

The following guidelines are provided to assist you in determining whether an employee group may qualify for The Standard's Mandatory Guarantee Standard Issue (MGSI) program. These are guidelines only and are not meant to be an exhaustive list of qualifications for the program. The Standard reserves the right to change these guidelines, together with other underwriting requirements, at any time. These guidelines do not constitute any part of an offer of coverage.

## 1. Purpose

The purpose of the MGSI program is to provide guarantee standard issue coverage to all eligible employees in a pre-qualified employee group. Guarantee Standard Issue coverage is *not* available to those employees who:

- have been previously declined for disability insurance coverage by The Standard, or have been declined for disability insurance coverage by any other insurance company in the 12 months prior to the date of application, or
- have a presumptive total disability currently supporting a disability claim, as defined in The Standard's policy, or
- are otherwise disabled at the time of application or policy delivery.

## 2. Products and Benefits Available

This program is available for Protector+<sup>SM</sup> policy. Benefits and riders<sup>1</sup> that may be available are:

- 90, 180, 365 and 730 day waiting periods<sup>2</sup>.
- Two year, five year and to age 66/67 benefit periods.
- Residual Disability Rider<sup>3</sup>, 3% or 6% Indexed Cost of Living Rider<sup>4</sup>, Own Occupation Rider<sup>5</sup>, Noncancelable Rider, Catastrophic Disability Benefit Rider<sup>6</sup>, Amendment of Pre-existing Conditions Limitations Rider and Waiver of Pre-existing Conditions Limitations Rider.

## 3. Number of Lives and Eligible Markets

Minimum of five lives. Minimum of 25 or more professionals with MD or DO designations and concurrent implementation of a new group LTD plan from The Standard. Available to all occupation classes. Mandatory 100% participation required.

## 4. Pre-Approval from The Standard

Written preapproval from The Standard's home office **is required before applications are written**. Complete the online Guarantee Issue Disability Underwriting Request, Form 8041, containing the census and other information requested. The recommended census format can be found in the Excel file "MLIMPOR.CSV" located on your computer's hard drive where the illustration software, provided by The Standard, is installed (usually C:\fipsc\std) on your computer. Data to include in the census are:

- Date of birth
- Annual salary
- Gender
- Annual bonuses
- Specific occupation titles
- State where employee works

## 5. Case Profile Factors

The following features of a case may be considered by The Standard in reaching a decision whether to make an MGSI offer or in determining the terms of the offer:

- Taxability of benefits
- Benefit period
- Dominant occupation type
- Occupation class diversity
- Benefits and riders
- Prior LTD claims experience
- Income replacement percentage
- Geographical locations/residence
- Waiting (elimination) period
- Age distribution
- Joint coverage with The Standard's group disability plans
- Producer control and experience
- Financial stability of the given firm and business sector
- Persistency
- Gender distribution in group
- Employer company organization type (e.g., S-Corp, LLC)

1. Not all riders are available in all states.

2. 730 day period is not available with two or five year benefit period and may not be available in all states.

3. In California the Residual Disability Rider is called the Partial Disability Rider and is mandatory for all Protector+ policies in California.

4. Available for groups of 10 or more eligible lives, requires the Noncancelable Rider and an underlying group LTD plan.

5. Policies with the Own Occupation rider will include a 24 month Mental Disorder/Substance Abuse Limitation Endorsement.

6. Not available in California or Connecticut.

7. Programs with 5-9 lives require the Noncancelable Rider and an underlying LTD plan.

**6. Coverage Amounts and Profile Factors**

- Coverage amounts of an MGSI offer will depend on the features and case profile. The following aspects are also evaluated:
  1. Are 80 percent of the eligible employees age 55 or younger?
  2. Are any employees insured for more than 200% of the average coverage amount of all members?
- All employees within the same occupation class must apply for their maximum eligible benefit up to the maximum GSI benefit amount offered and with the same benefit riders, unless not available.
- The Standard’s usual issue and participation limits based upon occupation class and category will apply unless stated differently in the underwriting offer.
- The Standard’s usual maximum benefit period available, based upon occupation class, will apply.
- The guaranteed monthly benefit amount will coordinate with any individual or group LTD coverage in force, unless stated differently in the underwriting offer.
- Depending on case profile, the following table illustrates the monthly benefit that may be available:

<b>Number of Lives</b>	<b>All occupation classes</b>
5 - 6	up to \$2,000
7 - 9	up to \$2,500
10 - 19	up to \$3,000
20 - 39	up to \$5,000
40 - 74	up to \$8,000
75 - 100	up to \$10,000

EXAMPLE: In a case with seven insurable lives, the highest income earner qualifies for a \$2,500 GI benefit and the second highest qualifies for a \$1,700 GI benefit. The maximum benefit offered on this case would be \$2,000.

**7. Discounts**

For Protector+, a 20% discount is applied from The Standard’s gender-neutral rates.

**8. New Entrants**

After the initial offer, new employees and those who are promoted to an eligible group of employees covered by the program will be considered for coverage based on the program guidelines. Newly eligible employees must complete the MGSI short form application within 45 days (or the dates indicated in the offer letter) of becoming eligible members of the selected group and must meet all current eligibility requirements under the program.

**9. Underwriting**

- To be eligible to participate in this program, employees must have been working on a full-time basis of at least 30 hours per week, and must have been working continuously (for any employer), able to perform all the duties of their regular occupation without limitation due to sickness or injury for the prior six months.
- Smoker and nonsmoker rates apply.
- Gender-neutral rates apply.
- Income verification from the employer is accepted as earnings verification in lieu of separate income documentation from each member.
- If the MGSI program terminates or if an insured employee leaves the employer, employees with in force policies will be able to retain coverage pursuant to the terms and conditions of those policies. Any change or reinstatement requested on such policies will be subject to The Standard's regular underwriting review and requirements.
- The Standard's current Short Form Application for Disability Income Insurance, Form 11360, must be completed for each participant in full, unless a question is specifically waived by underwriting.
- Please take applications on a c.o.d. basis. Conditional Receipts are not be accepted.
- For policies issued under the MGSI program, the employer may not be change such features as occupation class, benefit amount, benefit period, waiting period or additional benefits, except at renewal (see Renewal section below).
- At any time after the first anniversary of the employer's acceptance of the offer, The Standard has the right to terminate the MGSI program for any reason.

**10. Acceptance of Offer**

Written acceptance of the MGSI underwriting offer must be received at The Standard's home office within 45 days of the date of the formal offer letter. All applications must be received at The Standard's home office within 45 days following acceptance of the underwriting offer. If, within this time, completed applications on the minimum number of lives or the minimum percentage of those eligible are not submitted, the offer will, at The Standard's discretion, expire and become void as to all lives in the group and all completed applications received by The Standard will be withdrawn.

**11. Renewal**

- The MGSI offer may be renewed annually, based on an evaluation of the program design, persistency, claims history and overall program success. However, The Standard is not required to renew the MGSI offer or to offer any future adjustments to existing policies under the program.
- To consider modifications to the program after the first year, a current census and verification of all information submitted at the time of the original request must be received for review by The Standard at least 90 days before the program anniversary date.
- When the MGSI program with an Annual Benefit Increase (ABI) option is renewed, increases are applied by The Standard for existing participants and new eligible employees. ABI amounts will be effective on the anniversary date of the program and are subject to the policy's terms and conditions, The Standard's Issue and Participation Limits, according to each case's design, and application requirements.