsidiary or affiliate of MMC (other than Kroll, Inc. and any of its subsidiaries)

MMC employees who are classified on payroll as hourly employees or who are compensated as independent contractors are not eligible to participate.

#### ***Kroll Employees***

An employee is eligible for the STD Plan if he/she is classified on payroll as a U.S. “full-time” regular employee of Kroll or any of its subsidiaries and scheduled to work at least 35 hours per week.

Kroll employees who are classified on payroll as contingent or part-time employees or who are compensated as independent contractors are not eligible to participate.

An employee is **not** eligible for the STD Plan if he/she is:

- classified on payroll as a contingent/hourly employee;
- compensated as an independent contractor;
- no longer meets the eligibility requirements;
- terminates his/her employment, either voluntarily or involuntarily, for whatever reason;
- is taking an Unpaid Personal Leave of Absence; and/or
- dies.

Coverage automatically begins on the eligibility date, provided that the employee is actively at work on that day. For more information, see “Eligibility Date” below and “Actively at Work” on page 2 for details.

### **Eligibility Date**

#### ***MMC Employees (other than Kroll)***

MMC employees are covered under the STD Plan on the first day they are actively at work.

#### **“You,” “Your,” and**

- For MMC participants: a U.S. salaried employee of MMC or any subsidiary or affiliate of MMC (other than Kroll, Inc. and any of its subsidiaries)
- For Kroll participants: a U.S. full-time regular employee of Kroll, Inc and any of its subsidiaries

***Kroll Employees (other than Kroll employees in the following Technical Services Groups; Background America, Laboratory Specialists, & Factual Data)***

Kroll employees, have a 30-day waiting period before they are eligible for coverage. This 30-day waiting period begins on the first day that the employee is actively at work. The eligibility date is the 31<sup>st</sup> calendar day from the first day that the employee is actively at work. For example, if the first day that an employee is actively at work is August 1, his/her eligibility date is August 31.

***Kroll Employees of the following Technical Services Group; Background America, Laboratory Specialists, & Factual Data)***

Kroll employees have a 90-day waiting period before they are eligible for coverage. This 90-day waiting period begins on the first day that the employee is actively at work. The eligibility date is the 91<sup>st</sup> calendar day from the first day that the employee is actively at work. For example, if the first day that an employee is actively at work is August 1, his/her eligibility date is October 30.

***Actively at Work***

In order to be eligible for STD benefits, an employee must be at work performing his/her job responsibilities on the day coverage is scheduled to begin.

If an employee is not actively at work on the date coverage is scheduled to begin, coverage begins on the date he/she begins/returns to active work. For example, if the eligibility date is June 6<sup>th</sup>, but the employee is out sick through June 8<sup>th</sup>, coverage begins when he/she returns to active work on June 9<sup>th</sup>.

**Enrollment**

There is no need to enroll in the STD Plan, as coverage begins automatically upon an employee's eligibility date.

**Cost of Coverage**

MMC pays the full cost for coverage under the STD Plan.

**Duration and Amount of STD Benefit**

The STD Plan provides replacement income in the event that an employee has an approved non-work related serious health condition. The amount of the benefit depends, in part, on the employee's monthly pre-disability base salary. An employee's STD benefit is based upon the employee's base salary on his/her first day of absence from work. For purposes of calculating STD benefits, base salary does not include overtime, bonuses, commissions, salary increases that have been communicated but are not yet effective, or other extra compensation.

Any benefit an employee is eligible to receive from the STD Plan is offset (reduced) by disability income he/she may receive from any of the following sources:

- state and federal disability benefits;
- Social Security disability income;
- benefit payments from the Company's U.S. Retirement Plan or the retirement plan of any of its subsidiaries;
- income replacement payments; and/or
- another employer's disability income payment.
- no-fault automobile insurance
- portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for the employee's loss of earnings.

Even if an employee's benefit is reduced by one (1) or more of these sources, it will never be less than the total benefit he/she is entitled to receive from the STD Plan, including monies from any and all sources listed above. Thus, an employee's total disability income from all sources will still equal, but not exceed, the amount of the benefit that he/she is eligible to receive under the STD Plan.

#### ***MMC Employees (other than Kroll)***

The STD Plan may pay benefits for up to twenty-six (26) weeks for covered absences as follows:

- For up to the first thirteen (13) weeks, 100% of base salary; and
- For up to the next thirteen (13) weeks, 80% of base salary.

#### ***Kroll Employees (other than Kroll employees in the following Technical Services Groups; Background America, Laboratory Specialists, & Factual Data)***

The STD Plan may pay benefits for up to twenty-six (26) weeks for covered absences as follows:

- For up to the first thirteen (13) weeks, 100% of base salary; and
- For up to the next thirteen (13) weeks, 80% of base salary.

#### ***Kroll Employees of the following Technical Services Group; Background America, Laboratory Specialists, & Factual Data)***

The STD Plan may pay benefits of 60% of base salary for up to twenty-six (26) weeks for covered absences.

## Qualifying for STD Benefits

An employee may receive STD benefits if and when all of the following conditions have been satisfied:

- he/she is disabled and cannot work due to a non-work-related serious health condition (including pregnancy, mental health and substance abuse conditions);
- he/she has satisfied the unpaid waiting period;
- he/she has filed a claim for STD benefits and submitted all required documentation in a timely fashion; and
- the claim has been approved for STD benefits by the Claims Administrator through the disability review process.

The decision as to whether an employee qualifies for STD benefits is made by the Claims Administrator and MMC abides by that decision.

## Serious Health Condition

### **Definition**

An employee may be considered to have a serious health condition if he/she satisfies all of the following conditions:

- he/she is under the regular care of a licensed health care provider who is qualified to treat his/her condition;
- he/she is unable to continuously perform the substantial and material duties of his/her present occupation due to his/her serious health condition;
- his/her serious health condition is not caused by a work-related illness or injury;
- he/she is not engaged in any other occupation or employment;
- he/she complies with all requests for medical information, including submitting to an independent medical examination, or any other information pertaining to his/her claim in a timely manner;
- he/she provides documentation of his/her continuing disability when requested; and
- his/her disability has been approved by the Claims Administrator.

### **Exclusions**

STD benefits are not paid for:

- work-related disabilities;
- disabilities not treated by a licensed health care provider who is qualified to treat the condition;

- intentionally self-inflicted injuries;
- disabilities due to declared or undeclared act of war; and/or
- disabilities due to the commission of a felony.

## Unpaid Waiting Period

The unpaid waiting period for coverage under the STD Plan is seven (7) calendar days, including Saturdays, Sundays and holidays. The waiting period is counted from the first day the employee is absent from work due to a serious health condition. For example, if an employee's disability is approved for STD benefits and his/her first day out of work was on Thursday, the waiting period ends as of the following Thursday, the eighth (8<sup>th</sup>) consecutive calendar day of disability. Employees must use any paid entitlements during this unpaid waiting period, subject to the policies of their operating company.

However, if an employee is approved for STD benefits, his/her STD benefits will be retroactive to his/her first day of absence. If the employee used any paid entitlements during this unpaid waiting period, those paid entitlements will be reinstated and the time will be paid as STD benefits, subject to the policies of his/her operating company.

## Filing a Claim

### ***Mandatory Claim Filing Process***

An employee who will be absent from work due to a qualifying serious health condition for more than seven (7) calendar days is required to file a claim for STD benefits.

To initiate the claim filing process, an employee should contact the MMC Leave Management Team at (866) 374-2662. **Note:** Employees of Oliver Wyman will need to contact their Human Resources Representative.

The employee will be connected with a representative of the MMC Leave Management team. The MMC Leave Management team is available Monday through Friday from 9:00 a.m. to 5:00 p.m., Eastern Time. An employee should contact the Leave Management Team before an anticipated disability begins (e.g., pregnancy, planned medical procedure), or as soon as the employee knows that his/her absence due to a serious health condition may last more than seven (7) calendar days.

The MMC Leave Management representative will overnight a Short Term Disability package to the employee's home containing the documents that the employee and his/her health care provider must complete, including an Application for Disability. If an employee does not submit the Application for Disability and supporting documentation within 15 calendar days of the date he/she received the package, the employee will immediately be placed on unpaid leave of absence. The employee will be notified in writing by MMC Leave Management that his/her documentation was not received, and will be given one (1) additional week to either submit the appropriate documentation or return to work. If the employee fails to submit the required documentation by the end of the one-week period or does not return to work, this will be treated as his/her voluntary resignation and his/her employment will be terminated for voluntary resignation. In

addition, if the employee has been paid for time he/she was absent from work that was not approved by the Claims Administrator, he/she will be required to repay these funds; the MMC Leave Management team will apply any accrued unused paid time (e.g., vacation, Floating Holidays, Personal Days, PTO) to offset this overpayment.

The employee is responsible for any costs he/she may incur to qualify, or continue to qualify, for STD benefits. Some examples include costs associated with exams or visits to a health care provider, providing medical records, and/or completing required paperwork.

## Disability Review Process

Eligibility for STD benefits is determined by the Claims Administrator. MMC has engaged The Hartford-Comprehensive Employee Benefit Services Company ("The Hartford") as its Claims Administrator.

An Ability Analyst, and when appropriate, a Clinical Case Manager at the Claims Administrator will review the medical information provided by the employee's health care provider, the employee's job duties and make a determination as to whether the employee meets the requirements for STD benefits. The employee's health care provider must be qualified to treat the employee's serious health condition.

The Claims Administrator continues to review the claim throughout the disability period, and periodically checks with the employee and his/her health care provider to see how the employee is progressing. The employee's health care provider may be asked to complete an Attending Physician's Statement issued by the Claims Administrator and/or the health care provider may be asked to speak with a representative of the Claims Administrator..

From time to time, the Claims Administrator may request information from the employee and/or his/her health care provider concerning his/her serious health condition. If such information is not provided in the time frame set by the Claims Administrator, the employee will be notified in writing by MMC Leave Management that his/her documentation was not received, and will be given 7 calendar days to either submit the appropriate documentation or return to work. If the employee fails to submit the required documentation by the end of the seventh calendar day or does not return to work, this will be treated as his/her voluntary resignation and his/her employment will be terminated for voluntary resignation. However, if the required documentation is submitted within 30 calendar days and employment has not been terminated, the Claims Administrator will review this information. In addition, if the employee has been paid for time he/she was absent from work that was not approved by the Claims Administrator, he/she will be required to repay these funds; the Company will apply any accrued unused paid time (e.g., vacation, Floating Holidays, Personal Days, PTO) to offset this overpayment.

As the claim progresses, the Claims Administrator may adjust the anticipated return-to-work date or consider modified work hours or duties.

## Denial of a Claim

If an employee disagrees with the determination as to whether the employee is eligible for STD benefits and/or the duration of disability benefits, he/she may file an appeal.

## Claims Administrator Appeal

The employee must appeal the Claims Administrator's determination in writing within 30 calendar days of the denial. This correspondence should be sent to the Claims Administrator. The employee and his/her health care provider may submit any additional clinical information relevant to the appeal review. The Claims Administrator will review the original determination of disability benefits eligibility and confirm or modify the determination. The employee will be advised of the appeal decision, when practicable, both verbally and in writing by the Claims Administrator's Appeal Coordinator within 60 days of the appeal request. The Claims Administrator's decision on any appeal shall be final and binding.

If the original approved period of disability ends during the appeal process, disability benefits payments will cease and the employee will be placed on an unpaid leave pending the appeal process.

If an employee's appeal is approved, he/she will receive disability benefits retroactively for any time he/she was absent from work that had not been approved by the Claims Administrator for which he/she has not yet been paid. If the employee's appeal is denied, the employee will be notified in writing by MMC Leave Management that his/her appeal was denied, and will be given one (1) additional week to return to work. If the employee fails to return to work, this will be treated as his/her voluntary resignation and his/her employment will be terminated for voluntary resignation. In addition, if the employee has been paid for time he/she was absent from work that was not approved by the Claims Administrator, he/she will be required to repay these funds; the Company will apply any accrued unused paid time (e.g., vacation, Floating Holidays, Personal Days, PTO) to offset this overpayment.

## Payment Information

This section provides information related to the payment of STD benefits.

### Initiation of Payments

If an employee is eligible and approved for STD benefits and has completed the Unpaid Waiting Period, payment of STD benefits will begin, retroactive to his/her first day of absence for the qualifying serious health condition. Once an employee is approved for STD benefits, his/her STD benefits will be retroactive to his/her first day of absence. If the employee used any paid entitlements during this unpaid waiting period, those paid entitlements will be reinstated and the time will be paid as STD benefits, subject to the policies of his/her operating company.

## Method of Payments

STD benefits are paid through the Payroll Department using the employee's selected method of payment (i.e., direct deposit or live check); the employee's current deductions and elections will remain the same. Employees can make modifications to their method of receiving payment (e.g., change from a live check to direct deposit) while out on STD, but cannot change their benefit elections or deductions unless they have a qualified family status change.

### ***Taxes on STD Benefits***

STD benefits received under the STD Plan are taxable income, and are reported for federal, state, local (if any), and FICA tax purposes. The Payroll Department will withhold taxes on these payments according to the W-4 Form on file at the time payments begin, and the STD income will be reported on the employee's annual W-2 Form.

### ***Effect on Other Benefits***

While an employee is receiving STD benefits, all the other MMC benefits in which he/she is enrolled will continue, and any before-tax and/or after-tax contributions the employee usually pays will be deducted from his/her STD benefits.

### ***Merit Increases***

If an employee is out on STD leave as of the effective date of any annual merit increase, he/she will not receive the increase until his/her return to work at the end of his/her STD period, at which time the increase will be retroactive to the normal effective date of the increase. If an employee is out on approved STD leave for the full 26 week period and does not return to work at the end of that time, he/she will not receive any merit increase.

## Reduction in Payments

### ***MMC Employees (other than Kroll)***

The level of STD benefits will automatically reduce once the employee has been absent due to a qualifying serious health condition for 13 weeks. Beginning with the 14<sup>th</sup> week, the STD benefit will be reduced to 80% of an employee's base pay as defined in the "Duration and Amount of STD Benefit" on page 2.

### ***Kroll Employees (other than Kroll employees in the following Technical Services Groups; Background America, Laboratory Specialists, & Factual Data)***

The level of STD benefits will automatically reduce once the employee has been absent due to a qualifying serious health condition for 13 weeks. Beginning with the 14<sup>th</sup> week, the STD benefit will be reduced to 80% of an employee's base pay as defined in the "Duration and Amount of STD Benefit" on page 2.

***Kroll Employees of the following Technical Services Group;  
Background America, Laboratory Specialists, & Factual Data***

The level of STD benefit will remain at 60% of base salary for up to twenty-six (26) weeks for covered absences as defined in the “Duration and Amount of STD Benefit” on page 2.

## Termination of Payments

Payment of STD benefits will end once an employee no longer qualifies for STD benefits. STD benefits will end on the earliest of the following events:

- the employee is no longer disabled as determined by the Claims Administrator;
- the employee fails to submit to a required medical exam within requested time frames;
- the employee fails to submit continuing proof of his/her disability such as medical records within the requested time frames
- the employee no longer meets the eligibility requirements;
- the employee dies;
- the employee has exhausted his/her STD benefits as he/she has been out receiving STD benefits for a qualifying serious health condition for the full 26 weeks of coverage.

## Additional Periods of Disability

The maximum 26 week STD benefit period applies to each continuous period of disability. The following explains how periods of disability are counted and what happens if an employee becomes disabled again due to the same or related causes or unrelated causes.

## Modified Work Schedule

If an employee is approved to return to work by the Claims Administrator on a modified/reduced work schedule, each day of part-time work, regardless of the number of hours, will be counted as a whole day under the Short-Term Disability policy.

## Recurring Disabilities

### ***Recurring Disabilities (Absences Due to the Same or Related Causes)***

If an employee returns to work and becomes disabled again due to the same and/or a related serious health condition, the amount of time he/she has been back at work determines whether the later absence is counted as part of the same disability period or a new disability period, subject to approval by the Claims Administrator.

### ***Recurrence within 26 Weeks of Return to Work***

If the employee returns to work and becomes disabled again due to the same or a related serious health condition within 180 days of his/her return to work, the absence will be treated as one (1) continuous period of disability. This means any remaining STD benefits can begin immediately, without an Unpaid Waiting Period, at the level of STD benefits to which the employee is entitled, subject to approval by the Claims Administrator. Thus, if the employee had used less than 13 weeks of his/her STD benefits, he/she will be paid 100% of his/her pre-STD base salary until the 14<sup>th</sup> week of absence, at which time the STD benefit will be reduced to 80% of his/her pre-STD base salary. If the employee had already received his/her 13 weeks of STD benefits at the 100% rate, he/she will be paid 80% of his/her pre-STD base pay for the number of weeks of STD benefits remaining. For example, if an employee had been absent from work for exactly eight (8) weeks following surgery, returned to work for six (6) weeks and then became disabled again due to complications from the surgery, the new absence would be considered part of the same serious health condition and therefore the same STD event. The employee would return and would have five (5) weeks of STD benefit at the 100% level, and 13 weeks of STD benefit at the 80% level available.

If an employee becomes disabled again due to the same or a related serious health condition within 26 weeks of his/her return to work, but had already used all of his/her 26 weeks of STD benefits, he/she will not be eligible for any additional STD benefits and will have to apply for Long Term Disability benefits.

### ***Recurrence More Than 26 Weeks After Return to Work***

If an employee returns to work for 26 weeks or longer, an absence due to the same or a related serious health condition will be treated as a new STD event. For example, if an employee had been absent from work for exactly eight (8) weeks following surgery, returned to work for 28 weeks and then became disabled again due to complications from the surgery, the new absence would be considered a new STD event and a new period of disability, and the employee would have to satisfy the Unpaid Waiting Period and have the absence approved by the Claims Administrator in order to be eligible for STD benefits. As with any disability, the employee must satisfy the requirements of an eligible disability and the disability must be approved by the Claims Administrator

### ***New Serious Health Condition***

If an employee returns to work and becomes disabled due to a new serious health condition, he/she would be eligible to apply for STD benefits of up to 26 weeks related to the new serious health condition.

### ***New Serious Health Condition Before the Employee Returns to Work***

If an employee becomes disabled due to an unrelated serious health condition before returning to work and while out on approved STD for a different serious health condition, the absence is treated as one period of disability for which the employee can receive up to 26 weeks of STD benefits.

As with any disability, the employee must satisfy the requirements of an eligible disability and the disability must be approved by the Claims Administrator.

## Federal and State Family and/or Medical Leave Laws

Employees who are applying for STD benefits will also be required to comply with applicable federal and state family and/or medical leave laws. Additional details regarding leave laws are contained in the Employee Handbook for each operating company.

## Returning to Work

The Claims Administrator will notify the employee of the date that he/she is estimated to return to work based on the medical information provided. Once the employee receives this notification, he/she must have his/her health care provider complete the Return to Work form supplied to him/her with his/her initial application paperwork. The completed Return to Work form must be returned to the MMC Leave Management team on or before his/her return to work date. The employee must also contact his/her manager and inform his/her manager of the return to work date.

## Contact with Manager

An employee who is absent on approved STD leave must contact his/her manager every week to update him/her on the employee's status and intent to return to work.

## Subrogation

To the maximum extent permitted by law, the Plan is entitled to equitable or other permitted remedies, including a lien or constructive trust, to recover any amounts received as a result of a judgment, settlement or other means of compensation for conditions or injuries which have resulted in the payment of benefits under this Plan. This shall include, but is not limited to, damages for pain and suffering and lost income.

The Plan is entitled to recover these amounts from the participant; any covered family member or beneficiary, or any other person holding them, up to the amount of all payments made or payable in the future plus costs of recovery. The Plan has a priority interest in any and all funds recovered in any full or partial recovery, including funds intended to compensate for attorney's fees and other expenses.

As a condition of receiving benefits under this Plan, the employee agrees that:

- he/she will promptly notify the Company of any settlement negotiations, settlement, or judgment in any litigation related to an event or condition for which he/she has received, or expects to receive, benefits under this Plan; and
- future benefits, even for an unrelated event or condition, may be reduced by the amount of any judgment or settlement, or similar compensation which the Plan would be entitled to under the rules above but is unable to recover.

## Overpayment

If an employee receives an erroneous or excess STD benefit payment, the Plan is entitled to take action to correct the error. To the extent permitted by applicable law, such employee will be required to repay these funds. The MMC Leave Management team will apply any accrued unused paid time (e.g., vacation, Floating Holidays, Personal Days, PTO) to offset this overpayment. The recovery of the overpayment may be made by arranging for repayment from the employee, by offsetting the amount of any other benefit or amount payable to the employee by the amount of the overpayment, or by substituting other paid entitlements (such as accrued vacation) for that time.

## Amendment or Termination of This Plan

MMC Corporate Benefits reserves the right to amend or terminate this STD Plan, and/or to alter, reduce or eliminate any pay practice, policy or benefit, in whole or in part, with or without advance notice; provided, however, any eligible employee receiving benefits at the time of any such amendment or termination shall continue to receive such benefits until he/she returns to work or has exhausted the 26 week benefit period.

## Plan Interpretation and Appeals

The Claims Administrator's decisions on all final appeals of any determination and on any matter of STD plan interpretation shall be final, binding and conclusive on all interested persons unless found by a court of competent jurisdiction to be arbitrary and capricious.

## Contact

### *For more information, contact:*

The Hartford-Comprehensive Employee Benefit Services Company  
STD Benefit Management Services  
P.O. Box 946710  
Maitland, FL 32794

Phone: 866-432-6727  
Fax: (407) 919-6329

### *For claims appeal, contact:*

The Hartford-Comprehensive Employee Benefit Services Company  
Maitland Claim Appeal Unit  
P.O. Box 946710  
Maitland, FL 32794

MMC does not administer this Plan. The Hartford-Comprehensive Employee Benefit Services Company's decisions are final and binding.