



Buy-up 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. Buy-up LTD insurance offers you the opportunity to choose one of three levels of LTD coverage.

The base LTD plan is fully paid by Montana University System and provides a basic level of LTD coverage. The enhanced options are paid for by Montana University System and provides a higher level of LTD coverage. If you do not elect an option, you will automatically be enrolled in the base LTD plan. Standard Insurance Company (The Standard) has developed this document to provide you with information about the optional Long Term Disability coverage you may select through Montana University System.

Eligibility Requirements

Employee

- An employee of Montana University System who is enrolled in Montana University System’s medical plan, a citizen or resident of the United States or Canada, and one of the following:
 1. An academic and professional employee with an individual contract under the authority of the Board of Regents which provides for eligibility;
 2. A permanent full-time employee of the Employer scheduled to work more than six months in any twelve month period who is Actively At Work at least 20 hours each week;
 3. A permanent part-time or job-share employee of the Employer scheduled to work more than six months in any twelve month period who is Actively At Work at least 20 hours each week;
 4. A temporary employee who is a) regularly scheduled to be Actively At Work 20 hours or more per week for more than six months within a year; or b) Actively At Work at least 20 hours each week for a continuous period of more than six months although not regularly scheduled to do so; or c) covered under a labor union contract which provides for eligibility.
- Substitute, intermittent and student employees, full-time members of the armed forces, leased employees, and independent contractors are not eligible

Premium

- Your Employer pays 100% of the premium for all the options of this coverage

Benefit Amount

Your monthly LTD benefit is a percentage of your insured monthly predisability earnings reduced by deductible income.

	<u>Option Plan 1 (Base)</u>	<u>Option Plan 2</u>	<u>Option Plan 3</u>
Percentage of monthly predisability earnings	60%	66 2/3%	66 2/3%
Plan Maximum Monthly Benefit	\$9,200	\$9,200	\$9,200
Plan Minimum Monthly Benefit	\$100 or 10% of LTD benefit before reduction by deductible income, whichever is greater	\$100 or 10% of LTD benefit before reduction by deductible income, whichever is greater	\$100 or 10% of LTD benefit before reduction by deductible income, whichever is greater
Benefit Waiting Period	180 days	180 days	120 days

Note: All late applications (applying 63 days after becoming eligible), requests for coverage increases and reinstatements are subject to medical underwriting approval. Employees eligible but not insured under the prior LTD insurance plan are also subject to medical underwriting approval.

To compare the amount of your LTD benefit under both plans, fill in the blanks below:

	<u>Option Plan 1 (Base)</u>	<u>Option Plan 2</u>	<u>Option Plan 3</u>
1. Enter your monthly predisability earnings	\$ _____ (If your monthly predisability earnings exceed \$15,333, enter \$15,333 above.)	\$ _____ (If your monthly predisability earnings exceed \$13,800, enter \$13,800 above.)	\$ _____ (If your monthly predisability earnings exceed \$13,800, enter \$13,800 above.)
2. Percentage of predisability earnings	60%	66 2/3%	66 2/3%
3. Multiply amount on line 1 by percentage on line 2 and enter total here. This is your monthly LTD benefit amount before reduction for deductible income.	\$ _____	\$ _____	\$ _____

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: <http://www.standard.com/calculators/dineeds.html>

Employee Coverage Effective Date

To become insured, you must satisfy the eligibility requirements listed above, 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 human resources representative for more information regarding the requirements that must be satisfied for your insurance to become effective.

Understanding Your Plan Design

Benefit Waiting Period If your claim for LTD benefits is approved by The Standard, benefits become payable after the benefit waiting period. This is a specified number of days during which you must remain continuously disabled. Benefits are not payable during the benefit waiting period. The benefit waiting period for each plan is indicated below.

	<u>Base LTD Plan 1</u>	<u>Option Plan 2</u>	<u>Option Plan 3</u>
Benefit Waiting Period	180 days	180 days	120 days

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 The maximum benefit period for each plan is indicated below:

All Plans

Five year age-graded table: The benefit duration is determined by your age when disability begins:

<u>Age</u>	<u>Maximum Benefit Period</u>
59 or younger	To age 65
60	5 years
61	4 years
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 continuation (including donated amounts) paid.
- Benefits under any workers' compensation law or similar law
- Amounts under unemployment compensation 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
- Benefits under any state disability income benefit law or similar law
- Earnings or compensation included in predisability earnings which you receive or are eligible to receive while LTD benefits are payable
- Earnings from work activity while you are disabled, plus the earnings you could receive if you worked 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

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 human resources 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, and on the date you die you have been continuously disabled for at least 180 days, 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).

Exclusions

Subject to state variations, 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 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. This periods is the same under both the base LTD plan and buy-up LTD plans, however the periods may not run concurrently, depending upon the effective date of your coverage under the buy-up LTD plan

Preexisting Condition Provision

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

- For which you or a reasonably prudent person would 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

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
- 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 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 date 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 applicable, the date your employer ceases to participate under the group policy

Group Insurance Certificate

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. Neither the information presented in this summary nor the certificate modifies the group policy or the insurance coverage in any way.

Rates

If you elect the Buy-up LTD plan, your monthly premium rate for this plan is indicated in the table below. If you do not enroll in the Buy-up LTD plan, subject to eligibility requirements, you will automatically be insured under the base LTD plan with no premium cost to you. If you have questions regarding how to determine your earnings, please contact your human resources representative.

	Monthly
LTD – Option 1	\$4.54
LTD – Option 2	\$9.06
LTD – Option 3	\$11.30



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.

Standard Insurance Company
1100 SW Sixth Avenue
Portland OR 97204

GP190-LTD/S399, GP399-LTD/TRUST,
GP899-LTD, Contract 2000