

Long-Term Disability Insurance

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Introduction

✓ Please refer to the Glossary beginning on page M-1 for the definitions of underlined terms used throughout this SPD.

📖 "Glossary," page M-1

In this chapter, the term "Company" refers to ConocoPhillips and the other companies that have adopted this Plan (as shown in "Employers Participating in the Plan" on this page).

✓ This Plan is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation insurance or any government-mandated temporary disability income benefits law.

The ConocoPhillips Long-Term Disability (LTD) Insurance Plan (the Plan) can help replace a portion of your regular paycheck if serious illness or injury prevents you from working for an extended period of time (longer than 180 days). The Plan has been designed to provide valuable income protection at a competitive cost.

You can choose from two levels of coverage — basic or enhanced. Both coverage levels pay monthly LTD benefits for a certain period of time while you're disabled and unable to work as determined by the LTD Claims Administrator.

EMPLOYERS PARTICIPATING IN THE PLAN

As of Jan. 1, 2011, the most significant employers participating in the Plan are listed below. A complete current list of employers participating in the Plan may be obtained at any time, free of charge, from the Plan Administrator.

- > ConocoPhillips Company
- > ConocoPhillips Pipe Line Company
- > Phillips Utility Gas Corporation
- > ConocoPhillips Expatriate Services Corporation

📖 "Plan Administration," page L-5



Who Is Eligible

STORE EMPLOYEES AND MEMBERS OF THE RIVERHEAD PIPELINE UNION

Store employees and members of the Riverhead Pipeline Union **are not** eligible to participate in the Long-Term Disability Insurance Plan.

IF YOU WERE DISABLED PRIOR TO JAN. 1, 2003

If you were disabled prior to Jan. 1, 2003 (meaning that the first day of your “elimination period” was prior to Jan. 1, 2003) or if you became disabled prior to Jan. 1, 2009 while covered by a Burlington Resources Inc. LTD plan, the employer-sponsored LTD plan under which you had coverage on that day will apply. Please refer to your applicable LTD Summary Plan Description.



If you’re an active, regular full-time or regular part-time¹ employee, you’re eligible to participate in the Plan if you’re:

- > A U.S. citizen or resident alien non-store employee working within or outside the U.S. (includes rotators and U.S. expats) who is paid on the direct U.S. dollar payroll²; or
- > A U.S. citizen or resident alien non-store employee working within or outside the U.S. (includes rotators and U.S. expats) who is paid on the direct U.S. dollar payroll² and who is on a personal or disability leave of absence or on a family medical leave of absence.

You’re **not** eligible to participate in the Plan if your classification isn’t described in this section. For example, temporary employees, independent contractors and commission agents aren’t eligible for the Plan.

✓ Contact the Benefits Center for questions about whether your collective bargaining agreement expressly provides for your participation in the Plan.

📄 “Contacts,” page A-1

¹ Regular part-time employees must work on average at least 20 hours per week.

² Direct U.S. dollar payroll means that payroll check is written in U.S. dollars by a U.S. company participating in the plan and is not converted to another currency before being paid to the employee.

How to Enroll, Change or Cancel Coverage

If you want to enroll in, change or cancel long-term disability coverage, you enroll online or call the Benefits Center. If you have questions about the enrollment procedure, contact the Benefits Center.

 “Contacts,” page A-1

When you enroll, you’ll:

- > Choose from the Plan options available to you; and
- > Authorize any required payroll deduction contributions for the coverage you select.

Your enrollment materials will also contain information to help you make your enrollment elections. Contact the Benefits Center if you need more information.

 “Contacts,” page A-1



WHEN TO ENROLL, CHANGE OR CANCEL COVERAGE

You can enroll, change or cancel coverage at any time. Evidence of insurability will be required if you enroll more than 30 calendar days after the date you’re first eligible for coverage and for certain coverage elections.

 “When Evidence of Insurability Is Required,” below

When Evidence of Insurability Is Required

Evidence of insurability (EOI) — also known as evidence of good health — is required proof of your good health that must be approved by the Claims Administrator before you will be covered by the Plan. You must supply EOI if:

- > You elect coverage more than 30 calendar days after your eligibility date — that is, your hire date or the date you first become eligible;
- > You change your LTD Plan coverage from “basic” to “enhanced”; or
- > You re-enroll in the Plan upon your return from a leave of absence. If you are returning from a leave of absence-Labor Dispute, you’re automatically re-enrolled if the leave was 30 calendar days or less, and no EOI is required. If the leave of absence-Labor Dispute was more than 30 calendar days, you’ll be eligible for re-enrollment like a new hire, but EOI will not be required if you enroll within 30 calendar days and if the level of coverage is not increased. **Note:** You don’t need to provide EOI if you’re returning from a family medical leave of absence (FMLA), if you enroll in the same or a lower option as you had prior to going on your leave, and you enroll within 30 calendar days of your return to work. If you elect increased coverage after your return from any leave of absence, EOI will be required.

WHEN COVERAGE BEGINS

The date your coverage begins depends on when you enroll.

If you enroll or change your coverage:	Coverage is effective:
Within 30 calendar days of your eligibility date (e.g., your hire date or the date you first become eligible to participate)	On your eligibility date
More than 30 calendar days after your eligibility date	On the first day of the month following your enrollment and acceptance of any required <u>EOI</u> by the <u>Claims Administrator</u>
During annual enrollment ¹	On the following Jan. 1 or the first day of the month following your enrollment and acceptance of any required <u>EOI</u> by the <u>Claims Administrator</u> , whichever is later
Any other time during the year ¹	On the first day of the month following your enrollment and acceptance of any required <u>EOI</u> by the <u>Claims Administrator</u>
When you return to work as a regular full-time or regular part-time employee on or before the expiration of a <u>leave of absence</u> ² and did not continue coverage during the leave	On the first day of the month following your enrollment and acceptance of any required <u>EOI</u> by the <u>Claims Administrator</u>
When you return to work as a regular full-time or regular part-time employee on or before the expiration of a military <u>leave of absence</u> ² , your coverage prior to the leave will automatically be reinstated without <u>EOI</u>	On the day you return to work
When you return to work from a <u>leave of absence</u> -Labor Dispute of 30 or less calendar days, your coverage prior to the leave will automatically be reinstated without <u>EOI</u> . <u>EOI</u> is required for any additional LTD insurance	On the day you return to work
When you return to work from a <u>leave of absence</u> -Labor Dispute of more than 30 calendar days, your coverage level prior to the leave will be available without <u>EOI</u> . <u>EOI</u> is required for any additional LTD insurance	<p>If you enroll WITHIN 30 calendar days of your eligibility date: On the day you return to work</p> <p>If you enroll MORE THAN 30 calendar days following your eligibility date: On the first day of the month following your enrollment</p>

¹ You cannot increase coverage while you're on a leave of absence.

² See "If You Take a Leave of Absence" for further information on returning from a leave of absence.

 "If You Take a Leave of Absence," page I-6

For all of the dates shown in the chart above, coverage begins only if you're actively at work on that day. Otherwise, LTD Plan coverage will begin on the date you return to work for full pay on your normal schedule.

CHANGING YOUR COVERAGE

You can enroll in, change or cancel your LTD Plan elections at any time.


- > Your new elections won't take effect until any required EOI has been accepted by the Claims Administrator.
- > Unless otherwise noted below, coverage changes will be effective on the first of the month following your enrollment and approval of any required EOI.

IF YOU TAKE A LEAVE OF ABSENCE

If you're on a leave of absence (excluding a military leave of absence or a disability leave of absence because you are receiving LTD benefits), you may continue your LTD Plan coverage for a maximum of 12 months during the approved leave period — provided you make any required contributions for coverage when they're due.

- > During your leave, you pay the same cost for coverage that an active employee would pay.
 - If you're on a paid leave, your cost will continue to be deducted from your paycheck on an after-tax basis.
 - If you're not receiving a paycheck from the Company, you'll pay the costs to ConocoPhillips on an after-tax basis. (ConocoPhillips will bill you for the cost of coverage.)
- > When you return to work, the Company will resume deducting the costs from your paycheck on an after-tax basis.

If you end your coverage while you're away on leave — or if your coverage is ended due to non-payment of required contributions — you must submit an enrollment form and provide EOI upon your return to work. **Note:** If you return from a family medical leave of absence (FMLA) and enroll within 30 calendar days, you will not be required to provide EOI.

 *"Who Is Eligible," page I-3; "How to Enroll, Change or Cancel Coverage," page I-4*

✓ If You're on a Military Leave of Absence

Your LTD Plan coverage will be suspended until you return to work as an active employee.

IF YOU HAVE A LEAVE OF ABSENCE-LABOR DISPUTE

If you're placed on a leave of absence-Labor Dispute, your long-term disability coverage will end on the last day of the month in which the leave begins. See the chart on page I-5 for coverage after you return to work. If you're on a leave of absence-Labor Dispute during a regularly scheduled annual enrollment, you'll not be eligible and a special annual enrollment period will be provided after you return from leave of absence-Labor Dispute.

What the Plan Costs

You pay the cost of your LTD Plan coverage with after-tax dollars. Your cost depends on:

- > Your pre-disability earnings; and
- > Whether you elect basic or enhanced coverage.

When you enroll, you'll receive information about how to access the current costs. The Plan Administrator reserves the right to recover any underpayments by the participant, made through error or otherwise, by offsetting future payments, invoicing the affected participant, or by other means as the Plan Administrator deems appropriate.

During your elimination period, you must continue paying for your LTD coverage. This will ensure that you remain covered for any other disability that you may experience during the elimination period. You don't pay for your coverage while you're receiving LTD benefits for a disability.

 *"Elimination Period," page I-7*

How the Plan Works

To qualify for LTD benefits, you must:

- > Be disabled, as defined below;
- > Be unable to work for at least 180 days after the last day you were able to work at your regular job with the Company (your elimination period); and

 *“Elimination Period,” at right*

- > File a claim for LTD benefits with and be approved by the Claims Administrator.

 *“How to File a Claim,” page I-14*

QUALIFYING DISABILITIES

“Disabled” or “disability” means that you’re receiving appropriate care and treatment from a physician on a continuing basis due to sickness, pregnancy or accidental injury; and

- > During your elimination period and the next 24-month period, you’re unable to perform the material duties of your regular job with the Company and unable to earn more than 80% of your pre-disability earnings or indexed pre-disability earnings; or

 *“Elimination Period,” at right*

- > After the 24-month period, you’re unable to earn more than 60% of your indexed pre-disability earnings from any employer in your local economy at any gainful occupation for which you’re reasonably qualified taking into account your training, education, experience and pre-disability earnings.

Your loss of earnings must be a direct result of your sickness, pregnancy or accidental injury. The Claims Administrator has the sole authority for determining disability. Economic factors, such as, but not limited to, recession, job obsolescence, pay cuts and job-sharing won’t be considered in determining whether you meet the loss of earnings test. If your job requires a license, losing that license does not, in itself, constitute disability.

You will **not** qualify for LTD benefits if your disability results from:

- > Commission of a felony;
- > Active participation in a riot;
- > Intentionally self-inflicted injury or attempted suicide; or
- > Any act of war — whether declared or undeclared — insurrection or rebellion.

ELIMINATION PERIOD

The “elimination period” is the 180-calendar day period that begins after the day you were last able to work at your regular job with the Company. You must be under the continuous care of a physician during your elimination period.

If, at the end of the 180-day period:

- > You still have unused vacation, the 180-day period is extended until your vacation is exhausted;
- > You’re receiving or are eligible to receive 100% of pay under the Short-Term Disability (STD) Plan, the 180-day period is extended until your 100% of pay benefits are exhausted; or

 *“Short-Term Disability Benefits,” page H-1*

- > You’re receiving or are eligible to receive 60% of pay under the STD Plan, the 180-day period is extended until your 60% of pay benefits are exhausted. However, you may waive your remaining 60% of STD pay and begin receiving LTD benefits, if approved — unless the terms of a collective bargaining agreement don’t allow STD benefits to be waived.

During the elimination period, no LTD benefits are payable under the LTD Plan.

✓ **Returning to work DURING the elimination period (trial work days)**

- > If you return to work for **30 days or less** (does not have to be consecutive days) before completion of your elimination period, you won't have to begin a new elimination period if you **become disabled again from the same cause**. Those workdays will apply toward the completion of your elimination period.
- > If you return to work for **more than 30 days** (does not have to be consecutive days) before completion of your elimination period, you will need to begin a new elimination period if you **become disabled again from the same cause**. Those workdays will **not** apply toward the completion of your new elimination period.
- > If you start an elimination period and return to work and then **become disabled from a different cause**, you must complete a new elimination period.

📖 *"Qualifying Disabilities," page I-7*

If You Become Disabled Again After the Elimination Period

If you have received at least one LTD benefit payment for a period of disability, recovered from the disability and returned to work, and then become disabled again, your elimination period is determined as follows:

- > If you return to work for 180 days or less after completion of your elimination period, you won't have to begin a new elimination period if you become disabled again from the same cause.
- > If you return to work but then stop working due to an **unrelated disability**, you must fulfill a new elimination period and be approved by the Claims Administrator as being disabled before LTD benefits will be payable for the new disability.
- > If a new disability occurs while you're receiving LTD benefits, the new disability will be treated as part of the same period as your current disability. Monthly LTD benefits will continue while you remain disabled. The current disability for which you're receiving LTD benefits and the new disability are subject to both the maximum LTD benefit duration and limitations/exclusions that apply to the new cause of disability.

Contact the Claims Administrator if you have questions about how returning to work affects the elimination period.

📖 *"Contacts," page A-1*

How LTD Benefits Are Calculated

- ✓ See "supplemental retirement benefit" in the Glossary if you were an employee disabled (first day of elimination period) prior to April 15, 1991 under an LTD plan that was sponsored by Phillips Petroleum Company or its subsidiaries that adopted the Plan.

📖 *"Glossary," page M-28*

Your LTD benefits are calculated based on your pre-disability earnings, your level of coverage (basic or enhanced) and your income from other sources (as described under "LTD Benefit Reductions" and "Work Incentive LTD Benefit").

📖 *"LTD Benefit Reductions," page I-10; "Work Incentive LTD Benefit," page I-13*



YOUR COVERAGE LEVEL

When you enroll in the LTD Plan, you elect either basic or enhanced coverage.

Basic Coverage

Basic coverage provides LTD benefits equal to 50% of your pre-disability earnings after you have completed the elimination period for as long as you're qualified to receive LTD benefits (subject to the maximum LTD benefit duration).

 "Elimination Period," page I-7; "Maximum LTD Benefit Duration," page I-14

BASIC COVERAGE CALCULATION EXAMPLE

At the time he became disabled, Paul's pre-disability earnings were \$3,400 a month. During his disability, he is receiving Social Security disability benefits of \$400 a month in addition to his LTD benefits. Here's how Paul's monthly LTD benefit is determined:

Step 1 — Determine Total Monthly Income

LTD benefit (50% of <u>pre-disability earnings</u>):	\$ 1,700 (50% x \$3,400)
Social Security disability benefit:	+ 400
Total monthly income:	\$ 2,100

Step 2 — Determine Earnings Limit

70% of <u>pre-disability earnings</u> limit:	\$ 2,380 (70% x \$3,400)
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Since the \$2,100 total monthly income from the LTD Plan and Social Security is less than 70% of Paul's pre-disability earnings, his LTD benefits are not reduced. Paul will receive a \$1,700 monthly LTD benefit from the Plan and a \$400 monthly disability benefit from Social Security.

Enhanced Coverage

Enhanced coverage provides LTD benefits equal to 60% of your pre-disability earnings after you have completed the elimination period for as long as you're qualified to receive LTD benefits (subject to the maximum LTD benefit duration).

MAXIMUM LTD BENEFIT

Your maximum LTD benefit may not exceed \$40,000 per month.

LTD BENEFIT REDUCTIONS

When added to the LTD benefit you receive from the Plan, your income from certain sources (as described below) cannot be more than 70% of your pre-disability earnings. If the total monthly income you receive from the Plan together with the other sources is over 70% of your pre-disability earnings, your LTD benefit will be reduced until the 70% ceiling is met.

- > Benefits under any other employer-sponsored group disability insurance plan (no offset for individual disability insurance that you purchase direct from the insurer);
- > Benefits under any other group health insurance policies that provide benefits for time away from work due to disability or under any group life policy that provides installment payments for permanent disability, if the Company contributes towards them or makes payroll deductions;
- > Entitlements under any mandatory benefit law, any Workers' Compensation law, Maritime Maintenance & Cure law, occupational disease law or other similar law;
- > Any third-party liability judgment or settlement you receive for loss of income as a result of claims against a third party;
- > Disability entitlements from any federal, state, municipal or other governmental agency, including Canada;
- > The basic reparations portion of loss of income law providing for payments without determining fault in connection with automobile accidents — excluding any supplemental disability benefits you purchase under a no-fault auto law;
- > Benefits under any government-sponsored compulsory benefit program that provides payment for loss of time from your job because of your disability or from any other group disability income plan, fund or other arrangement, no matter what it's called, if the Company contributes toward it or makes payroll deductions for it;

- > The estimated amount you'll receive under Social Security (including those received on behalf of your dependents) or Workers' Compensation if, at the time your LTD benefits begin, no final determination has been made about this LTD benefit. When the final determination is made, your LTD benefits will be recalculated, and any overpayment or underpayment will be corrected;
- > Commencement of benefits from a defined benefit retirement plan sponsored by a participating employer in this Plan. Your monthly LTD benefit will be reduced by the amount of the straight-life annuity (adjusted for early commencement in accordance with the retirement plan provisions, if applicable) that would be payable on your retirement plan benefit commencement date regardless of the form of benefit payment elected. If your retirement benefit includes an offset by a qualified domestic relations order, the straight-life annuity before the qualified domestic relations order offset will be used to reduce your monthly LTD benefit. The same reduction provisions apply if your retirement benefit is paid as an involuntary lump-sum payment (due to minimum retirement plan rules); or
- > Portions of payments you receive under the Plan's work incentive provisions.

 "Work Incentive LTD Benefit," page I-13

- ✓ If you became disabled (first day of elimination period) on Jan. 1, 2010 or after, Social Security payments you receive on behalf of your dependents will be included as an LTD benefit reduction when determining the 70% limit.

In addition, if you became disabled (first day of elimination period) prior to April 15, 1991 under an LTD plan that was sponsored by Phillips Petroleum Company or its subsidiaries that adopted the Plan, Company-paid retirement benefits are not used in the LTD offset calculation.

If you became disabled (first day of elimination period) between Jan. 1, 2003 and Dec. 31, 2009, and were enrolled in the enhanced option, you were eligible for a 50% benefit with an adjustment for inflation after 24 monthly LTD benefit payments.

If you became disabled (first day of elimination period) between Jan. 1, 2003 and Dec. 31, 2009, and were enrolled in either the basic or enhanced option, Social Security payments you received on behalf of your dependents were not included as an LTD benefit reduction when determining the 70% limit.

If your disability income from other sources is not paid monthly — for example, if they are paid quarterly or annually — they will be prorated to a monthly amount for purposes of calculating your LTD benefit.

LTD BENEFIT REDUCTION EXAMPLE — BASIC COVERAGE

At the time she became disabled, Lucy's pre-disability earnings were \$4,000 a month. She had received a \$30,000 Workers' Compensation lump-sum benefit, which was deemed as being paid over 30 months (at \$1,000 per month) in addition to her LTD benefits. Here's how Lucy's monthly LTD benefit is determined:

Step 1 — Determine Total Monthly Income

LTD benefit (50% of <u>pre-disability earnings</u>):	\$2,000 (50% x \$4,000)
Workers' Compensation Award:	+1,000 (\$30,000 ÷ 30 months)
Total monthly income:	\$3,000

Step 2 — Determine Earnings Limit

70% of <u>pre-disability earnings</u> :	\$2,800 limit (70% x \$4,000)
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Step 3 — Determine Excess Income

Since the \$3,000 total monthly income from the LTD Plan and Workers' Compensation is greater than 70% of Lucy's pre-disability earnings, her LTD benefit will be reduced.

Total monthly income:	\$3,000
70% of <u>pre-disability earnings</u> limit:	-2,800
Excess income:	\$ 200

Step 4 — Determine Final Net LTD Benefit

LTD benefit (50% of <u>pre-disability earnings</u>):	\$2,000
Excess income:	- 200
Final net LTD benefit:	\$1,800

Lucy will receive a \$1,800 monthly LTD benefit from the Plan and the award from Workers' Compensation.





Lump-Sum Payments

For purposes of calculating your LTD benefit, any LTD benefit reductions that are paid as a lump sum (except retirement plan benefits) will be deemed as being paid over 30 months. The 30 months begins on the date you became disabled (the first day of elimination period), or the date upon which the lump-sum payment is made, whichever is later.

 “Qualifying Disabilities,” page I-7

If the amount calculated from the lump sum is greater than 50% of your pre-disability earnings, the lump sum will instead be divided by 50% of your pre-disability earnings to determine a greater number of months over which the lump sum will be prorated and deemed paid, as shown in the example below.

LUMP-SUM PAYMENT EXAMPLE — BASIC COVERAGE

At the time she became disabled, Lynne’s pre-disability earnings were \$2,400 a month. In addition, she received a \$48,000 lump-sum Workers’ Compensation settlement. For purposes of calculating LTD benefits, the settlement is deemed to be paid to her over 40 months, calculated as follows:

Step 1 — Determine Usual 30-Month Period of Deemed Payment

\$48,000 settlement ÷ 30 months = \$1,600 per month

Step 2 — Determine Maximum Monthly Deemed Payment

\$2,400 pre-disability earnings × 50% = \$1,200 per month

Since the \$1,600 per month deemed payment is greater than 50% of Lynne’s pre-disability earnings (\$1,200 per month), the deemed payment needs to be recalculated.

Step 3 — Recalculate Period of Deemed Payment

\$48,000 settlement ÷ \$1,200 (50% of pre-disability earnings) = 40 months

After 40 months of reduced LTD benefit payments, the deemed payment and offset will no longer apply and Lynne will be eligible to receive her original LTD benefit of \$1,200, subject to Plan provisions.

Minimum LTD Benefit


Your LTD benefit won’t be less than 15% of your pre-disability earnings. However, this minimum won’t apply if you’ve been overpaid on your LTD Plan benefits or are receiving income from employment while you’re disabled.

WORK INCENTIVE LTD BENEFIT

With the approval from the Claims Administrator and your physician you may participate in a rehabilitation program while you're disabled and receiving LTD benefits. The Claims Administrator should be contacted in advance regarding any rehabilitation needs or plans. When you work while in a rehabilitation program, you'll receive the sum of the following amounts:

- > Your monthly LTD benefit, which is reduced by 50% of employment earnings you earn while employed under the rehabilitation program; and
- > The amount you earn for working while disabled.

If the amount you receive from the Plan, work incentive LTD benefits and the sources listed under "LTD Benefit Reductions" exceeds 100% of your pre-disability earnings or indexed pre-disability earnings, your monthly LTD benefit will be reduced by the amount that exceeds 100% of those earnings. **Note:** If your monthly LTD benefit is reduced because you're receiving earnings from working while disabled, the 15% minimum LTD benefit won't apply.

 "LTD Benefit Reductions," page I-10; "Minimum LTD Benefit," page I-12

How LTD Benefits Are Paid

If the Claims Administrator determines that you qualify for LTD benefits under the Plan, your payments will begin on the first of the month after you complete your elimination period.

 "Elimination Period," page I-7

Provided you remain disabled, subsequent LTD benefits will be paid to you on the first of each month and will represent payment for the period of the previous month. After you begin receiving LTD benefit payments, your monthly LTD benefit won't be affected by termination of the Plan, termination of your coverage, or any Plan changes that become effective after the date you became disabled.

 "Qualifying Disabilities," page I-7

If you're disabled for only a part of a month, your LTD benefit payment for that month will be prorated to reflect the number of days you were disabled. Each month is counted as having 30 days, regardless of the actual number of days in a month.

PRORATING EXAMPLE

If your pre-disability earnings are \$2,400, and you're approved for LTD benefits beginning on April 11, your LTD benefit payment for April would be \$800. That amount is calculated by taking your monthly LTD benefit of \$1,200 (50% of your \$2,400 pre-disability earnings), divided by 30 days (\$40 per day), times the days of the month for which LTD benefits are paid (20). Twenty days at \$40 per day equals \$800.

Because you pay for LTD coverage with after-tax dollars, any LTD benefits you receive from the insurer will not be taxable to you. (However, U.S. tax laws do change. If you receive LTD benefits under this Plan, you should consult with a tax professional when filing your income tax returns.)

LTD BENEFIT RECALCULATIONS

Your LTD benefit is recalculated each month. If you receive pay for work with ConocoPhillips or any other employer during one month, but not during the next month, your pay earned during the first month won't reduce your monthly LTD benefit in the second month. However, if you work again later, pay earned in that month will be used to offset your future LTD benefits from the Plan.

Remember, being gainfully employed while receiving LTD benefits, without prior approval from the Claims Administrator, could impact the amount of your LTD benefit. You must keep the Claims Administrator informed if you return to work in any capacity and at any job in order to receive the correct LTD benefits.

MAXIMUM LTD BENEFIT DURATION

Your LTD benefit may not exceed these maximum durations:

Age on Disability Start Date	Maximum LTD Benefit Duration ¹
Under age 60	To the end of the month in which you reach age 65
Age 60 and over	60 months



¹ If you became disabled (first day of elimination period) between April 15, 1991 and Dec. 31, 2000 under an LTD plan that was sponsored by Phillips Petroleum Company or its subsidiaries that adopted the Plan, you are eligible for a lifetime LTD benefit (subject to applicable benefit reduction provisions) and are not subject to the above durations.

✓ Concurrent Disabilities

If a new, unrelated disability occurs while you're receiving LTD benefits, the new disability will be under the same maximum LTD benefit period as your current disability. Both disabilities will be subject to all limitations and exclusions that apply to the new disability.

When LTD Benefit Payments End

LTD benefit payments end at the earliest of the following events:

- > The date you're no longer disabled, as determined by the Claims Administrator;
 "Qualifying Disabilities," page I-7
- > The date you fail to provide the Claims Administrator with satisfactory proof of continuing disability;
- > The date you fail to attend a medical examination as requested by the Claims Administrator;
- > The date you reach the maximum LTD benefit duration; or
 "Maximum LTD Benefit Duration," above
- > The date of your death. If you die, unpaid LTD benefits for the month of your death will be paid in the following order:
 - To your spouse, if living;
 - To your children, if living, in equal shares; or

- To your estate. If LTD benefits are payable to your estate, the Claims Administrator may pay up to \$1,500 to someone related to you by blood or by marriage whom the Claims Administrator deems entitled to this amount. The Claims Administrator's responsibility will be discharged to the extent of any payment made in good faith.

How to File a Claim

- ✓ The following information applies to claims with an elimination period beginning on or after Jan. 1, 2003. Claims prior to that are subject to the Plan provisions in effect when the elimination period began.

If you believe you may be disabled as defined by the Plan and expect your disability to continue beyond the end of the 180-day elimination period, you should file a notice of claim as soon as possible after your disability begins by contacting the Benefits Center. **This will help avoid interruption of your income if you are approved for LTD benefits.**

 "Qualifying Disabilities," page I-7; "Elimination Period," page I-7



- ✓ The Benefits Center is the initial point of contact for all notice of claim submissions under the LTD Plan. To file a notice of claim, you should contact the Benefits Center and provide the following information:

- > Your name,
- > Your Social Security number, and
- > Your last day worked.

 "Contacts," page A-1


After your notice of claim has been filed, you'll receive a "proof of disability" packet from the Claims Administrator. You and your physician(s) must complete the forms at your own expense and return them to the Claims Administrator no later than 90 days after the end of your elimination period. The Claims Administrator may also require you to file supplemental proofs of claim at your expense and undergo physical examinations by a medical specialist of its choice at the Claims Administrator's expense. If you do not provide satisfactory supplemental documentation within 60 days after the date the Claims Administrator asks for it, your claim may be denied.

The following documentation will be required:

- > Proof of disability — including, but not limited to, the date your disability started, the cause of your disability and the prognosis of your disability;
- > Proof of continuing disability;
- > Proof that you're under the appropriate care and treatment of a physician throughout your disability;
- > Proof that you have applied for Social Security disability benefits until denied at the Administrative Law Judge level. The Claims Administrator provides assistance in this process; contact the Claims Administrator for information;
 -  *"Contacts," page A-1*
- > Proof that you have applied for Workers' Compensation benefits or benefits under a similar law. If you don't provide proof that you have applied for these benefits, the Claims Administrator may reduce your monthly LTD benefit. The reduction will be based on the Claims Administrator's estimate of what you may be expected to receive;
- > Proof that you have applied, or are not eligible, for any of the amounts listed under "LTD Benefit Reductions." If you don't provide proof that you have applied for any of the items listed under "LTD Benefit Reductions," the Claims Administrator may reduce your monthly LTD benefit;
 -  *"LTD Benefit Reductions," page I-10*
- > Information about any amounts that are listed under "LTD Benefit Reductions"; and

- > Any other material information related to your disability that may be requested by the Claims Administrator.

LTD benefits are not payable for claims submitted more than one year after the date of your disability. However, you can request LTD benefits for late claims if you can show it was not reasonably possible for you to furnish proof of disability during the one-year period and you provided satisfactory proof as soon as reasonably possible.

-  The Claims Administrator has been delegated total responsibility for determining LTD benefits under the Plan. Claims will be approved or denied by the Claims Administrator based on the terms of the LTD Plan, including the underlying insurance policy. Questions about LTD benefit claims should be directed to the Claims Administrator.

 *"Contacts," page A-1*

When you file a claim with the Plan, you will be required to provide signed authorization to release medical and financial information to the Claims Administrator.

 *"Information and Consents Required From You," page L-40*


CLAIM REVIEW AND APPEAL PROCEDURE

For information about when to expect a response to your claim from the Claims Administrator and/or Appeals Administrator or how to file an appeal if your claim is denied, refer to the "Claims and Appeals Procedures" section.

 *"Claims and Appeals Procedures," page L-35*

When Coverage Ends

Your coverage will end on the earliest of the following events:

- > The last day of the month in which your employment ends for any other reason not stated in this section;
- > The last day of the month in which you no longer meet the Plan's eligibility requirements;
 *"Who Is Eligible," page I-3*
- > The last day of the month in which your coverage is terminated for any reason;
- > The last day of the month in which you don't make the required contributions;
- > The last day of the month in which you go on strike, are locked out or are laid off;
- > The last day of the month in which your leave of absence-Labor Dispute begins;
- > The date of your death; or
- > The date on which the LTD Plan is terminated.

