

Group Long Term Disability Insurance

For Active Members of the State of Nevada
Public Employees' Benefits Program

Answers To Your Questions About Coverage From Standard Insurance Company



Access.
Quality.
Affordability.





About This Brochure

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 Nevada Public Employees' Benefits Program (PEBP). It is not intended to provide a detailed description of the coverage. If you become insured, you may access a certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, restrictions and terminating events at <http://epebp.nevadabenefits.org>. The controlling provisions will be in the group policy. 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 go to <http://epebp.nevadabenefits.org> or call 800.326.5496.

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.

Am I eligible for this coverage?

To become insured, you must be covered under the PEBP sponsored Medical Plan, a citizen or resident of the United States or Canada and be:

- An active full-time employee of the State of Nevada (or any non-State agency approved by the PEBP Board) regularly working at least 80 hours each month;
- An active professional full-time employee under contract with the Nevada System of Higher Education;
- An active member of the Nevada Senate or Assembly; or
- An active employee of any other organization which provides benefits under the State of Nevada Public Employees' Benefits Program who is regularly working at least 80 hours each month.

You are not eligible for this insurance if you are a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

When does my insurance coverage 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 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 one full day of active work as an eligible employee.

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 180 days and remain continuously disabled. LTD benefits are not payable during this benefit waiting period.



When am I considered disabled?

Own Occupation Period: During the benefit waiting period and the own occupation period (the first 24 months for which LTD Benefits are paid), 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: 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 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 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 example below, the LTD benefit amount is 60 percent of predisability earnings. If your monthly earnings (or predisability earnings) before becoming disabled were \$2,000 and you now receive a monthly PERS disability benefit of \$600, your monthly LTD benefit would be calculated as follows:

Predisability earnings	\$2,000
LTD benefit percentage	<u>x 60%</u>
	\$1,200
Less PERS benefit	<u>-600</u>
Amount of LTD benefit	\$600

How much is the LTD benefit amount?

Your monthly LTD benefit is 60 percent of your predisability earnings reduced by deductible income. The LTD benefit amounts are indicated below.

Maximum monthly LTD benefit	Minimum monthly LTD benefit
\$7,500	\$100 or 10% of your LTD benefit before reduction by Deductible Income, whichever is greater.

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

Please refer to your Certificate for the complete definition of predisability earnings.

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, state disability income benefit law or similar law
- Amounts under unemployment compensation law or similar law
- Social Security disability or retirement benefits, including benefits for your spouse/domestic partner and children
- Disability benefits from any other group insurance
- 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 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

What is the maximum benefit period?

If you become disabled before age 62, LTD benefits may continue during disability until you reach age 65. If you become disabled at age 62 or older, the benefit duration is determined by your age when disability begins as indicated in the table below.

Age when disability 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 LTD Benefits.

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, 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 12 months and actively at work for at least one full day after the end of those 12 months.

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 (or a reasonably prudent person) 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 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 to:

- 24 months during your entire lifetime for a disability caused or contributed to by mental disorders, substance abuse, or other limited conditions, or medical or surgical treatment of mental disorders, substance abuse, or other limited conditions. Other limited conditions includes but is 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, arthritis, diseases or disorders of the cervical, thoracic, or lumbosacral back and its surrounding soft tissue, and sprains or strains of joints or muscles; and
- 12 months for each period of continuous disability while you reside outside of the United States or Canada.

When does my LTD insurance coverage end?

LTD insurance ends automatically on the earliest of the following:

- 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?

If your LTD insurance ends, you may have a right to buy LTD conversion insurance. You must apply for conversion and pay the required premium within 31 days after group coverage ends. Please refer to your Certificate for complete provisions regarding LTD conversion insurance.

What if I have additional questions?

If you have additional questions, please contact 800.326.5496 or go online at <http://epebp.nevadabenefits.org>.



About Standard Insurance Company

The State of Nevada Public Employees' Benefits Program 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 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 LTD insurance for your time of need.

Standard Insurance Company
1100 SW Sixth Avenue
Portland OR 97204

www.standard.com