



The University of North Carolina

Long Term Disability Plan

Effective October 1, 2003



The Standard®

Why you need it

This plan gives you income protection

You insure your life, your home, your car and your health. And each of those coverages is absolutely important.

But protecting your income is equally important. No individual or family can survive for long without a regular source of income.

Think of what would happen if you were disabled from an accident or illness and could not work for an extended period of time.

It's a frightening prospect that can be prevented.

The University of North Carolina's group Long Term Disability insurance plan is designed to provide you with a monthly check that can replace a significant portion of your salary — month after month or year after year — when you are totally disabled and cannot work.

What it does

Here are the highlights of your Group Long Term Disability Plan:

- Replaces up to 66 2/3 percent of your monthly salary, with a maximum benefit of \$10,000 per month, when you are disabled and unable to work. (Please check the Certificate of Insurance for any offsets which may apply.)
- Protects your retirement income. The plan continues contributions to your TIAA-CREF Retirement Annuity equal to 12.84 percent of your monthly salary.
- Disability is defined as being completely unable to perform your normal occupation.
- Pays benefits for as long as disability continues — or until you attain age 65.
- Pays a benefit to your surviving dependent(s) if you die after having been disabled for at least nine months.
- Allows you to convert to an individual policy after your coverage ends, if at that time, you had at least 12 months of continuous coverage under the group plan.
- Provides a work transition period, if you return to work on a limited basis while disabled.
- Provides partial disability benefits if you are disabled and continue to work on a limited basis but are unable to earn your full monthly salary.

Please consult the following website for full details of the policy provisions, definitions, and limitations:
www.northcarolina.edu/hr/orp_standard.htm

Calculating Your Long-Term Disability Premium

The Long Term Disability premium is based on your covered monthly salary (CMS). You can compute your cost for this coverage by using this simple worksheet. Follow the example as you work through the calculation.

The current premium rate for the Monthly Income Benefit is .144 and .094 for the Monthly Annual Premium Benefit.

	<i>Your Calculation</i>	<i>Example A</i>	<i>Example B</i>
<i>For calculation of the premium for the Monthly Income Benefit:</i>			
1. Annual Salary	\$ _____	\$50,000.00	\$200,000.00
2. Divide by 12 for Monthly Wage Base	\$ _____	\$4,166.67	\$16,667.67*
2a. Covered Monthly Salary Base		\$4,166.67	\$15,000.00*
3. Divide by 100	\$ _____	\$41.67	\$150.00
4. Multiply the number on line 3 by the Cost Factor	\$ _____ x .144	\$41.67 x .144	\$150.00 x .144
5. Monthly Cost of the Monthly Income Benefit	\$ _____	\$6.00	\$21.60
<i>For calculation of the premium for the Monthly Annuity Premium Benefit: (For calculation of the Monthly Annuity Premium Benefit use your full monthly base salary.)</i>			
6. Divide the number on line 2 by 100	\$ _____	\$41.67	\$166.67
7. Multiply the number on line 3 by the Cost Factor	\$ _____ x .094	\$41.67 x .094	\$166.67 x .094
8. Monthly Cost of the Monthly Annuity Premium Benefit	\$ _____	\$3.92	\$15.67
9. Total Monthly Cost (add lines 5 and 8)	\$ _____	\$9.92	\$37.27

* The maximum covered monthly salary base is \$15,000.



How to enroll

- 1) Determine your rates from the easy-to-use table in this booklet.
- 2) Complete the enrollment form.
- 3) Return the enrollment form to your Human Resources Department.

Standard Insurance Company

Standard Insurance Company has earned a solid reputation for its quality products, expert resources, superior service, steady growth, innovation and strong financial performance. Founded in 1906, Standard Insurance Company is a leader in the group disability, life and dental insurance market, while also offering individual disability and retirement plans for groups and individuals.

Some Helpful Questions and Answers

Q: Who pays for this Long Term Disability insurance?

A: You pay the cost of this group insurance through payroll deduction which frees you from premium reminders, check writing and lump-sum payments. **No premium payments will be required from you while you are receiving benefits under this plan.** Please see enclosed Rate Sheet for your current monthly premium.

Q: Who is eligible for this insurance?

A: All active full-time employees who are employed by the University of North Carolina who participate in the Optional Retirement Program and who are designated as:

- Faculty with the rank of instructor or above including:
 - Field faculty of the Cooperative Agriculture Extension Service and tenure track faculty in North Carolina State University agriculture research programs;
 - Administrators and faculty of the North Carolina School of Science and Mathematics;
- The President and other Senior Academic and Administrative Officers of the University as designated by the UNC Board of Governors on recommendation of the President pursuant to G.S. 116-11(4), 116-11(5), and 116-14 or who are appointed by the Board of Trustees of a

constituent institution upon recommendation by the Chancellor pursuant to G.S. 116-40.22(b); and

– Non-faculty Instructional and Research employees who are exempt from the State Personnel Act

Q: Does this plan include a pre-existing condition exclusion?

A: Yes, this plan has a pre-existing condition exclusion.

Q: Is a medical exam necessary?

A: No. However, you will need to provide evidence of insurability if you do not enroll within 60 days of being eligible for this insurance.

Q: If I became disabled, when would benefits begin?

A: You would receive benefits after three months of being totally disabled.

Q: Am I covered if I take a leave of absence?

A: Coverage may continue for up to 24 months during a sabbatical or leave for which you receive at least 1/4 pay; or if you are actively engaged in education or research; or pursuing an advanced degree. You may also be covered during maternity leave for up to four months following the termination of pregnancy; and for family or medical leave approved by your employer for up to six months.



The Standard[®]
Positively different.

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