RESIDUAL DISABILITY BENEFIT RIDER

Attached To and Forming Part of Certificate Number	Effective Date of Endorsement
_____	_____

Certificate Issued To:

_____

This Rider is part of the Certificate to which it is attached. All provisions of the Certificate apply to this Rider and remain the same except where We change them by this Rider. It is understood and agreed that this Rider is issued in consideration of an additional premium having been paid to Us.

The Certificate is amended by adding or changing the following provisions:

DEFINITIONS

Prior Earnings
Prior Earnings means Your average monthly Earned Income for the highest twelve (12) consecutive months out of the last twenty four (24) calendar months, just prior to the date that You became Disabled.

Loss of Earnings
Loss of Earnings means the difference between Your Prior Earnings and Your current Earned Income, while Residually Disabled.

Residual Disability
Residual Disability means You are gainfully employed and You are not Totally Disabled under the terms of the Certificate, but solely due to Sickness or Injury You experience a Loss of Earnings that is at least 15% of Your Prior Earnings.

Monthly Residual Benefit
The Monthly Residual Benefit means the amount We pay for each month that You are Residually Disabled. The Monthly Residual Benefit is a percentage of the Monthly Benefit Amount as shown in the Schedule of Benefit.

PROVISIONS RELATING TO RESIDUAL DISABILITY

When You are Residually Disabled we will pay you Monthly Residual Benefits provided:

1) You must become Disabled while the Certificate is in force; and
2) You must satisfy the Elimination Period.

The amount of the Residual Benefit will be calculated as follows:

$$\text{Monthly Residual Benefit} = \frac{\text{Loss of Earnings}}{\text{Prior Earnings}} \times \text{Monthly Benefit Amount}$$

If the Loss of Earnings is more than 80% of Prior Earnings, We will deem such loss to be 100%. The Maximum Benefit Period for Residual Disability and Total Disability combined will not exceed the Maximum Benefit Period in the Schedule of Benefits.

TERMINATION OF MONTHLY RESIDUAL BENEFITS

Monthly Residual Benefits will cease to be paid on the date the first of the following events occurs:

1) You are no longer Residually Disabled; or
2) Your Loss of Earnings is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
3) You become Totally Disabled; or
4) the Maximum Benefit Period ends.

In addition to this Endorsement, all other terms, conditions and limitations of this contract apply.

Executed by Petersen International Underwriters, Coverholder at Lloyd's, on:

_____ By:_____

Date W. Harold Petersen, President

RELATION OF EARNINGS TO INSURANCE ENDORSEMENT - 24
SICKNESS AND INJURY TOTAL DISABILITY BENEFITS (TTD)

Attached To and Forming Part of Certificate Number	Effective Date of Endorsement
_____	_____

Certificate Issued To:

_____

This certificate of insurance to which this endorsement is attached is amended as follows:

The Monthly Benefit amount provided by this certificate is stated in section 1 A) of the Schedule of Benefits. The purpose of this endorsement is to provide the insured with the highest monthly disability benefit they qualify for not exceeding sixty-five percent (65%) of the highest twelve (12) consecutive months of earnings over the prior twenty-four (24) months.

The Monthly Benefit amount provided by this insurance shall be an amount, which in total with all other cash disability benefits payable, or collectible, during periods of disability, will not exceed a ratio of sixty-five percent (65%) of the average monthly Earned Income from Your occupation as declared on the declaration page of this certificate.

Should, during the term of this coverage, the ratio ever exceed sixty-five percent (65%) of average monthly Earned Income because of the purchase of additional disability insurance, disability benefits being provided by Your employer, Social Security Disability, State Disability Benefits, or because of a diminished average Earned Income, the benefits paid under this certificate will be adjusted so as not to exceed the sixty-five percent (65%) ratio between benefits and earnings. Should there be a reduction of benefits at claim time, due to the above maximum calculations, the overage premium paid from the inception of this certificate will be returned to you.

To calculate the ratio between Earned Income and cash disability benefits, Earned Income will be calculated as an average of monthly Earned Income for the highest twelve (12) consecutive months out of the last twenty-four (24) month period immediately preceding the date of the first medical attention rendered for the Sickness or Injury that resulted in Your disability, less any time during that twenty-four (24) month period that You may have been disabled for this cause, or another cause, and cash disability benefits will be a compilation of all benefits available to You at the time.

In addition to this endorsement, all other terms, conditions and limitations of this contract apply.

Executed by Coverholder Petersen International Underwriters, Lloyd's Correspondent on:

_____ By_____
Date W. Harold Petersen, President
Lloyd's Correspondent