



The Standard®
Positively different.



SMA Services, Inc.
A subsidiary of The Southern Medical Association

Group Life and Accidental Death and Dismemberment (AD&D) Insurance

FOR SOUTHERN MEDICAL ASSOCIATION - PHYSICIANS

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 Life and Accidental Death and Dismemberment (AD&D) insurance coverage being offered by SMA Services, Inc. to eligible members or associate members of Southern Medical Association. It is not intended to provide a detailed description of the coverage.

If you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions 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 modify the *group policy* or the insurance coverage in any way. If you have additional questions, please contact SMA Services, Inc.

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



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Group Life and Accidental Death and Dismemberment (AD&D) Insurance Features

The time you spend with your family is priceless, and you wouldn't trade those special moments together for anything in the world. But what would happen if you suddenly died?

Would they have the funds to pay bills, your home mortgage, burial and funeral expenses? Would they be able to live on one income and maintain their current lifestyle? What about medical expenses associated with a terminal illness? Would your family be financially prepared? By sponsoring group Life and AD&D insurance from Standard Insurance Company, SMA Services, Inc. offers you an excellent opportunity to help protect your loved ones.

The advantages to you and your family include:

Choice

You decide how much coverage you need from the range of amounts available.

Flexibility

If your needs change, you can request to change the amount of coverage. Increases in coverage require *evidence of insurability*.

Peace of Mind

You can take comfort and satisfaction in knowing that you have done something positive for your family's future.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Life and AD&D insurance available from The Standard.

Am I eligible for this coverage?

To be a *member* and eligible for the group Life and AD&D coverage, you must be:

- An active member or associate member, under age 65, in good standing of Southern Medical Association, excluding temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors
- Regularly working at least 30 hours per week at time of initial application.

For your *spouse* or *dependent* to be eligible for coverage, they must not be full-time members of the armed forces of any country.

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*, if you apply and agree to pay premiums, your group Life coverage becomes effective on:

- Coverage becomes effective on the 1st of the month following the date the application is received, if *evidence of insurability* is not required, or 1st of the month following the date *evidence of insurability* is approved if *evidence of insurability* is required.
- The date you apply if you apply within 31 days after you become eligible.

If you apply and agree to pay premiums, your AD&D coverage becomes effective on:

- Coverage becomes effective on the 1st of the month following the date the application is received, if *evidence of insurability* is not required, or 1st of the month following the date *evidence of insurability* is required.
- 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 group Life coverage becomes effective on the first of the month following the date The Standard approves your *evidence of insurability*.

In every case, you must 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 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 including Dependents insurance, your insurance will not become effective until the day after you complete one day of *active work* as an eligible employee.

How much coverage may I get for myself?

You may elect group Life coverage in units of \$50,000, to a maximum of \$1,000,000, and in units of \$250,000 from \$1,000,000 to \$2,000,000. If you want to become insured for an amount of Life greater than the *guarantee issue amount* of \$150,000, you must provide satisfactory *evidence of insurability*. All late applications and requests for coverage increases also require you to provide satisfactory *evidence of insurability*.

How much coverage may I get for my spouse and children?

Coverage for your spouse is available in units of \$25,000 to a maximum of \$500,000, but not to exceed 50 percent of your group Life coverage. If you want your *spouse* to become insured for an amount of Life greater than the *guarantee issue amount* of \$25,000 you must provide satisfactory *evidence of insurability*.

You may also elect \$7,500 of Dependents Life insurance for your eligible *children*.

Will I have to provide information regarding my medical history?

If you apply for group Life insurance within 31 days of becoming eligible to apply and meet the *active work* requirement, you will automatically qualify for up to a set amount of insurance coverage called the *guarantee issue amount*. This means that you will not have to answer medical questions to purchase coverage up to this amount.

If you apply more than 31 days after becoming eligible to apply or if you determine that you need more insurance than the *guarantee issue amount*, satisfactory *evidence of insurability* is required. You will need to complete and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

Evidence of insurability is also required for reinstatement of terminated coverage and for *members* eligible but not insured under prior life insurance plans.

What is the Accidental Death and Dismemberment (AD&D) choice?

This program also includes AD&D insurance from The Standard. With group Life and AD&D insurance, you, your spouse or your *beneficiaries* may be eligible to receive an additional benefit. You may elect group AD&D coverage for yourself in units of \$50,000, to a maximum of \$1,000,000, and in units of \$250,000 from \$1,000,000 to \$2,000,000. Coverage for your spouse is available in units of \$25,000 to a maximum of \$500,000, but not to exceed 50 percent of your group AD&D coverage.

The amount of the *AD&D insurance benefit* for *loss* of life is equal to the amount of AD&D coverage elected. The amount of the *AD&D insurance benefit* for other covered *losses* is a percentage of the amount of AD&D coverage elected, as shown below:

Type of Loss	Percentage Payable
Hand or foot	50%
Sight in one eye	50%
Two or more of the <i>losses</i> listed above	100%
Life	100%

The *loss* must occur due to an accident and independently of all other causes, within 365 days after the accident. *Loss* of life must be evidenced by a certified copy of the death certificate. All other *losses* must be certified by a *physician* in the appropriate specialty as determined by us.

How much coverage do I need?

It can be difficult to determine the amount of life insurance you need. Each family has its own unique set of circumstances, combined with needs that may arise with the unexpected loss of life. Use the worksheet on the following page to calculate the amount of life insurance coverage you may need. The final total is the amount of Life insurance you might want to consider applying for to meet your obligations. Once you determine how much coverage you need, complete the Enrollment Form within your enrollment packet and submit it to SMA Services, Inc.

Life Insurance Worksheet

Immediate Needs

Medical and hospital expenses

You

\$ _____

Your Spouse

\$ _____

Funeral/Burial expenses

Taxes:

Federal and state income taxes

Property taxes

Federal and state estate taxes

Loans/Debts requiring payment upon death

Long Term Needs

Mortgage

\$ _____

\$ _____

Debts (credit cards, car and student loans, etc.)

Educational/Vocational fund

Childcare expenses

Emergency fund for unforeseen expenses

Income Replacement

Consider the income needed to support your family and the number of years that they may need that support.

\$ _____

\$ _____

Total Income Needs

Add together all of the above.

\$ _____

\$ _____

Available Resources

Existing life insurance coverage

\$ _____

\$ _____

Other assets such as 401(k), stocks, bonds, etc.

Total Available Resources

Add together all of your available resources.

\$ _____

\$ _____

Total Life Insurance Needed

Subtract the amount of your total available resources from your total income needs.

\$ _____

\$ _____

How are benefits paid?

For benefit amounts less than \$10,000, The Standard issues a check to each designated *beneficiary*. The Standard pays amounts of \$10,000 or more to each designated *beneficiary* by depositing funds into Standard Secure Access — a convenient, no fee, interest-bearing draft account.

With Standard Secure Access, each *beneficiary* receives a personalized checkbook and has complete control of the account. *Beneficiaries* can write checks as needed or for the full amount. This arrangement allows *beneficiaries* to earn competitive interest rates on their benefits while they take the necessary time to consider financial decisions and evaluate their choices.

Will insurance benefits be reduced as I grow older?

On the March 31, June 30, September 30 or December 31 immediately following the date you or your Spouse reach age 65, the amount of insurance for you or your Spouse will be reduced by 35%. On the March 31, June 30, September 30 or December 31 immediately following the date you or your Spouse reach age 70, insurance will terminate.

What happens if I become totally disabled and can't work?

The Standard may continue your group Life insurance without payment of premium if you are insured under the *group policy* and:

- You are regularly working at least 30 hours each week
- Are under the age of 60
- Become *totally disabled* or receive an *Accelerated Benefit*
- Complete the *waiting period* of 180 days
- Provide The Standard with satisfactory proof of loss

The amount of insurance continued under the *Waiver of Premium* provision will be reduced or terminated according to the *group policy*. *Waiver of Premium* does not apply to AD&D insurance.

What happens if I become terminally ill?

Under the *Accelerated Benefit* provision, you may be eligible to receive up to 75 percent, or a maximum of \$500,000, of your group Life insurance coverage if you become terminally ill, have a life expectancy of less than 12 months and meet other eligibility requirements.

This benefit allows you to use the proceeds as you desire — whether to cover medical expenses or to maintain your quality of life. The amount of Life insurance payable upon your death is reduced by the *Accelerated Benefit* paid and an interest charge. However, to help protect your *beneficiaries*, The Standard will pay at least 10 percent of the original Life coverage amount at that time even if interest charges on the accelerated amount would have exhausted the remaining benefits over time.

Are there any other benefits with the group Life and AD&D coverage from The Standard?

The Standard pays an additional benefit, the *Repatriation Benefit*, if you die more than 200 miles from your primary place of residence. The Standard will pay for expenses, up to a benefit maximum, incurred to transport your body to a mortuary near your primary place of residence.

The AD&D coverage includes the following additional benefits when an *AD&D insurance benefit* is payable:

Seat Belt Benefit

The *Seat Belt Benefit* provision provides an additional benefit in the event you die as a result of an *automobile* accident and you were properly wearing and using a *seat belt system*.

Family Benefits Package

The Family Benefits Package includes the *Child Care Benefit*, *Higher Education Benefit* and *Career Adjustment Benefit*. It provides your eligible family members with additional financial help for childcare, college or career training.

What are the exclusions for Life and AD&D Insurance?

Life insurance includes an exclusion for death resulting from suicide or other intentionally self-inflicted injury while sane or insane. The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death.

AD&D insurance benefits are not payable for death or dismemberment caused or contributed to by:

- *War* or act of *war*, declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Suicide or other intentionally self-inflicted *injury* while sane or insane
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- Voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a *physician*
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above

When does coverage end?

Group Life coverage ends automatically on the earliest of the following:

- The date the last period ends for which a premium was paid for your Life insurance (except if premiums are waived while *totally disabled*, if applicable)
- The date your employer's participation under the *group policy* terminates
- The date the *group policy* terminates
- The date you cease to be an active member or associate member in good standing of Southern Medical Association

Dependents Life coverage for your *spouse* and *children* ends automatically on the earliest of the following:

- Five months after the date you die
- The date your Life insurance ends
- The date the Dependents Life insurance terminates under the *group policy*
- The date the last period ends for which a premium was paid for your Dependents Life insurance
- When the *dependent* ceases to be an eligible *dependent*
- For your *spouse*, the date of your divorce or legal separation
- For a *child* who is *disabled*, 90 days after we mail you a request for proof of *disability*, if proof is not given

AD&D insurance for you and your *spouse* will automatically end on the earliest of the following:

- The date the last period ends for which a premium was paid
- The date your employer's participation under the *group policy* terminates
- The date the *group policy* terminates
- The date you cease to be an active member or associate member in good standing of Southern Medical Association
- For your *spouse*, the date your Dependents AD&D insurance ends
- For your *spouse*, the date of your divorce or legal separation

If my group Life and AD&D insurance ends or reduces, may I convert to an individual policy?

If your group Life insurance from The Standard ends or reduces for any reason other than failure to pay premiums, the *Right to Convert* provision allows you to convert your Life coverage to certain types of individual life insurance policies without having to provide *evidence of insurability*. You must apply for conversion and pay the required premium within 31 days after group coverage ends or reduces. AD&D coverage may not be converted under this provision.

How do I apply for group Life and AD&D insurance coverage?

Determine how much coverage you need, and then complete your Group Life and AD&D Insurance Enrollment Form. SMA Services, Inc.* can answer any questions you may have about the enrollment process.

*SMA Services, Inc. as administrators for the Southern Medical Association's sponsored Group Insurance Program, is a wholly owned subsidiary of SMA.

What coverages are available for my Employees?

Your employees are a vital part of your practice and are offered a benefits package that shows your dedication to their well being. The SMA sponsored employee benefits package has been designed after discussions with physicians and employees about their needs. The following coverages are offered to employees of physicians:

Life and AD&D Insurance: Your eligible employees may apply for Life Insurance in multiples of \$10,000 up to \$500,000. Your eligible employees have the same choices for AD&D Insurance.

Dependents Life and AD&D Insurance: Your eligible employees may apply for Dependents Life Insurance for a Spouse in increments of \$5,000 up to \$250,000 (but not to exceed 50% of the amount of the employee's Life Insurance). Your eligible employees have the same choices for AD&D insurance for the Spouse.

Dependent Life Insurance: Your eligible employees may apply for \$7,500 of life insurance for each Dependent Child. All eligible children will be insured for the same amount. AD&D insurance is not available.

About Standard Insurance Company

SMA Services, Inc.* has chosen Standard Insurance Company to provide group Life and AD&D coverage to eligible members. 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 nationwide 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 Life and AD&D insurance for your time of need.

If you have any additional questions, please contact SMA Services, Inc. at 800.423.4992.

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Standard Insurance Company
1100 SW Sixth Avenue
Portland OR 97204
www.standard.com

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