

# Group Voluntary Long Term Disability Insurance

For Employees of The California State University



Standard Insurance Company  
Long Term Disability Insurance





## About This Brochure

This booklet is designed to answer some common questions about the group Voluntary Long Term Disability (LTD) insurance coverage being offered by The California State University to eligible employees. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, a Certificate containing a detailed description of the insurance coverage will be made available to you, including the definitions, exclusions, limitations, reductions, and terminating events. The controlling provisions will be found in the Group Policy. Neither this booklet nor the certificate modify the Group Policy or the insurance coverage in any way. If you have additional questions, please contact The Standard at 800.378.5745.

Please note the defined terms and provisions from the Group Policy are capitalized in this booklet.

## Group Voluntary Long Term Disability Insurance Features

Chances are you already purchased home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and unable to work?

Long Term Disability (LTD) 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.

By offering group Voluntary LTD insurance to California State University employees, The Standard offers you an excellent opportunity to help protect yourself and your lifestyle.

The advantages to you include:

**Convenience.** With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.

**Savings.** Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.

**Peace of Mind.** You can take comfort and satisfaction in knowing that you have taken a step toward securing your income during a period of a covered disability.

### Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary LTD insurance available from The Standard. This booklet is not intended as a complete description of the coverage.

#### Do I need LTD insurance?

If you are not certain that you need LTD coverage, consider if you will be able to meet your financial obligations if you become disabled and unable to work for an extended period of time. The risk of disability may be greater than you think. Recent statistics have shown:

Almost three in 10 of today's 20-year-olds will become disabled before reaching age 67.<sup>1</sup>

One in four Americans say they would have difficulty supporting themselves financially immediately following a disability; three out of four say they would face financial trouble within six months.<sup>2</sup>

<sup>1</sup> Social Security Administration, Fact Sheet 2009

<sup>2</sup> Disability survey conducted by Kelton Research on behalf of the LIFE Foundation, April 2009

To help determine your need for disability income protection, complete the worksheet below. Fill in amounts for your monthly expenses and income and compare the two. If you depend on your regular paycheck to pay your bills, what will happen if you become sick and unable to work? Are you prepared for the unexpected? Voluntary LTD insurance from The Standard may be part of the solution.

<b>Monthly Expenses</b>	
Food . . . . .	\$ _____
Mortgage/rent . . . . .	_____
Childcare/education . . . . .	_____
Utilities . . . . .	_____
(electricity, gas, cable, phone, etc.)	
Clothing . . . . .	_____
Debts . . . . .	_____
(credit cards, student & auto loans, etc.)	
Insurance . . . . .	_____
(health, life, auto, home, etc.)	
Taxes . . . . .	_____
Other . . . . .	_____
<b>Total Monthly Expenses . . . . .</b>	<b>\$ _____</b>
<b>Monthly Income</b>	
Take home pay . . . . .	\$ _____
Spouse income . . . . .	_____
Other income . . . . .	_____
<b>Total Monthly Income . . . . .</b>	<b>\$ _____</b>

**Am I eligible for this coverage?**

To be a Member and eligible for Voluntary LTD insurance coverage, you must be:

- An employee of the Employer who is Actively At Work and appointed half-time or more for at least six months and one (1) day in one of the following employee categories: E99, R02, R05, R06, R07, R08, R09 (CSUEU), R10, R11 (Teaching Associates only), or R13 (English Language Program Instructors – CSULA);
- A citizen or resident of the United States or Canada.

You are not a Member if you are:

- Covered under the Employer paid Long Term Disability Plan;
- In one of the following employee categories: M80 (MPP), M98 (Executives), R01 (Physicians), R03 (Faculty), R04 (Academic Professionals), R12 or C99;
- A temporary or seasonal employee;
- A full-time member of the armed forces of any country;
- A leased employee; or
- An independent contractor.

## What is the effective date of this plan?

The effective date of your coverage depends on when you become an eligible Member, when you apply, when your payroll deductions begin, and whether you are required to provide Evidence Of Insurability.

If you are **not** required to provide Evidence Of Insurability and you apply and agree to pay premiums, your Voluntary LTD coverage becomes effective on the latest of:

- The date you become eligible, if you apply on or before that date;
- The date you apply, if you apply within 60 days after you become eligible; or
- The date payroll deductions for this insurance begin.

If you are required to provide Evidence Of Insurability and you apply and agree to pay premiums, your Voluntary LTD coverage becomes effective on the later of:

- The date The Standard approves your Evidence of Insurability; and
- The date payroll deductions for this insurance begin.

In every case, you must meet an Active Work requirement before your insurance becomes effective.

## What is the Active Work Requirement?

Active Work means performing with reasonable continuity the Substantial and Material Acts of your Own Occupation at your Employer's usual place of business. You must be capable of Active Work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. 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.

## Will I have to provide information regarding my medical history?

If you apply for Voluntary LTD insurance within 60 days of becoming eligible to apply and you meet the Active Work requirement, you will automatically qualify for coverage. This means that you will not have to submit satisfactory Evidence Of Insurability to purchase coverage.

The Standard will require you to provide information regarding your medical history, referred to as Evidence Of Insurability, if you:

- Apply more than 60 days after you become eligible to apply for Voluntary LTD insurance.
- Terminate your coverage for any reason but later apply to become insured again.
- Request to increase your amount of coverage.
- Change from the 90-day Benefit Waiting Period plan to the 30-day Benefit Waiting Period plan.





## When do LTD Benefits become payable?

When you enroll, you may choose one of the following two options as to when LTD Benefits become payable:

Option 1: If you become Disabled and your claim for LTD Benefits is approved by The Standard, LTD Benefits become payable after you have been continuously Disabled for 30 days and remain continuously Disabled.

Option 2: If you become Disabled and your claim for LTD Benefits is approved by The Standard, LTD Benefits become payable after you have been continuously Disabled for 90 days and remain continuously Disabled.

LTD Benefits are not payable during the Benefit Waiting Period.

## When am I considered Disabled?

During the Benefit Waiting Period and the Own Occupation Period, you are considered Disabled if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder:

- You are unable to perform with reasonable continuity the Substantial and Material Acts of your Own Occupation and you are not working in your Own Occupation, or
- You are working in your Own Occupation but as a result of Physical Disease, Injury, Pregnancy or Mental Disorder you are unable to earn 80 percent of your Predisability Earnings.

The Own Occupation Period for the Voluntary LTD coverage is the first 24 months for which LTD Benefits are paid. You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

After the Own Occupation Period, you are considered disabled if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder:

- You are unable to engage with reasonable continuity in any occupation, or
- You are working in an occupation but are unable to engage with reasonable continuity in that occupation or any occupation.

Any occupation means all occupations or employment which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity and within an appropriate distance from your residence or available in your regional labor market.

## How much is the LTD Benefit amount?

At the time you enroll, you may elect Voluntary LTD insurance in benefit amount increments of \$100, from \$500 to a maximum of \$7,500. However, the maximum benefit amount elected cannot exceed 60% of your insured Predisability Earnings.

If you become Disabled, your monthly LTD Benefit will be the increment of \$100 for which you are insured, reduced by deductible income. Your monthly LTD Benefit will not be less than \$100.

## How is the LTD Benefit amount calculated?

The LTD Benefit amount is the increment of \$100 you elected (not to exceed 60% of your Predisability Earnings). This amount is then reduced by other income you receive or are entitled to receive while LTD Benefits are payable. This other income is referred to as Deductible Income.

In the example below, the LTD Benefit amount elected was \$1,500. If during Disability you receive a monthly Social Security disability benefit of \$600 and a monthly benefit of \$400 from your employer's retirement plan, your monthly LTD Benefit would be calculated as follows:

LTD Benefit elected	\$1,500
Less Social Security disability benefit	- 600
Less employer retirement benefit	- <u>400</u>
Amount of LTD Benefit	\$ 500*

\* Please note your LTD Benefit amount may vary based on your own circumstances, including whether or not your Employer has a retirement plan and the amount of their contributions.

## What are predisability earnings?

Predisability Earnings are your monthly rate of earnings from your Employer and include:

- Salary
- Shift differential pay
- Commissions
- Contributions you make through a salary reduction agreement with your Employer to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

Predisability Earnings exclude bonuses, stock options and stock bonuses, overtime pay, your Employer's contribution to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on the last full day of Active Work.

## What is deductible income?

Deductible Income is income you receive or are entitled to receive while LTD Benefits are payable. It is used to reduce the amount of your LTD Benefit and includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation (including donated amounts; but not vacation pay) paid by your Employer that exceed 100 percent of your Indexed Predisability Earnings when added to your LTD Benefit.
- Amounts you receive or are entitled to receive because of your Disability under a workers' compensation law (other than California Workers' Compensation benefits for permanent total and permanent partial disability) or any similar law due to your disability.
- Amounts received under unemployment compensation law.
- Benefits you receive or are entitled to receive because of your Disability under any state disability income benefit law or similar law.
- Social Security disability benefits, including benefits for your spouse and children, that you receive or are entitled to receive.
- Social Security retirement benefits you receive.
- Disability benefits from any other group insurance which, when added to the LTD Benefit, exceed 80 percent of your Predisability Earnings.
- Any retirement benefits received from your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.
- Any disability benefits you receive or are entitled to receive from your Employer's retirement plan including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.
- Earnings from work activity while you are Disabled.
- Earnings or compensation included in your Predisability Earnings which you receive or have a right to receive while LTD Benefits are payable.
- Amounts of third party liability payments you receive because of your Disability, whether by judgment, settlement or otherwise (less attorneys' fees).
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above.



### What is the maximum benefit period?

If you become Disabled before age 62, LTD Benefits may continue during Disability until you reach age 65, or to Social Security Normal Retirement Age (SSNRA), or 3 years 6 months, whichever is longest. If you become Disabled at age 62 or older, the benefit duration is determined by your age when Disability begins as indicated in the table below.

Age when Disability begins	Maximum Benefit Period
62	To SSNRA, or 3 years 6 months, whichever is longer
63	To SSNRA, or 3 years, whichever is longer
64	To SSNRA, or 2 years 6 months, whichever is longer
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 or older	1 year

## When do LTD 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 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
- The date your work earnings equal or exceed 80 percent of your Indexed Predisability Earnings

## What are some of the other features of this coverage?

This LTD coverage has the following features:

- It covers Disabilities that occur 24 hours a day, both on and off the job.
- If premium payments are made with “after-tax” dollars, LTD Benefits are federally tax-free under current federal tax law.
- 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.
- While LTD Benefits are payable, you may qualify to participate in a Rehabilitation Plan that prepares you to return to work. If you qualify, The Standard may pay for return to work expenses you incur, such as job search, training and education and family care expenses.
- 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 six times 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.
- If the Group Policy terminates, LTD Benefits will continue as long as you are eligible to receive them.
- If your coverage ends, you may be eligible to convert coverage to another group long term disability insurance policy without submitting Evidence Of Insurability.

## What exclusions apply to this coverage?

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 the 12 month Exclusion Period and Actively at Work for at least one full day after the end of the Exclusion Period

## What is a Preexisting Condition?

A Preexisting Condition is:

- A diagnosed mental or physical condition for which the employee received medical treatment, care or services, or has taken prescribed medication at any time during the Preexisting Condition Period; or
- If Evidence Of Insurability was required for coverage, a mental or physical condition, whether diagnosed or misdiagnosed:
  - for which the employee has received medical treatment, care or services, or has taken prescribed medication at any time during the Preexisting Condition Period, or
  - that caused symptoms during the Preexisting Condition Period for which a prudent person would usually seek medical treatment, care or services, and
  - which was misrepresented or not disclosed in your application for coverage.

The Preexisting Condition Period is the 6-month period just before your Voluntary LTD insurance becomes effective.

## What limitations apply to this coverage?

LTD Benefits are not payable for any period when you are:

- Not receiving appropriate care from a Physician until maximum point of recovery
- 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

In addition, payment of LTD Benefits is limited in duration:

- To 12 months if you reside outside the United States or Canada
- To 24 months in your lifetime for disabilities caused or contributed to by each type of disorder: mental disorders; alcohol use, alcoholism, or drug use; musculoskeletal and connective tissue disorder; chronic fatigue; or chemical and environmental sensitivities.

## When does my Voluntary LTD insurance coverage end?

The Voluntary LTD insurance ends automatically on the earliest of the following:

- The date the last period ends 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; however, insurance may continue for limited periods under certain circumstances as described in the Group Policy

## How much will the Voluntary LTD coverage cost?

The monthly premium rates for the group Voluntary LTD coverage are indicated in the tables below:

### Option 1 (30-day Benefit Waiting Period):

Employee's Age on January 1	Premium Rate per \$100 of Benefit
Age 24 and under	\$0.25
Age 25 to 29	\$0.28
Age 30 to 34	\$0.30
Age 35 to 39	\$0.33
Age 40 to 44	\$0.45
Age 45 to 49	\$0.60
Age 50 to 54	\$0.73
Age 55 to 59	\$0.93
Age 60 to 64	\$0.95
Age 65 to 69	\$0.98
Age 70 or older	\$1.53

### Option 2 (90-day Benefit Waiting Period):

Employee's Age on January 1	Premium Rate per \$100 of Benefit
Age 24 and under	\$0.10
Age 25 to 29	\$0.11
Age 30 to 34	\$0.13
Age 35 to 39	\$0.18
Age 40 to 44	\$0.23
Age 45 to 49	\$0.35
Age 50 to 54	\$0.50
Age 55 to 59	\$0.63
Age 60 to 64	\$0.67
Age 65 to 69	\$0.70
Age 70 or older	\$1.13

To calculate the monthly payroll deduction for your Voluntary LTD coverage, use the following formula:

1. Enter the LTD Benefit you have elected.	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.

### How do I apply for Voluntary LTD insurance coverage?

To apply you may use one of the options listed below:

1. Complete the online enrollment at **www.standard.com/enroll**. Detailed first time user instructions are included. In addition, a dedicated call center is available to assist with your technical questions. You can reach The Standard’s Enrollment Assistance Line at 866.623.0622.

If enrolling online, please remember to complete your electronic enrollment/signature by clicking on the “I Agree” button and print your Benefit Summary page for your records.

2. Or, complete the enrollment form and The California State University Payroll Deduction Authorization form provided with this booklet and return them to The Standard in the envelope provided.

If you choose to enroll by completing the paper application, shortly after we receive your paperwork The Standard will send you a Benefit Summary page in the mail.

Regardless of which enrollment option you choose, you can review and print your Certificate of Coverage at any time by visiting our website at **www.standard.com/mybenefits/csu**.

The rest of this booklet will provide additional information about the insurance plan and will help you determine how much coverage you need. To take advantage of this opportunity and to help protect the people who are priceless to you, review the booklet and fill out the form today.

### What if I have additional questions?

If you have additional questions or for more information about how to apply for this important coverage, please contact The Standard at 800.378.5745 or access **www.standard.com/mybenefits/csu**.



## About Standard Insurance Company

The California State University has chosen Standard Insurance Company to provide group Voluntary LTD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

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