



## Voluntary Serious Disability Benefit

Nearly one in every three Americans will be disabled for three months or longer before reaching age 65<sup>1</sup>. Yet only 30% of all workers in private industry have access to long-term disability insurance through their employer<sup>2</sup>. Often disability coverage is either unaffordable or unavailable based upon their occupation or industry.

### An innovative blend of short- and long-term disability coverage for the seriously impaired

- Eligible employees can purchase coverage in units of \$100, up to 80% of their monthly earnings (minimum election \$500, maximum election \$5,000)
- Coverage on and off the job, 24 hours a day
- First day coverage for qualifying sicknesses and injuries (no qualifying period)
- Benefits payable to the later of age 65 or for 2 years
- Three-month survivor benefit
- No pre-existing condition limitations
- All offsets 100% (including Family Social Security)
- No health questions
- Benefits paid semi-monthly
- Only 10 eligible employees need to enroll
- Premiums do not increase based on age, occupation, industry or area

#### Clear, objective qualification for benefits

##### Initial qualification for the first 6 months of benefits requires:

After the coverage effective date:

1. Continuous hospital confinement of 72 hours or more; or
2. Being diagnosed with a terminal condition (12 months or less life expectancy).

#### Our “Impairment Rating” Definition of Disability

##### Qualification for continued benefits after the first 6 months requires:

1. The condition must result in a 75% whole person impairment rating (or extreme impairment for psychiatric conditions); or
2. Being diagnosed with a terminal condition (12 months or less life expectancy).

Those meeting the above qualifications must also be unable to do one of the material duties of any gainful occupation for which they are qualified.

## Initial Qualification for Benefits

Although 72-hour continuous hospital confinement sounds stringent, there are many conditions that are not life threatening or severe that would qualify.

The following were some of the leading causes for 72+ hour hospital confinement and the average days associated with those conditions by age group<sup>3</sup>.

	Ages 15-44	Ages 45-64
• Mental Disorders	6.0 days	7.1 days
• Malignant tumors	5.4 days	6.2 days
• Cerebrovascular disease	5.8 days	5.1 days
• Fractures	5.2 days	5.5 days
• Pneumonia	5.0 days	5.0 days
• Injuries/poisoning	4.7 days	5.9 days
• Heart disease	3.6 days	3.9 days
• Diabetes-related	3.9 days	5.0 days

The overall length of hospital admission in 2006 for all ages (excluding newborns) was 4.8 days<sup>3</sup>.

The Federal Newborns and Mothers Protection Act of 1996, effective January 1, 1998 mandated insurance companies to provide 4 days of care for cesarean births. According to the National Center for Health Statistics, December 2007, the percentage of cesarean births rose to 31.1% for 2006, the highest level ever reported in the U.S.

Any condition meeting the criteria of 72+ hours hospital confinement becomes payable from the first day of hospital confinement.

## Impairment Rating Definition of Disability

After the initial six months of disability, our impairment rating of disability is a unique and objective way to determine qualification for continued disability. This definition places the focus on the actual sickness or injury, rather than a person's occupation, other types of work they could perform, or how much money they can or cannot earn.

Impairment ratings reflect the severity of medical conditions and the degree to which they limit an individual's ability to function. A "whole person impairment rating" calculation will be performed by a certified physician using the version of "The Guides to the Evaluation of Permanent Impairment," published by the American Medical Association ("The AMA Guides"), that is specified in the policy. The AMA Guides require a defined process and exacting standards for determining the whole person impairment rating. When the rating meets or exceeds our requirement of 75%, indicating a very serious disability (or extreme impairment for psychiatric conditions), benefits are paid to age 65 or for two years, whichever is longer.

The impairment rating definition of disability results in a clear and objective benchmark for benefits qualification.

Assurant Employee Benefits is the brand name for insurance products underwritten by Union Security Insurance Company. In New York, insurance products are underwritten by Union Security Life Insurance Company of New York, which is licensed solely in NY and has its principal place of business in Syracuse, NY. Plans contain limitations, exclusions and restrictions. Contact us for costs and complete details.

This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined.

<sup>1</sup>1987 Commissioners Group Disability Table, Society of Actuaries

<sup>2</sup>National Compensation Survey: Employee Benefits in Private Industry in the United States, U.S. Department of Labor, March 2007.

<sup>3</sup>2006 National Hospital Discharge Survey, published by the Centers for Disease Control and Prevention, National Center for Health Statistics, 2008.

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