

# Group Disability



## Help employees protect their most valuable asset — their paychecks.

Employees who can't work because they're sick or were hurt in an accident may have an incredibly tough time making ends meet without a regular paycheck. With our flexible, voluntary short-term Group Disability insurance, you can offer financial protection that's tailored to help meet each employee's unique needs. Plus, guaranteed-issue options help the maximum number of employees qualify for this important coverage.

### Benefit flexibility

- You choose the custom offering by:
  - Selecting an on/off-job or off-job only plan.
  - Offering employees flat monthly benefit amounts between \$400 and \$7,500.
  - Choosing up to two benefit periods (3, 6, 12 or 24 months).
- Based on the custom offering, your employees (age 17-74) choose their personal: Monthly benefit amount, benefit period and benefit starting point (elimination period).

### Guaranteed issue

Employees qualify for a maximum monthly benefit up to \$4,000 (up to 60% of income) with no health questions if the 15% participation requirement is met.

### Key advantages

(Learn more on reverse)

- Employer-optional benefits are available to further expand coverage:
  - Psychiatric or Psychological Conditions (Mental & Nervous) Benefit
  - Waiver of Elimination Period for First Day of Hospital Confinement (First Day Hospital) Benefit
- Rates won't increase because the employee ages.
- Employees choose a flat monthly benefit amount that fits their lifestyle and budget.
- Benefits are paid regardless of any other insurance coverage.
- Employees can leave their current job and keep coverage until age 75 with no risk of cancellation as long as premiums are paid.

### Attractive features

- Credit for Time Insured is available if another disability carrier is replaced. Pre-existing condition exclusions will be waived for any continuous time an employee was covered under similar coverage with the previous carrier.
- Situs state applies, meaning benefit options and rates for multi-state companies are based on the state where the master application is signed.
- Partial disability benefits may pay 50% of the total disability benefit if the employee is able to return to work on a part-time basis.
- Taxes are not deducted from benefit payments made by Colonial Life if premiums are employee-paid with post-tax dollars.
- Geographical limitations (worldwide coverage) pays benefits for up to 60 days to employees who work primarily in the United States but are disabled outside of covered geographical areas. After 60 days, employees must return to covered geographical areas to receive any remaining benefits.
- Waiver of premium occurs after 90 consecutive days of covered disability or after the elimination period (whichever is longer).

# Key advantages of Group Disability

While the purpose and features of disability insurance may be similar, we listened to our customers and enhanced a seemingly standard product with features you may not find in other group disability plans. Employees will value these features now — and treasure them if needed later.

## ■ Employer-optional benefits are available to further expand coverage.

- **Psychiatric or Psychological Conditions (Mental & Nervous) Benefit:** Paid if an employee is disabled due to covered psychiatric or psychological conditions. This benefit is subject to a 24-month lifetime maximum benefit.
- **Waiver of Elimination Period for First Day of Hospital Confinement (First Day Hospital) Benefit:** Begins paying disability benefits on the first day of hospital confinement for a covered total disability if the employee selects an elimination period of 30 days or less.

## ■ Rates won't increase because the employee ages.

Our rates are determined by issue age and will not increase over time due to age, unlike plans with step-rated rates that increase as insureds get older.

## ■ Employees choose a flat monthly benefit amount that fits their lifestyle and budget.

Our plan gives employees flexibility to choose a dollar amount in \$100 increments (up to 60% of their annual income, subject to underwriting), unlike plans where employees must purchase a percent of salary that can cause the benefit amount (and rates) to increase over time. This feature allows employees to choose more or less coverage than they could if they were limited to a standard percent of salary.

## ■ Benefits are paid regardless of any other insurance coverage.

There's no coordination of coverage with this plan, which means it pays benefits directly to the employee, regardless of any other coverage, unlike plans in which the benefit amount may be reduced by salary continuance, workers' compensation or government disability benefits. Employees can have greater peace of mind knowing they'll receive a monthly benefit from this plan.

## ■ Coverage is portable, meaning employees can leave their current job and keep coverage until age 75 with no risk of cancellation as long as premiums are paid.

As long as premiums are paid, the status of the group's master policy has no impact on employees (up to age 75) who keep their coverage following a job change or retirement. With some other plans, portability may not be an option, or an insurer may choose to cancel all contracts when a master policy is terminated.

Talk with your Colonial Life benefits representative about the guaranteed-issue financial protection available through Group Disability.

Product has exclusions and limitations that may affect benefits payable. Benefits vary by state and may not be available in all states. See your Colonial Life benefits representative for complete details.

ColonialLife.com

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## Group Disability

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Colonial Life's voluntary short-term disability insurance policy is a group plan that is sold via payroll deduction at the workplace. It insures your employee's paycheck by replacing a portion of your employee's income if he becomes disabled because of a covered accidental injury or covered sickness.

## Product Features

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- **Guaranteed Issue** – Available for up to \$4,000 in monthly benefits for up to 60% of income. Additional monthly benefits up to \$7,500 are available.
- **Rates guaranteed** - for two years from the date of issue of the group policy.
- **Situs State** - In multi-state enrollments, benefit options and rates for multi-state companies are based on the state where the master application is signed.
- **Total disability and partial disability benefits** - Partial disability pays 50% of the total disability benefit and for up to 3 months.
- **Optional Employer-Selected Benefits** are available.
- **Renewability** - This policy is optionally renewable.
- **No integration** - There is no coordination of benefits at claim with other coverages. Benefits are paid regardless of benefits received from other sources. For benefit amounts over \$4,000 per month, offsetting occurs during the application process.
- **Level premiums** - Rates are based on issue age and are level, not step-rated.
- **Geographical Limitations (Worldwide Coverage)** – Geographical Limitations provision allows coverage for disabilities that occur outside the regularly covered geographical areas for up to 60 days.
- **Waiver of Premium** - available after 90 consecutive days of a covered disability.
- **Benefits are paid directly** to the insured unless they specify otherwise.
- **Coverage is portable** - An employee may continue this coverage if he changes jobs or leaves your company while the master policy is in force, with no evidence of insurability required.

## Available Plans

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This policy offers two base Group Disability plan choices:

- Off-Job Accident/Off-Job Sickness Disability benefits
- On/Off-Job Accident/ On/Off-Job Sickness Disability benefits

The employer also has the option of including:

- First Day Hospital Benefit (Waiver of Elimination Period for First Day of Hospital Confinement Benefit.)
- Psychiatric and Psychological Conditions Benefit (24 month lifetime maximum)

## Disability Benefits

As the employer, you can make several choices to tailor the plan design for your employees.

<b>Plan Structure</b>	<ul style="list-style-type: none"> <li>• Off-Job Accident and Off-Job Sickness</li> <li>• On/Off-Job Accident / On/Off-Job Sickness</li> </ul> <p>Please note that the on-job benefit is 50% of the off job benefit. The employer may choose to offer the Off-Job plan, the On/Off-Job plan or both plans in the account.</p>
<b>Monthly Benefit Amount</b>	<p>\$400 to \$7,500 (offered in \$100 increments)</p> <ul style="list-style-type: none"> <li>• Up to 60% of income for coverage amounts from \$400 to \$6,500.</li> <li>• Up to 40% of income for coverage amounts from \$6,600 - \$7,500.</li> </ul> <p>The employer may choose a lower maximum benefit amount and/or lower maximum income replacement.</p>
<b>Benefit Periods</b>	<ul style="list-style-type: none"> <li>• 3 months</li> <li>• 6 months</li> <li>• 12 months</li> <li>• 24 months</li> </ul> <p>The employer can choose a maximum of two benefit periods.</p>
<b>Elimination Periods</b>	<p>0/7, 7/7, 7/14, 0/14, 14/14, 0/30, 30/30, 60/60, 90/90, and 180/180</p> <p>Choice of elimination periods based on benefit periods selected. The employer may consider limiting the number of elimination period choices to best fit needs and for ease of enrollment.</p> <p>Elimination period means a period of total disability during which no benefits are payable. The first number represents accident elimination period /the second number represents sickness elimination period.</p> <p>If \$3,100 to \$7,500 in monthly benefits is selected, a 3, 6, 12 or 24 month benefit period with a 14/14, 30/30, 60/60, 90/90 or 180/180 elimination period is available.</p>

## **Optional Employer-Selected Benefits**

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As the employer, you can also include optional benefits to tailor the plan design for your employees. If one or both optional employer benefits are selected then all Group Disability certificates in the account will include the benefit(s).

### **Waiver of Elimination Period for First Day of Hospital Confinement Benefit (First Day Hospital)**

This benefit waives the elimination period, or a portion of it, if the insured is hospitalized for a covered disability and he has an elimination period of 30 days or less.

- Disability benefits will begin on the earlier of the first day of hospital confinement or the first day after the elimination period.
- Elimination periods of greater than 30 days may be offered in the account, but those plans will not include this benefit.

### **Psychiatric or Psychological Conditions Benefit (Mental and Nervous)**

This benefit pays the monthly disability benefits when an insured is disabled due to a psychiatric or psychological condition.

- The Psychiatric or Psychological Conditions exclusion will be waived and is removed from the contract.
- The 3 month plan will provide benefits up to 3 months per occurrence for Psychiatric or Psychological Conditions. The 6, 12 and 24 month plans can provide benefits up to 6 months per occurrence for Psychiatric or Psychological Conditions.
- The lifetime cumulative maximum is 24 months of Psychiatric or Psychological Conditions benefits.

## **Eligibility Requirements**

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- Offered to all permanent, benefit-eligible employees age 17-74 who work at least 20 hours per week on a regular basis. Employer may select a different minimum number of hours worked requirement (requires underwriting approval).
- The employee must be actively at work at the time of application.
- Seasonal and temporary employees are not eligible. Spouses and children are not eligible.

## **Participation Requirements**

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To offer this plan, we require a minimum of 10 enrolled eligible employees. Certain underwriting levels have separate participation requirements. Accounts with more than 1,000 employees will require underwriting approval.

## **Premium Information**

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- Issue age-banded, one risk class and unisex. Age bands of 17-49, 50-64 and 65-74.
- Premiums are based on the account's industry risk classification and optional employer benefits.
- Premiums rates are based on issue age and are level, not step-rated.
- Rates guaranteed for two years from the date of issue of the group policy.

## Definitions

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**Total Disability:** means you are unable to perform the material and substantial duties of your job; not, in fact, working at any job; and under the regular and appropriate care of a doctor.

**Partial Disability:** means you are unable to perform the material and substantial duties of your job for more than half of the normally scheduled hours per week; you are able to work at your job or any other job for no more than half of normally scheduled hours per week; your employer will allow you to work for no more than half of your normally scheduled hours per week; and you are under the regular and appropriate care of a doctor. To qualify for partial disability, total disability benefit must have been paid for 14 days immediately prior to being partially disabled. Partial disability pays 50% of the total disability benefit and for up to 3 months.

**Waiver of Premium Benefit:** After you have been totally disabled or qualify for partial disability benefits as the result of a covered accident or covered sickness for more than 90 consecutive days (while the certificate is in force), or after the elimination period shown in your certificate schedule (whichever is greater), we will waive the premium for as long as you remain disabled. The premium will be waived up to the maximum benefit period shown in your certificate schedule.

You must pay all premiums to keep the certificate and any attached riders in force until you have been totally disabled or qualify for partial disability benefits for 90 consecutive days while the certificate is in force, or for the elimination period shown on the certificate schedule, whichever is greater.

There is no limit to the number of times you can receive the Waiver of Premium benefit. This Waiver of Premium benefit does not apply to any period that you are totally or partially disabled due to an accident or sickness which is excluded by name or specific description in the certificate.

**Geographical Limitations (Worldwide Coverage):** If you become totally disabled as the result of a covered accident or a covered sickness while outside the covered geographical areas, the Geographical Limitations provision may allow us to provide benefits. You must be totally disabled longer than the elimination period, and the maximum benefit period for total disability and partial disability combined while outside the covered geographical areas will be limited to 60 days. Covered geographical areas are less than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahama Islands, the Virgin Islands, Bermuda, or Jamaica. After the 60 day period, benefits will not be paid until you return to the covered geographical areas.

## What is Not Covered

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**Pre-existing Condition:** means a sickness or physical condition, whether diagnosed or not, for which you were treated, or received medical advice, within 12 months before the coverage effective date. If the insured becomes disabled because of a pre-existing condition, we will not pay for any disability period if it begins during the pre-existing condition limitation period shown on the certificate schedule. Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability.

### General Exclusions and Limitations:

- Alcoholism or Drug Addiction
- Felonies or Illegal Occupations
- Flying
- Giving Birth: Giving birth within the first nine months after the coverage effective date of the certificate as the result of a normal pregnancy, including Cesarean. Complications of pregnancy will be covered to the same extent as any other covered sickness.
- Hazardous Avocations
- Intoxicants and Narcotics
- Pre-Existing Conditions
- Psychiatric or Psychological Conditions  
*(If employer optional benefit is selected, this exclusion will be removed.)*
- Racing
- Semi-professional or Professional Sports
- Suicide or Injuries Which You Intentionally Do to Yourself
- War or Armed Conflict

The above list does not include a complete description of each limitation and exclusion. To obtain a complete description of benefits, limitations and exclusions, please refer to a sample policy, certificate or see your Colonial Life benefit counselor. This information is only intended for proposal use with employers.

**Quote Prepared on: 4/17/2018**  
*Valid for 90 days*

**Group Disability**

Account Name: BUCKETPAY VA TEAMSTERS UNION

Off Job Disability Coverage  
 with Credit For Time Insured

Situs State - Virginia

**Participation Requirement - 15% of eligible lives**  
**Monthly rates per \$100 monthly benefit available up to 60% of income**

**6 month Benefit Period**  
**Elimination Period**

Issue Age	7/7
17-49	\$4.85
50-64	\$6.38
65-74	\$8.29