



Voluntary Long Term Disability (LTD) Insurance

Long Term Disability insurance is designed to pay a monthly 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. Standard Insurance Company (The Standard) has developed this document to provide you with information about the optional coverage you may select through State of Oregon.

Eligibility Requirements

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|-----------------|---|
| Employee | <ul style="list-style-type: none"> • You must be an active employee of a PEBB Participating Organization as defined in Oregon Administrative Rules (OAR) 101-010-0005, who is regularly scheduled to work and who meets the terms of eligibility for insurance under the Group Policy outlined in the PEBB Administrative Rules • Seasonal/intermittent employees, employees scheduled to work less than 90 days, temporary employees, and full-time members of the armed forces are not eligible |
| Premium | <ul style="list-style-type: none"> • You pay 100 percent of the premium for this coverage through easy payroll deduction |

Benefit Amount

When you apply for coverage, you may elect Plan 1, 2, 3 or 4. A later change in your plan selection may be subject to a new preexisting condition exclusion with respect to coverage under the newly elected Plan.

Benefit Percentage	<p>Plans 1 and 2: Your monthly benefit is 60 percent of the first \$12,000 of your insured predisability earnings reduced by deductible income</p> <p>Plans 3 and 4: Your monthly benefit is 66 2/3 percent of the first \$12,000 of your insured predisability earnings reduced by deductible income</p>
Plan Maximum Monthly Benefit	<p>Plans 1 and 2: \$7,200</p> <p>Plans 3 and 4: \$8,000</p>
Plan Minimum Monthly Benefit	<p>\$50</p>

Disability Needs Calculator

Your family has a unique set of circumstances and financial demands. To help you figure out the amount of Disability insurance you may need if you become unable to work, The Standard has created a Disability Needs Calculator found at: https://www.standard.com/mybenefits/pebb/needs_ltd.html

Employee Coverage Effective Date

To become insured, you must satisfy the eligibility requirements listed above, serve an eligibility waiting period if you an elected or appointed official, receive medical underwriting approval (if applicable), and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance. 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.

Please contact your agency or university representative for more information regarding the requirements that must be satisfied for your insurance to become effective.

Understanding Your Plan Design

Benefit Waiting Period	<p>If your claim for LTD benefits is approved by The Standard, benefits become payable after you have been continuously disabled for the applicable period shown below, and remain disabled. Benefits are not payable during the benefit waiting period.</p> <p>Plans 1 and 3: 90 days</p> <p>Plans 2 and 4: 180 days</p>
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Understanding Your Plan Design, continued

Own Occupation Definition of Disability For the benefit waiting period and the first 24 months for which LTD benefits are paid, you are considered disabled when you are unable as a result of physical disease, injury, pregnancy or mental disorder to perform with reasonable continuity the material duties of your own occupation **AND** are suffering 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 Definition of Disability After the own occupation period of disability, you will be considered disabled if you are unable as a result of physical disease, injury, pregnancy or mental disorder to perform with reasonable continuity the material duties of any occupation.

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:

<u>Age</u>	<u>Maximum Benefit Period</u>
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+	1 year

Deductible Income Deductible income is income you receive or are eligible to receive while LTD benefits are payable. Deductible income includes, but is not limited to:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary contribution (including donated amounts) paid
- Benefits under any workers' compensation law or similar law
- Social Security disability or retirement benefits, including benefits for your spouse and children
- Disability benefits from any other group insurance
- Disability or retirement benefits under your employer's retirement plan, including PERS
- Benefits under any state disability income benefit law or similar law
- Earnings from work activity while you are disabled, plus the earnings you could receive if you work as much as your disability allows
- 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
- If you are employed by the Oregon University System, any benefits under any employer-sponsored individual disability insurance arranged for individuals in a common group.

Benefit Calculation

Example

The LTD benefit amount is determined by multiplying your insured predisability earnings by the specified benefit percentage. This amount is then reduced by deductible income. In the example below, the LTD benefit amount is 60 percent of insured predisability earnings. If your monthly earnings before becoming disabled were \$4,500, and you now receive a monthly Social Security disability benefit of \$1,200 and a monthly retirement benefit of \$900, your monthly LTD benefit would be calculated as follows:

Insured predisability earnings	\$4,500
LTD benefit percentage	X 60%
	\$2,700
Less Social Security disability benefit	-\$1,200
Less retirement benefit	-\$900
Amount of LTD benefit	\$600

Additional Features

Please see your agency or university representative for additional information about the features and benefits below.

24 Hour Coverage

24-hour LTD plans provide coverage for disabilities occurring on or off the job.

Rehabilitation Plan

If you are participating in an approved Rehabilitation Plan, The Standard may include payment of some of the expenses you incur in connection with the plan including but not limited to; training and education expenses, family (child and elder) care expenses, job related expenses and job search expenses.

Reasonable Accommodation Expense Benefit

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.

Survivors Benefit

If you die while LTD benefits are payable, a survivors benefit equal to three time 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).

Family Care Expense Benefit

Applies when a disabled employee has returned to work and continues to receive LTD benefits. For 24 months, a portion of expenses (up to \$250 per dependent or \$500 per family, per month) is deducted from the amount of your work earnings.

Assisted Living Benefit

Your benefit will be increased by the percent of your predisability earnings shown below when you are unable to perform two or more Activities of Daily Living or suffering severe cognitive impairment. The maximum benefit amount cannot exceed \$5,000 in addition to the LTD benefit.

Plans 1 and 2: 20%

Plans 3 and 4: 13 1/3%

Exclusions

With regard to the Assisted Living Benefit, 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)
- 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 a specified period of time, and you have been actively at work for at least one full day after the end of the exclusion period

With regard to the LTD Benefit, you are not covered for a disability caused or contributed to by any of the following:

- An intentionally self-inflicted injury, while sane or insane
- 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 a specified period of time, and you have been actively at work for at least one full day after the end of the exclusion period

Preexisting Condition Provision

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

- For which you 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
- Which, as a result of any medical examination, including routine examination, was discovered or suspected

Preexisting Condition Period	For the Assisted Living Benefit: The 3-month period just before your Assisted Living Benefit coverage becomes effective
	For the LTD Benefit: The 90-day period just before your insurance becomes effective
Exclusion Period	12 months

Limitations

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
- Confined for any reason in a penal or correctional institution

In addition, payment of LTD benefits is limited in duration if your disability is caused or contributed to by mental disorders

When 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 disability insurance 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

When Insurance Ends

Insurance ends automatically on the earliest of the following:

- The last day of the last period for which you make a premium contribution (except if premiums are waived while disabled)
- The last day of the calendar month in which your employment terminates*
- The date the group policy terminates
- The date you cease to be a member* (insurance may continue for limited periods under certain circumstances)

*If premium contribution for the next calendar month is made prior to the date your employment terminates or prior to the date you cease to be a member, insurance will end on the last day of the calendar month following the month in which your employment terminates or you cease to be a member.

Group Insurance Certificate

If coverage becomes effective, and 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. Neither the information presented in this summary nor the certificate modifies the group policy or the insurance coverage in any way.

Rates

If you have questions regarding how to determine your earnings, please contact your agency or university representative. Premiums for this coverage will be deducted directly from your paycheck.

	<u>Percent of Insured Earnings</u>
Plan 1 – 60% Benefit 90-day BWP	0.54
Plan 2 – 60% Benefit 180-day BWP	0.19
Plan 3 – 66 2/3 Benefit 90-day BWP	1.23
Plan 4 – 66 2/3 Benefit 180-day BWP	0.31

To calculate your monthly payroll deduction, use the formula indicated below:

1. Enter your average monthly earnings, not to exceed \$12,000, on Line 1. Line 1: _____
2. Select your rate from the rate table and divide this by 100. Line 2: _____
3. Multiply Line 1 by the amount shown on Line 2. Line 3: _____

The amount shown on Line 3 is your estimated monthly payroll deduction.



Standard Insurance Company

For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 24,800 groups, covering over 8 million employees nationwide.* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about products from The Standard, Contact your human resources department or visit us at www.standard.com.

* As of June 30, 2013, based on internal data developed by Standard Insurance Company.

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GP190-LTD/S399, GP399-LTD/TRUST, GP899-LTD,
GP209-LTD, GP608-LTD, GP190-LTD/ASSOC/S399,
GP190-LTD/TRUST/S399, GP491-LTD/TRUST/S399