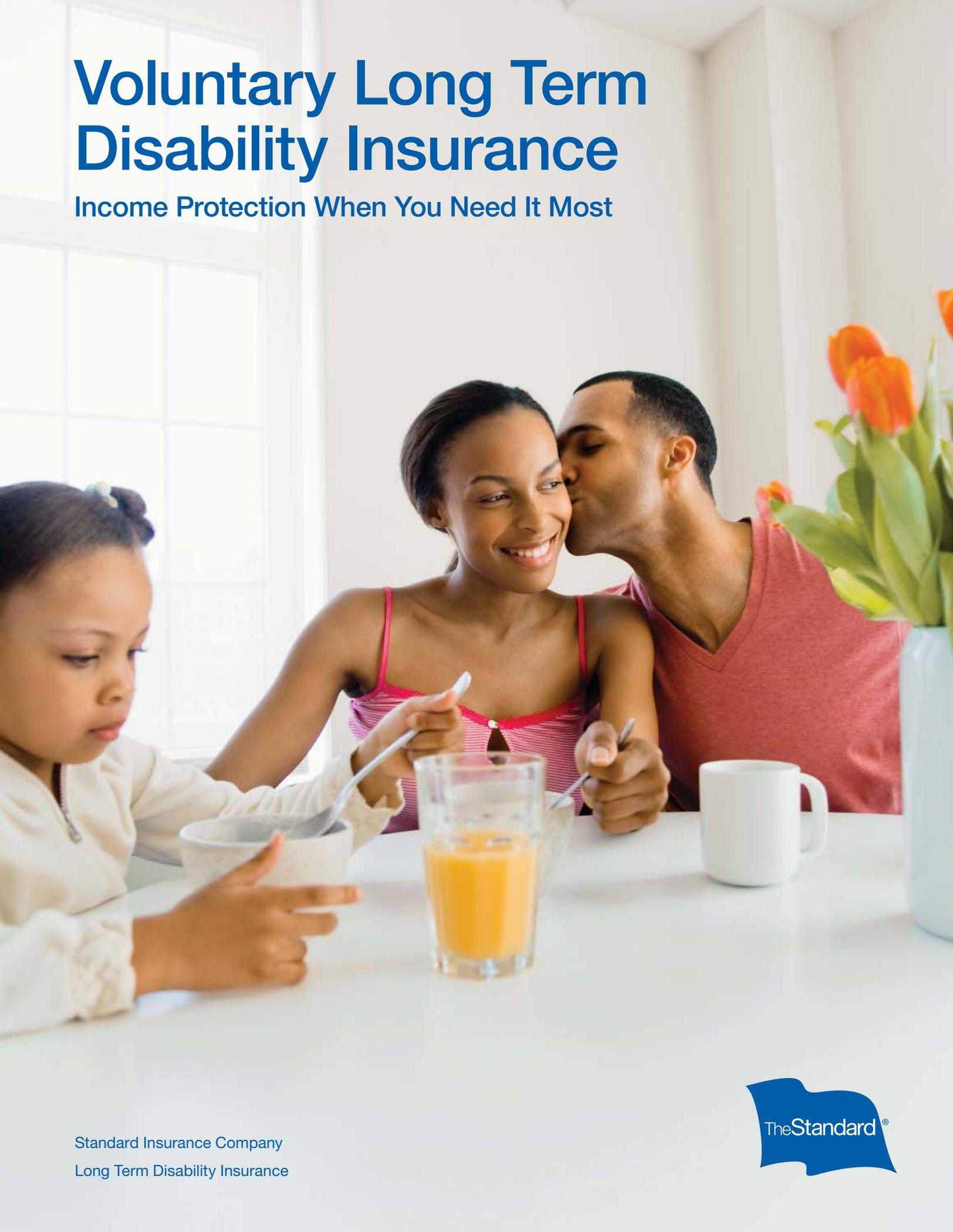


# Voluntary Long Term Disability Insurance

Income Protection When You Need It Most



Standard Insurance Company  
Long Term Disability Insurance



## About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Long Term Disability (LTD) insurance coverage offered to the eligible employees in your company. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, restrictions and terminating events. The controlling provisions will be in the group policy. Neither this booklet nor the certificate modify the group policy or the insurance coverage in any way.

Features of the group Voluntary LTD coverage may vary by state. In addition to this booklet, refer to the Coverage Highlights for more information about the group Voluntary LTD coverage.

## Voluntary Long Term Disability Insurance

Chances are you already purchase home, auto and life insurance to protect yourself against loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and unable to work?

Group Voluntary Long Term Disability (LTD) insurance is designed to pay a monthly benefit to you if you cannot work because of a covered illness or injury. This benefit replaces a portion of your income, helping you meet your financial commitments when you need extra support.

By sponsoring group Voluntary LTD insurance from Standard Insurance Company, your employer offers you an excellent opportunity to help protect yourself and your lifestyle.

### The Advantages To You Include:

**Convenience** – With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.

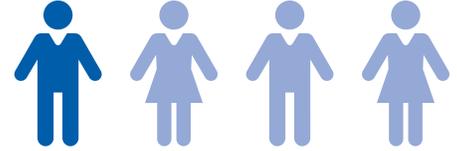
**Peace Of Mind** – You can take comfort and satisfaction in knowing that you have taken a step toward protecting your income and financial well-being during a covered disability.

## Commonly Asked Questions

The following information provides details to give you a better understanding of the group Voluntary LTD insurance available from The Standard. Please also refer to the Coverage Highlights for additional details of the plan.

### What Is The Effective Date Of This Plan?

The effective date of this group Voluntary LTD coverage is dependent upon a minimum number of eligible employees, in your company, applying and qualifying for the coverage. This level of participation has been agreed upon by your employer and The Standard. The group coverage is not effective until the agreed upon participation levels are reached.



Just over 1 in 4 of today's 20-year-olds will become disabled before they retire.\*

\* U.S. Social Security Administration, Fact Sheet Feb. 7, 2013.



## **When Does My Insurance Coverage Become Effective?**

If the minimum participation requirement is met and the group policy goes into effect, then the effective date of your coverage depends on when you become eligible, when you apply and whether you are required to provide evidence of insurability.

If you apply, agree to pay premiums and are NOT required to provide evidence of insurability, your coverage becomes effective on:

- The date you become eligible if you apply on or before that date; or
- The date you apply if you apply within 31 days after you become eligible.

If you apply, agree to pay premiums and ARE required to provide evidence of insurability, your coverage becomes effective on the date The Standard approves your evidence of insurability.

In every case, you must meet an active work requirement before your insurance becomes effective. Refer to the Coverage Highlights and the group policy for additional information.

## **Will I Have To Provide Information Regarding My Medical History?**

The Standard will require you to provide information regarding your medical history, referred to as evidence of insurability, if you:

- Apply more than 31 days after you become eligible for insurance
- Were eligible but not insured under your company's prior group LTD plan, if any
- Terminate your coverage for any reason but later apply to become insured again
- Request to insure predisability earnings above the guarantee issue amount
- Request to insure predisability earnings that are greater than the last amount for which evidence of insurability was required

If you are required to submit evidence of insurability, your coverage becomes effective on the date The Standard approves your evidence of insurability. Contact your human resources department for the Medical History Statement form when evidence of insurability is required.

## When Am I Considered Disabled?

### Own Occupation Period

During the benefit waiting period and the own occupation period, you are considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder, you are unable to perform with reasonable continuity the material duties of your own occupation.

You are not disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license.

### Any Occupation Period

Thereafter, you are considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder, you are unable to perform with reasonable continuity the material duties of any occupation for which you are reasonably fitted by education, training or experience.

### Partial Disability

During the benefit waiting period and the own occupation period, you are considered partially disabled if, as a result of physical disease, injury, pregnancy or mental disorder, you are working and unable to earn the own occupation income level or more. During the any occupation period, you are considered partially disabled if, as a result of physical disease, injury, pregnancy or mental disorder, you are working and unable to earn the any occupation income level or more in that occupation and all other occupations you are able to perform, whether due to education, training or experience.

## How Is The LTD Benefit Amount Calculated?

The LTD benefit amount is determined by multiplying your insured predisability earnings by a specified benefit percentage. This amount is then reduced by other income you receive, or are eligible to receive, while LTD benefits are payable. This other income is referred to as deductible income.

In the following example, the LTD benefit amount is 60 percent of insured predisability earnings. If your monthly earnings (or predisability earnings) before becoming disabled were \$2,000, and you now receive a monthly Social Security disability benefit of \$600 and a monthly benefit of \$200, your monthly LTD benefit would be calculated as follows:

Insured predisability earnings	\$2,000
LTD benefit percentage	<u>        x 60%</u>
	<b>\$1,200</b>
Less Social Security disability benefit	-\$600
Less employer retirement benefit	<u>        -\$200</u>
<b>Amount of LTD benefit</b>	<b>\$400</b>

## **What Is Deductible Income?**

Deductible income is income you receive, or are eligible to receive, while LTD benefits are payable. It includes but is not limited to the following:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation, including donated amounts paid by your employer
- Benefits under any workers' compensation law or similar law
- Amounts under unemployment compensation law
- Social Security disability or retirement benefits, including benefits for your spouse and children
- Disability benefits from any other group insurance
- Disability or retirement benefits under your employer's retirement plan
- Benefits under any state disability income benefit law or similar law
- Earnings or compensation included in your predisability earnings and which you receive, or are eligible to receive, while LTD benefits are payable
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

## **What Are Some Of The Other Features Of This Coverage?**

This LTD coverage has the following features:

- It covers disabilities that occur 24 hours a day, both on and off the job.
- It includes an Employee Assistance Program and WorkLife Services that offer easy access to support, guidance and resources to help you and your family resolve personal issues.<sup>1</sup>
- You make premium payments through payroll deduction.
- If premium payments are made with "after-tax" dollars, LTD benefits are federally tax-free under current federal tax law.
- If your employer makes an approved work-site modification that enables you to return to work while disabled, The Standard will reimburse your employer up to a pre-approved amount for some, or all, of the cost of the modification.
- If you die while LTD benefits are payable, a survivor's benefit equal to three times your unreduced LTD benefit may be payable. Any survivor's benefit payable will first be applied to any overpayment of your claim with The Standard.

## **What Exclusions Apply To This Coverage?**

You are not covered for a disability caused or contributed to by any of the following:

- An intentionally self-inflicted injury
- War or any act of war (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)

<sup>1</sup> Provided only for employers with 10 to 2,499 insured employees. This EAP service is not affiliated with The Standard. The EAP is not an insurance product.

- A preexisting condition or the medical or surgical treatment of a preexisting condition, unless on the date you become disabled you have been continuously insured under the group policy for a specified period of time, and you have been actively at work for at least one full day after the end of the specified period

### **What Is A Preexisting Condition?**

At any time during a specified period just before your insurance becomes effective, a preexisting condition is a mental or physical condition for which you have done any of the following:

- Consulted a physician
- Received medical treatment or services
- Taken prescribed drugs or medications

### **What Plan Limitations Apply To This Coverage?**

LTD benefits are not payable for any period when you are not under the ongoing care of a physician in the appropriate specialty, as determined by The Standard.

In addition, payment of LTD benefits may be limited in duration if your disability is caused or contributed to by mental disorders, alcohol use, alcoholism or drug use.

### **When Does My Insurance Coverage End?**

Insurance ends automatically on the earliest of the following:

- The last day of the last period for which you make a premium contribution (except if premiums are waived while disabled)
- The date your employment terminates
- The date the group policy terminates
- The date you cease to be a member; however, insurance may continue for limited periods under certain circumstances
- If applicable, the date your employer ceases to participate under the group policy

### **How Do I Apply?**

To apply for the group Voluntary LTD insurance coverage, complete the Enrollment Form in your enrollment packet, place it in a confidential envelope and submit it to your human resources department.

You may apply at any time your employer has active group coverage with The Standard, as long as you meet the requirements to become insured; however, if you apply more than 31 days after becoming eligible for the coverage, evidence of insurability is required. Coverage subject to evidence of insurability is not effective until approved by The Standard.





For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Ore., The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to approximately 23,000 groups covering 6 million employees nationwide.\* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about group Voluntary Long Term Disability Insurance from The Standard, contact your human resources department or visit us at [www.standard.com](http://www.standard.com).

\* As of December 31, 2013, based on internal data developed by Standard Insurance Company.

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