

# Group Voluntary Long Term Disability Insurance

Answers To Your Questions About Coverage From The Standard



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

## Group Voluntary Long Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of 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?

Long Term Disability (LTD) insurance is designed to pay a monthly benefit to you in the event you cannot work because of a covered illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group Voluntary LTD insurance from The Standard, 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 do not 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 securing your income during a period of a covered disability.

### Commonly Asked Questions

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

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

The effective date of this 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.

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 a member, when you apply and whether you are required to provide evidence of insurability.

If you are not required to provide evidence of insurability and you apply and agree to pay premiums, 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 are required to provide evidence of insurability and you apply and agree to pay premiums, 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.

#### What Is The Active Work Requirement?

Active work means performing with reasonable continuity the material duties of your own occupation at your employer's usual place of business. You must be capable of active work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled.

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

The Standard may 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, and
- You suffer a loss of at least 20 percent of your indexed predisability earnings when working in 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 which you are able to perform, whether due to education, training or experience:

- Which is available at one or more locations in the national economy, and
- In which you can be expected to earn at least 60 percent of your indexed predisability earnings within 12 months following your return to work, regardless of whether you are working in that or any other occupation.

## 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, your monthly LTD benefit would be calculated as follows:

Insured predisability earnings	\$2,000
LTD benefit percentage	x 60%
	<hr/>
	\$1,200
Less Social Security disability benefit <sup>1</sup>	- 600
Amount of LTD benefit	<hr/>
	\$600

## 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 from work activity while you are disabled, plus the earnings you could receive if you worked as much as you are able to considering your disability
- Earnings or compensation included in your predisability earnings and which you receive or are eligible to receive while LTD benefits are payable
- Amounts due from or on behalf of a third party because of your disability, whether by judgment, settlement or other method
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

<sup>1</sup> The Social Security benefit amount (and other figures used) is for example only. A disabled employee must make application for applicable Deductible Income with that income source.

## 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 to offer support, guidance and resources to help you and your household members resolve personal issues<sup>2</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
- While LTD benefits are payable, you may qualify to participate in a rehabilitation plan that prepares you to return to work (if you qualify, The Standard may pay for return to work expenses you incur, such as job search, training and education and family-care expenses)
- If you die while LTD benefits are payable, and on the date you die you have been continuously disabled for at least 180 days, a survivors benefit equal to three times your unreduced LTD benefit may be payable (any survivors benefit payable will first be applied to any overpayment of your claim due to The Standard)

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

<sup>3</sup> For Colorado and Missouri residents, "insane" is not applicable.



## What Exclusions Apply To This Coverage?

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

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot
- An intentionally self-inflicted injury, while sane or insane<sup>3</sup>
- War or any act of war (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- The loss of your professional or occupational license or certification
- 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 whether or not diagnosed or misdiagnosed:

- For which you or a reasonably prudent person would have consulted a physician or other licensed medical professional; received medical treatment, services or advice; undergone diagnostic procedures, including self-administered procedures; or taken prescribed drugs or medications;
- Which, as a result of any medical examination, including routine examination, was discovered or suspected.



### What 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
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your disability prevents you from participating
- Confined for any reason in a penal or correctional institution
- Able to work and earn at least 20 percent of your indexed predisability earnings, but you elect not to work (during the first 24 months after the end of the benefit waiting period the responsibility to work is limited to work in your own occupation; thereafter, the responsibility to work includes work in any occupation)

In addition, payment of LTD benefits is limited in duration in the following situations:

- You reside outside of the United States or Canada
- Your disability is caused or contributed to by mental disorders, substance abuse or other limited conditions, including but not limited to chronic fatigue conditions, allergy or sensitivity to chemicals or the environment, chronic pain conditions, carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder or craniomandibular joint disorder<sup>4</sup>

<sup>4</sup> Limitations for mental disorders and substance abuse do not apply to Vermont situated contracts.

### When Does My 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 (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 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 can apply at any time. 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, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to nearly 23,000 groups covering more than 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 The Standard, visit us at [www.standard.com](http://www.standard.com). For more information about group Voluntary LTD insurance from The Standard, contact your human resources department.

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

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[www.standard.com](http://www.standard.com)

GP190-LTD/S399, GP399-LTD/TRUST, GP899-LTD,  
GP209-LTD, GP608-LTD, GP190-LTD/ASSOC/S399,  
GP190-LTD/TRUST/S399, GP491-LTD/TRUST/S399

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