

Voluntary Disability

Sample Group

announces income protection for its employees

Proposed Effective Date: 01/01/2006

Nearly one in seven individuals will become disabled for five or more years prior to age 65¹. To help you protect a portion of your income in the event of a disability, your employer is offering you the opportunity to purchase Disability insurance through convenient payroll deduction. This plan offers a blend of short- and long-term disability benefits at an affordable rate - as little as \$1.50 per week for \$1,000 of monthly benefit.

¹1987 Commissioners Group Disability Table, Society of Actuaries

The plan your employer has selected includes the following features:

Eligibility

- ◆ You are eligible to participate in the plan if you are a full-time employee of the policyholder or an associated company,
 - whose annual pay is greater than or equal to \$12,000, and
 - who is at active work, and
 - who is working in the United States of America, except any temporary or seasonal worker.
 - Any other requirements set by your employer must also be met. "Full-time" means working at least 20 hours per week.

Plan Features

- ◆ You can select how much benefit you need and can afford. Monthly benefit levels may be selected in units of \$100, from a minimum of \$500 to the lesser of \$5,000 or 80% of basic covered monthly pay, rounded to the next lower \$100.
- ◆ Any amount of coverage you elect is available on a **Guarantee Issue** basis. ***This means that you do not have to answer any health questions to enroll in this plan.***
 - If you are eligible for coverage and choose not to enroll within 31 days of the date you become eligible for benefits, you must wait to enroll during a subsequent annual enrollment period if you want to join the plan. You may also increase your election during the annual enrollment period **without** proof of good health.
- ◆ Benefits are not subject to federal income tax when premiums are paid with after-tax dollars.
- ◆ You are covered 24-hours a day, seven days a week, on or off the job.
- ◆ There is **no qualifying period** for benefits. Benefits are available immediately when you meet the definition of disability.
 - To qualify for disability benefits, you must meet both an occupation test **and** a catastrophic test.
 - You meet the occupation test if a sickness, injury or pregnancy prevents you from performing at least one of the material duties of any gainful occupation for which you are qualified. Gainful occupation means earning at least as much as the amount of coverage elected within 12 months of return to work.

The insurance policy or policies described in this document are underwritten by Union Security Insurance Company, a subsidiary of Assurant, Inc. Assurant Employee Benefits, a business unit of Assurant, Inc., markets life, disability and dental benefits plans as well as related products and services. In this document, the terms, "we", "us", "our", and the like, refer to each as applicable.

- To meet the catastrophic test, you must be hospital confined for at least 72 continuous hours **or** be diagnosed with a terminal medical condition after the coverage effective date.
- After the first six months of disability, your benefits will continue if:
 - You continue to be disabled from any gainful occupation **and**
 - You receive a 51% Impairment Rating as calculated by the American Medical Association's *Guides to Evaluation of Permanent Impairment* or an extreme impairment rating due to mental or behavioral disorders as published by the American Psychiatric Association, **or**
 - Are diagnosed with a terminal medical condition after the coverage effective date.
- ◆ As long as you continue to meet the definition of disability, benefits are payable to the later of age 65 or 24 months.
- ◆ A 3-month Survivor Benefit is included.
- ◆ A Conversion Privilege up to \$4,000 is included.

Limitations

- ◆ Your benefit may be reduced by disability benefits from retirement or government plans, other group disability plans, no-fault benefits, salary continuance, sick leave pay sponsored by the policyholder or 50% of any return-to-work earnings. If your benefit is reduced, a minimum monthly benefit of \$100 for employees working 30 hours or more per week applies.
- ◆ Your benefit amount prior to offsets will be reduced by 30% if we do not receive proof of loss within 180 days following the end of the Qualifying Period.
- ◆ At least 10 employees must enroll in the plan before this group policy can be issued.

We will not pay benefits for any time you are confined to any facility because you were convicted of a crime or public offense; for any disability caused by war or any act of war, whether declared or not; intentionally self-inflicted injury, while sane or insane; participating in any sport for wage, compensation or profit; or racing any type of vehicle in an organized event; participating in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance, unless administered by a doctor or taken according to the doctor's instructions; taking part in or the result of taking part in committing an assault or felony; your intoxication; this includes but not limited to operating a motor vehicle while you are intoxicated; if your employer, the policyholder, or an associated company has offered you the opportunity to return to limited work while you are disabled; you are functionally capable of performing the limited work which is offered; and you do not return to work when and as scheduled.

This highlight sheet provides a brief description of coverage. In the event that a discrepancy exists, the policy provisions will prevail. We can cancel the policy after giving the policyholder 60 days written notice.