



The Standard®  
Positively different.



## Group Long Term Disability Insurance

STATE OF ARIZONA

ACTIVE MEMBERS WHO PARTICIPATE IN THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM, ELECTED OFFICIALS' RETIREMENT PLAN, CORRECTIONS SERVICE OFFICER RETIREMENT PLAN, OPTIONAL RETIREMENT PLANS OF THE UNIVERSITIES, JUDGES PRO TEMPORE AND OTHER QUALIFYING MEMBERS

Answers to your questions about coverage from Standard Insurance Company



STANDARD INSURANCE COMPANY

## About This Booklet

This booklet is designed to answer some common questions about the group Long Term Disability (LTD) insurance coverage provided to eligible participants of the State of Arizona who participate in certain State of Arizona retirement programs.

It is not intended to provide a detailed description of the coverage. If you become insured, you may access a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events at [www.standard.com/mybenefits/arizona](http://www.standard.com/mybenefits/arizona). The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your Benefit Liaison or visit [www.standard.com/mybenefits/arizona](http://www.standard.com/mybenefits/arizona) or call **866.440.4846**.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.



The Standard®  
Positively different.

# Group Long Term Disability Insurance Features

## Commonly Asked Questions

The following information provides details to give you a better understanding of group LTD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

### Am I eligible for this coverage?

To be a *member* and eligible for LTD insurance coverage, you must be:

- An active full-time employee (as defined by Arizona Administrative Code R2-5-416) who is *actively at work* at least 20 hours each week, and is a member of the:
  1. Public Safety Personnel Retirement System
  2. Elected Officials' Retirement Plan
  3. Corrections Service Officer Retirement Plan
  4. Optional Retirement Plans of the Universities (AIG, VALIC, Aetna, Fidelity Investments, TIAA-CREF and Vanguard); or
- A Judge Pro Tempore; or
- An employee participating in a medical residency program or postdoctoral scholar program who is *actively at work* at least 20 hours each week; or
- A Cooperative Extension employee on federal appointment who by statute is not entitled to a pension and is not on a per diem basis, who is *actively at work* at least 20 hours each week.

A *member* does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

**Note:** You must be a citizen or resident of the United States or Canada to be eligible for coverage.

### When does my insurance go into effect?

Subject to the *active work* requirement, your coverage becomes effective on the date you become eligible.

### What is the active work requirement?

*Active work* means performing 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. If you are not *actively at work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of *active work* as an eligible *member*.

### When do LTD benefits become payable?

If you become *disabled* and your claim for LTD benefits is approved by The Standard, LTD benefits become payable after you have been continuously *disabled* for the longer of:

1. The period of any accumulated sick leave to which you are entitled under the *employer's* sick leave program (including any donated amounts); or
2. 180 days.

You must remain continuously *disabled*. LTD benefits are not payable during this *benefit waiting period*.

## When am I considered disabled?

During the *benefit waiting period* and the *own occupation* period, which is the first 24 months for which LTD benefits are paid, you are *disabled* if you meet the *own occupation definition of disability* or the *partial plus disability definition*.

***Own Occupation Definition of Disability:*** 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*.

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

During the *own occupation* period you may work in another occupation while you meet the *own occupation definition of disability*. However, you will no longer be *disabled* when your *work earnings* from another occupation meet or exceed 80% of your *indexed predisability earnings*. Your *work earnings* may be *deductible income*.

***Any Occupation Definition of Disability:*** After 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 *any occupation* that you are able to perform, whether due to education, training or experience:

- Which is available within a reasonable driving distance, 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. Considerations will include:
  1. Number of positions available
  2. Frequency of availability
  3. Number of qualified applicants

Sheltered work environments will not be a consideration.

***Partial Plus Disability Definition:*** During the *benefit waiting period* and the *own occupation period*, you are *partially disabled* when you work in your *own occupation* or any other occupation, but as a result of *physical disease, injury, pregnancy* or *mental disorder* you are unable to earn 80% or more of your *indexed predisability earnings*, in that occupation.

During the *any occupation period*, you are *partially disabled* when you work in an occupation but, as a result of *physical disease, injury, pregnancy* or *mental disorder*, you are unable to earn 80% or more of your *indexed predisability earnings*, in that occupation and in all other occupations for which you are reasonably fitted by education, training and experience.

## How much is the LTD benefit amount?

Your monthly *LTD benefit* is 66 2/3 percent of your insured *predisability earnings* reduced by *deductible income*. The plan minimum and maximum *LTD benefit* amounts are shown below.

| Plan maximum monthly <i>LTD benefit</i> | Plan minimum monthly <i>LTD benefit</i>   |
|---|---|
| \$10,000                                | \$100 or 10% of your <i>LTD benefit</i> before reduction by <i>deductible income</i> , whichever is greater |

## How is the LTD benefit amount calculated?

The *LTD benefit* amount is determined by multiplying your insured *predisability earnings* by the Plan's 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 example below, the *LTD benefit* amount is 66 2/3 percent of insured *predisability earnings*. If your monthly earnings (or *predisability earnings*) before becoming *disabled* were \$3,000 and you now receive a monthly Social Security disability benefit of \$600, your monthly *LTD benefit* would be calculated as follows:

|   |                 |
|---|-----------------|
| Insured <i>predisability earnings</i> .....   | \$3,000         |
| <i>LTD benefit</i> percentage .....           | x 66 2/3%       |
| .....   | \$2,000         |
| Less Social Security disability benefit ..... | - 600           |
| <b>Amount of <i>LTD benefit</i></b> .....     | <b>\$ 1,400</b> |

## What are predisability earnings?

*Predisability earnings* are your monthly rate of earnings from your *employer* and typically include:

- Base salary
- Contributions you make through a salary reduction agreement with your *employer* to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

*Predisability earnings* exclude bonuses, commissions, overtime pay, shift differential pay, your *employer's* contribution to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on the last full day of *active work*. Please contact your Benefit Liaison for additional information regarding what is included in *predisability earnings*.

### What is deductible income?

*Deductible income* is income you receive or are eligible to receive while LTD benefits are payable. It is used to reduce the amount of your *LTD benefit* and includes, but is not limited to, the following:

- 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*
- Benefits under any workers' compensation law or similar law
- Social Security disability or retirement benefits, including benefits payable to your *spouse/domestic partner* and your children under age 18
- Disability or retirement benefits under the retirement system in which you are participating through your employment with the State of Arizona on the date you become *disabled*
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

### What is the maximum benefit period?

If you become *disabled* before age 62, LTD benefits may continue during *disability* until you reach age 65 or 3 years 6 months, if longer. If you become *disabled* at age 62 or older, the benefit duration is determined by your age when *disability* begins, as shown in the table below.

| Age when <i>disability</i> begins | Maximum benefit period |
|-----------------------------------|------------------------|
| 62 .....                          | 3 years 6 months       |
| 63 .....                          | 3 years                |
| 64 .....                          | 2 years 6 months       |
| 65 .....                          | 2 years                |
| 66 .....                          | 1 year 9 months        |
| 67 .....                          | 1 year 6 months        |
| 68 .....                          | 1 year 3 months        |
| 69 and above.....                 | 1 year                 |

### When do LTD benefits end?

LTD benefits end automatically on the earliest of:

- The date you are no longer *disabled*
- The date your *maximum benefit period* ends
- The date you die
- The date benefits become payable under any other LTD plan under which you become insured through employment during a period of *temporary recovery*
- The date you fail to provide proof of continued *disability* and entitlement to benefits

### 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.
- 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.
- When your insurance ends, you may be able to buy LTD conversion insurance. If you qualify, the maximum LTD conversion benefit you may select is the smallest of:
  1. \$4,000 (\$8,000 with satisfactory evidence of insurability);
  2. 60% of your insured *predisability earnings* on the date your insurance ended; and
  3. the *LTD benefit* payable if you had become disabled on the day before your insurance ended and you had no *deductible income*
- 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.
- If the *group policy* terminates, LTD benefits will continue as long as you are eligible to receive them.
- Insurance continues during school or legislative breaks and vacations and approved leaves of absence.

### 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
- *War* or any act of *war* (declared or undeclared, whether civil or international, 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 the 12-month *exclusion period* and *actively at work* for at least one full day after the end of the *exclusion period*

### What is a preexisting condition?

A *preexisting condition* is a mental or physical condition, whether or not diagnosed or misdiagnosed:

- Which was discovered or suspected as a result of any routine or other medical examination at any time during the *preexisting condition period*; or
- For which you have (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 at any time during the *preexisting condition period*.

The *preexisting condition period* is the 90-day period just before your LTD insurance becomes effective.

## 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 *own occupation 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:

- To 12 months for each period of continuous *disability* while you reside outside of the United States or Canada; and
- To 24 months in your entire lifetime for a *disability* caused or contributed to by *mental disorders* or *substance abuse*, or medical or surgical treatment of *mental disorders* or *substance abuse*.

## When does my LTD insurance coverage end?

LTD insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium contribution was made for your insurance (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 as described in the *group policy*

## If my LTD insurance ends, may I continue my insurance coverage?

If your LTD insurance ends, you may have a right to buy LTD conversion insurance. You must apply in writing for conversion and pay the required premium within 31 days after your insurance ends. Please refer to your Certificate of Insurance for further details regarding LTD conversion insurance.

## What if I have additional questions?

If you have any additional questions, please contact your Benefit Liaison or visit [www.standard.com/mybenefits/arizona](http://www.standard.com/mybenefits/arizona) or call 866.440.4846.

## Standard Insurance Company

State of Arizona has chosen Standard Insurance Company to provide group LTD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for LTD insurance in a time of need. Talk with your Benefit Liaison for more information about group LTD insurance from The Standard.



TheStandard®  
Positively different.

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204  
[www.standard.com](http://www.standard.com)

A subsidiary of StanCorp Financial Group, Inc.