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## Voluntary Short Term Disability Insurance

FOR EMPLOYEES OF EMPLOYERS PARTICIPATING IN THE  
WASHINGTON COUNTIES INSURANCE FUND

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 Voluntary Short Term Disability (STD) insurance coverage being offered by Washington Counties Insurance Fund to participating *employers* with eligible employees. It is not intended to provide a detailed description of the coverage.

If you become insured, you will receive a web link to a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations and terminating events. 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 human resources representative.

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



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# Voluntary Short 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?

STD insurance is designed to pay a weekly 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 STD 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.
- **Savings.** Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.
- **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 *disability*.

## Commonly Asked Questions

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

### Do I need STD insurance?

If you are not certain that you need STD coverage, consider if you would be able to meet your financial obligations if you became *disabled* and unable to work for an extended period of time. The risk of *disability* may be greater than you think. Recent statistics show:

- A disabling injury occurs every 1.3 seconds - on and off the job. That's over 63,000 every day, more than 23 million every year. (Source: National Safety Council, *2005-2006 Injury Facts*)
- Three in 10 workers entering the workforce today will become disabled before retiring. (Source: Social Security Administration, *Fact Sheet 2007*)
- Over 6.8 million workers are receiving Social Security disability benefits; almost half are under age 50. (Source: Social Security Administration, *Fact Sheet 2007*)

If you depend on your regular paycheck to pay your bills, what would happen if you became sick and couldn't work? Voluntary STD insurance from The Standard may be part of the solution.

## Am I eligible for this coverage?

To be a *member* and eligible for the Voluntary STD insurance coverage, you must be:

- An active elected official or regular employee of an *employer* participating in the Washington Counties Insurance Fund, excluding temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors
- *Actively at work* at least 20 hours each week (does not apply to elected officials)
- A citizen or resident of the United States or Canada

## When does my insurance go into effect?

The effective date of your coverage depends on when you become an eligible *member*, when you apply and whether you are required to provide *evidence of insurability*.

If you are **not** required to provide *evidence of insurability*, your Voluntary STD 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*, your Voluntary STD coverage becomes effective on the date The Standard approves your *evidence of insurability*.

In every case, you must apply, agree to pay premiums, and meet the 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. 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 1 full day of *active work* as an eligible employee.

## 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
- Terminate your STD coverage for any reason but later apply to become insured again
- Apply for the 180 day *maximum benefit period* option if you are currently insured for the 90-day MBP option.

Contact your human resources department for a Medical History Statement when *evidence of insurability* is required. In some cases, we may request additional medical information or a physical exam.

## When am I considered disabled?

During the *benefit waiting period* and to the end of the *maximum benefit 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. You may work in another occupation while you are *disabled* from your *own occupation*, however, you will not be considered *disabled* when your *work earnings* from another occupation exceed 80 percent of your *predisability earnings*.

## When do STD benefits become payable?

If you become *disabled* and your claim for *STD benefits* is approved by The Standard, *STD benefits* become payable after the *benefit waiting period*. This is a specified number of days during which you must remain continuously *disabled*. *STD benefits* are not payable during the *benefit waiting period*. The *benefit waiting period* is shown below.

<b>Cause of Disability</b>	<b>Benefit Waiting Period</b>
Accidental <i>injury</i> . . . . .	30 days
<i>Physical disease, pregnancy or mental disorder</i> . . . . .	30 days

## How much is the STD benefit amount?

Your weekly *STD benefit* is 60 percent of your insured *predisability earnings* reduced by *deductible income*. The plan minimum and maximum *STD benefit* amounts are shown below.

<b>Plan maximum weekly STD benefit</b>	<b>Plan minimum weekly STD benefit</b>
\$ 1,000	\$15

## How is the STD benefit amount calculated?

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

In the example below, the *STD benefit* amount is 60 percent of your insured *predisability earnings*. If your weekly earnings (*predisability earnings*) before becoming *disabled* were \$500 and you now receive a weekly state disability benefit of \$50, your weekly *STD benefit* would be calculated as follows:

Insured <i>predisability earnings</i> . . . . .	\$500
<i>STD benefit</i> percentage . . . . .	x 60%
	\$300
Less state disability income benefit . . . . .	- \$50
Amount of <i>STD benefit</i> . . . . .	\$250

## What are predisability earnings?

*Predisability earnings* means your weekly rate of earnings from your *employer* and typically includes:

- Salary
- Shift differential pay
- 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* generally exclude bonuses, commissions, overtime pay, your *employer's* contributions on your behalf to a deferred compensation arrangement or pension plan and any other extra compensation. They are based on your earnings in effect on your last full day of *active work*. Please contact your human resources representative 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 *STD benefits* are payable. It may reduce the amount of your *STD benefit*. It includes, but is not limited to, the following:

- Amounts under any unemployment compensation law, state disability income benefit law or similar law
- Any amount you receive or are eligible to receive because of your disability under another group insurance coverage
- Disability or retirement benefits under your *employer's* retirement plan
- Earnings from work activity while you are *disabled*, plus the earnings you could receive, if you worked as much as you are able considering your *disability*
- Earnings or compensation included in your *predisability earnings* that you receive or are eligible to receive while *STD benefits* are payable
- Amounts you receive or are eligible to receive from or on behalf of a third party because of your *disability*
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above, whether disputed or undisputed

## What is the maximum benefit period (MBP)?

The maximum benefit period is the maximum period for which *STD benefits* are payable for any one period of continuous *disability*. If you become *disabled*, *STD benefits* may continue during *disability* for up to 90 days or 180 days. If you are insured for the Buy-up LTD plan with The Standard through your *employer*, you will be eligible for the 90 day maximum benefit period option\*. If you do not have the Buy-up LTD plan, you may choose 90 or 180 days for your STD maximum benefit period.

\* If you receive benefits under any long term disability plan, your *STD benefits* will end, even if this occurs before the end of the *maximum benefit period* for *STD benefits*.

## When do STD benefits end?

*STD 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 disability plan under which you become insured through employment during a period of *temporary recovery*
- The date long term disability (LTD) benefits become payable to you under a group plan provided by your *employer*
- The date you fail to provide proof of continued *disability* and entitlement to STD benefits

## What are some of the other features of this coverage?

This STD coverage has the following features:

- Your premium payments are made with “after-tax” dollars, so *STD 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 the *group policy* terminates, *STD benefits* will continue as long as you are eligible to receive them.

## What exclusions apply to this coverage?

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

- Your involvement in any employment for wage or profit
- 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, and any substantial armed conflict between organized forces of a military nature)
- The loss of your professional or occupational license or certification

## What limitations apply to this coverage?

*STD 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* in your *own occupation*, but you elect not to work
- Receiving sick leave pay, annual or personal leave pay or other salary continuation, including donated amounts from your *employer*

## When does my Voluntary STD insurance coverage end?

The Voluntary STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution
- 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*
- The date your *employer* ceases to participate under the *group policy*

## How much will the Voluntary STD coverage cost?

The monthly premium rates for the group Voluntary STD coverage are shown below.

Monthly Earnings*	Option 1 (90 day MBP)	Option 2 (180 day MBP)
Under \$1,000	\$9.30	\$10.80
\$1,000 through \$1,499	\$10.30	\$12.30
\$1,500 through \$1,999	\$11.30	\$14.80
\$2,000 through \$2,499	\$12.80	\$16.80
\$2,500 through \$2,999	\$14.30	\$19.30
\$3,000 through \$3,499	\$15.30	\$20.80
\$3,500 through \$3,999	\$16.30	\$23.30
\$4,000 through \$4,499	\$17.80	\$25.30
\$4,500 through \$4,999	\$18.80	\$26.80
\$5,000 through \$5,499	\$19.80	\$28.80
\$5,500 through \$5,999	\$21.30	\$30.80
\$6,000 through \$6,499	\$22.30	\$32.80
\$6,500 through \$6,999	\$23.80	\$34.80
\$7,000 or over	\$24.80	\$37.30

\* Monthly Earnings means 4.333 times your *predisability earnings*, calculated as of the preceding January 1, or the date you become insured, whichever is later.

Premiums for the Voluntary STD coverage will be deducted directly from your paycheck. If you have questions regarding how to determine your monthly earnings, please contact your human resources representative.

## How do I apply for Voluntary STD insurance coverage?

You may apply for Voluntary STD insurance during open enrollment, but remember if you apply more than 31 days after becoming eligible, satisfactory *evidence of insurability* is required. Coverage subject to *evidence of insurability* is not effective until approved by The Standard.

## What if I have additional questions?

If you have any additional questions, please contact your human resources representative.

## About Standard Insurance Company

Your *employer* has chosen Standard Insurance Company to provide group Voluntary STD 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 Voluntary STD insurance in a time of need. Talk with your *employer's* human resources representative for more information about group Voluntary STD insurance from The Standard.



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