

# Long-Term Disability Insurance



*Developed for the Employees of  
Martin County School District*



## **Protecting Your Family Securing Your Future**

---

**“As long as you've got your health . . .”**

If you're physically healthy, you can work, play, take care of your family and enjoy life.

But, if something were to happen to you, all your hard work – and everything you have – could be lost unless you take steps to protect your income.

If asked to name your most valuable assets, you might list your home, your furnishings or your automobiles.

### **But what about your *paycheck*?**

You insure your home and your auto. Shouldn't you insure your income as well?

After all, it's your income that enables you to buy and enjoy all of your other assets.

Having adequate insurance coverage is not only the basis for a sound financial blueprint, it helps to provide the protection you need to ensure that your family, your home and your finances will be protected.

By purchasing this disability insurance through your employer, you also benefit from:

- Affordable group rates
- Convenient payroll deduction

## **How This Program Protects You**

---

If you suffer a covered disability while insured by this plan, you'll receive monetary benefits designed to help you maintain your normal lifestyle.

This program covers disabling injuries or sicknesses that last beyond the benefit waiting period, whether they occur on or off the job.

Please take a few minutes now to read this program description and learn how this valuable program helps protect your income and your lifestyle.

## **Eligibility For Coverage**

---

You must be an active, full-time or part-time employee to receive coverage under this plan. Full-time employment means you regularly work at least 30 hours per week.

### **Eligibility Waiting Period**

All employees who meet the eligibility requirements are eligible to participate in this program immediately.

You can enroll any time within 31 days following the date you become eligible for coverage. If you decide to enroll later, you will have to provide acceptable evidence of good health. This may require a medical examination, at your cost.

You will be asked to complete an enrollment form, indicating your wish to participate and your authorization for payroll deductions.

## **When Coverage Takes Effect**

---

If you meet these eligibility requirements, your coverage takes effect on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions.

If you have to submit evidence of good health, your coverage takes effect on the date we agree, in writing, to cover you. If you're not actively at work on the date your coverage would otherwise take effect, you'll be covered on the date you return to work.

## How Disability is Defined

---

To receive benefits under this plan, you must be disabled (as defined below) as a result of a covered injury or sickness, and you must be under the appropriate care of a licensed, practicing physician who is qualified to treat your disability.

**Disabled** means that, because of a covered injury or sickness, you are unable to perform the material duties of your regular occupation or solely due to injury or sickness you are unable to earn 80% or more of your indexed covered earnings. After benefits have been payable for 24 months, you are disabled if your injury or sickness makes you unable to perform the material duties of any occupation for which you are (or may reasonably become) qualified by education, training or experience, or solely due to injury or sickness you are unable to earn 80% or more of your indexed covered earnings.

**Injury** means any accidental loss or bodily harm that results directly and independently of all other causes from an accident.

**Sickness** means any physical or mental illness.

**Appropriate Care** means the determination of an accurate and medically supported diagnosis of your disability, or ongoing medical treatment, conforming to generally accepted medical standards regarding care and frequency of treatments, by a licensed physician.

**Physician** means a licensed doctor practicing within the scope of his/her license and rendering care and treatment to an employee that is appropriate for the condition and locality. A physician cannot be the employee, his/her spouse, the immediate family of either the employee or spouse, or a person living in the employee's household.

## Benefit Waiting Period

---

Before collecting benefits, you must satisfy the benefit waiting period following your date of disability. For your plan, this period is 90 days of continuous disability.

## Benefits

---

1. This plan pays the lesser of:
  - a. 60% of the Employee's Basic Monthly Earnings rounded to the nearest dollar;  
or
  - b. 

Salary Band	Maximum Benefit
Less than \$24,000	\$1,200
\$24,000 to \$29,999	\$1,500
\$30,000 to \$35,999	\$1,800
\$36,000 to \$49,999	\$2,500
\$50,000 to \$74,999	\$3,750
\$75,000 and over	\$5,000; and
2. minus Other Benefits for that month.

The Monthly Benefit will not be less than \$300, regardless of any reductions shown in this Schedule. Monthly Benefits will be pro-rated if payable for any period less than a month.

Your benefit amount will be reduced by any amounts payable to you by any of the sources listed under the "Effects of Other Income Benefits" section.

**Covered earnings** means an employee's annual wage or salary as reported by the employer for work performed for the employer as of the date the covered loss occurs. It does not include amounts received as bonuses, commissions, overtime pay or other extra compensation.

### Conversion

This plan includes a Long-Term Disability "Conversion Privilege" feature. If you are under age 70, you may be eligible to become insured under a separate disability plan if you should leave your current employer. If you enroll for this option within 31 days of your termination of employment, you will not be required to submit evidence of good health. You will not be eligible for this option after 62 days following your termination of employment. Please ask your Benefits Administrator or Human Resource Specialist for more information about this feature.

## **Return-To-Work Incentives**

This plan includes benefits to encourage you to return to work as soon as medically feasible. These return-to-work incentives offer you both the opportunity and the encouragement to successfully return to productive employment – *without* risking your eligibility for income replacement benefits under this plan.

### **Residual Disability “Work Incentive” Benefits**

If you can work part-time at your regular occupation, or perform some work at any occupation (including limited or modified job duties or schedules) on a full- or part-time basis for less pay, you may qualify for residual disability benefits under this plan – even if you attempt to return to work before you have fulfilled the benefit waiting period. (Benefit payments, however, do not begin until the full benefit waiting period has been satisfied.)

For the first 24 months of residual disability, you may earn up to the same level you earned before becoming disabled, through a combination of your work earnings during any month you return to work, plus the benefit amount this plan pays. We reduce the plan benefit paid to the extent necessary to ensure that your benefits and other incomes combined do not exceed 100% of your pre-disability covered earnings amount.

After you have received residual disability benefits for 24 months, your benefit is reduced by 50% of any earnings you receive, and we may reduce it further, if necessary, to keep your combined benefits plus earnings to no more than 80% of your indexed covered earnings amount.

### **Recurrent Disability Feature**

If you return to work after receiving benefits under this plan, then again become disabled from the same or a related cause, you will *not* have to fulfill another benefit waiting period, if you have worked less than 6 consecutive months. The disability would be considered a continuation of your initial claim. (Of course, if the second disability recurs after 6 months, or results from a cause unrelated to the first, you must file a new claim and fulfill a new benefit waiting period.)

### **Rehabilitation Services**

If you are offered a rehabilitative assistance program agreed to by us and your employer during the course of your benefit waiting period or while benefits are payable, you will be expected to cooperate with the implementation of that assistance program. Disability benefits, if payable, may be suspended during any period in which you refuse to cooperate in such assistance, if offered. (Refer to the Exclusions section.)

**Indexed Covered Earnings** are the same as covered earnings for the first 12 months of benefit payments. After the 12<sup>th</sup> month of benefit payments, we apply an increase to your covered earnings amount, and refer to this as “indexed covered earnings,” in order to calculate the maximum benefit payable under this plan when combined with other income benefits you may be eligible to receive. The amount of the increase we apply is the lesser of either 10% or the rate specified in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) for the preceding calendar year. We do not reduce indexed covered earnings if the CPIW drops. If the CPIW is ever discontinued, we will use a comparable national index to calculate indexed covered earnings.

## **Effects of Other Income Benefits**

Disability insurance is designed to help you meet your financial obligations if you cannot work as a result of a covered injury or sickness. However, this plan is structured to prevent your total benefits and post-disability earnings from equaling or exceeding pre-disability earnings. Therefore, we reduce this plan’s benefits by an amount equal to any Social Security retirement and/or disability benefits payable to you, your dependents, or a qualified third party on behalf of you or your dependents.

Other income sources that **WILL** reduce your benefits under this plan include:

- Employer-paid portion of company retirement plan benefits.
- Amounts payable under local, state, provincial or federal government disability or retirement plan or law as it pertains to the employer.
- Amounts payable by any franchise or group insurance or similar plan.
- Amounts payable by company sponsored sick leave or salary continuation plans.
- Benefits payable by a Canadian and/or Quebec provincial pension plan.
- Benefits payable under work-loss provisions of any “no fault” auto insurance.
- Amounts payable under the Railroad Retirement Act.
- Amounts of any wage or salary earned for work performed.
- Any amounts paid on account of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.
- Amounts payable under any workers’ compensation (including temporary or permanent disability benefits), occupational disease, and unemployment compensation. This includes damages, compromises or settlements paid in place of such benefits, whether or not liability is admitted.

Income sources that **WILL NOT** reduce your benefits under this plan are:

- Benefits paid by personal, individual disability income policies.
- Individual deferred compensation agreements.
- Employee savings plans, including thrift plans, stock options or stock bonuses.
- Individual retirement funds, such as IRA or 401(k) plans.
- Profit-sharing, investment or other retirement or savings plans maintained in addition to an employer-sponsored pension plan.

### **Minimum Disability Benefit**

Your benefits from this plan will never be less than \$300 per month. However, if there is an overpayment due, the minimum benefit may be reduced or not apply in order to recover the overpayment.

## Benefit Period

Once you qualify for benefits under this plan, you continue to receive them until the end of the benefit period, or until you no longer qualify for benefits, whichever occurs first. (We will ask you to periodically furnish proof of your continuing disability.)

This plan pays long-term disability benefits monthly.

Your benefit period begins on the first day after you complete your benefit waiting period. And, should you remain disabled, your benefits continue according to the later of your SSNRA\* or the following schedule, depending on your age at the time you become disabled.

Age at Commencement of Disability	Duration of Benefit Period
Age 62 or younger	To age 65 or the date the 42 <sup>nd</sup> monthly benefit is payable, if later.
63 years	36 monthly payments
64 years	30 monthly payments
65 years	24 monthly payments
66 years	21 monthly payments
67 years	18 monthly payments
68 years	15 monthly payments
69 years or older	12 monthly payments

*\*SSNRA means the Social Security Normal Retirement Age in effect under the Social Security Act on the Policy Effective Date.*

Benefits payable under this plan will terminate on the earliest of any date indicated below:

- The date we determine you are no longer disabled.
- The date the maximum benefit period ends (see above schedule).
- The date you refuse to participate in rehabilitation services.
- The date you cease to get appropriate care.
- The date you die.

## Limitations

This plan provides only limited benefits for some conditions and excludes others from coverage, as listed below.

### Pre-Existing Conditions

Pre-existing conditions are those for which you have incurred expenses, taken prescription drugs or medicines, received medical treatment, care or services (including diagnostic measures,) or for which a reasonable person would have consulted a physician during the 3 months immediately prior to the most recent effective date of insurance.

This plan does *not* pay benefits for any disability resulting from a pre-existing condition unless the disability occurs after you have been insured under this plan for 12 consecutive months. If you were insured under the employer-sponsored disability plan with a pre-existing condition limitation immediately prior to the effective date of this plan, we will credit you for all time served toward that limitation period, for similar or lower benefit amounts. If benefits under this plan are higher than under your prior plan, you do not receive credit for the higher benefit levels. This limitation also applies to newly added or increased benefits.

### Limitation to Mental/Nervous Conditions

This plan limits benefits for disabilities caused by or contributed to by any one or more of the following conditions:

- Anxiety-disorders
- Delusional (paranoid) or depressive disorders
- Eating disorders
- Mental illness
- Somatoform disorders (including psychosomatic illnesses).

Benefits for these conditions have a lifetime limit of 24 months for outpatient treatment. The plan also pays benefits during periods of hospital confinement for these conditions, as long as hospitalization lasts for more than 14 consecutive days and occurs before the 24-month lifetime outpatient limit is exhausted. Once the 24-month outpatient benefits are exhausted, the plan pays no further benefits for these conditions.

### Limitation to Drug/Alcohol Abuse

This plan limits benefits for disabilities caused by or contributed to by any one or more of the following conditions:

- Alcoholism
- Drug addiction or abuse

Benefits for these conditions have a lifetime limit of 24 months for outpatient treatment. The plan also pays benefits during periods of hospital confinement for these conditions, as long as hospitalization lasts for more than 14 consecutive days and occurs before the 24-month lifetime outpatient limit is exhausted. Once the 24-month outpatient benefits are exhausted, the plan pays no further benefits for these conditions.

## Exclusions

---

This plan does not pay benefits for a disability which results, directly or indirectly, from any of the following:

- Suicide, attempted suicide, or whenever you injure yourself on purpose
- War or any act of war, whether or not declared
- Active participation in a riot
- Commission of a felony
- The revocation, restriction or non-renewal of your license, permit or certification necessary for you to perform the duties of your occupation, unless solely due to injury or sickness otherwise covered by the policy.

Further no benefits will be payable for any periods during which you:

- Are incarcerated in a penal or corrections institution
- Are engaged in the activities of active duty service in the military, navy or air force of any country or international organization. An Injury or Sickness that occurs while engaged in Reserve or National Guard training is not excluded until training extends beyond 31 days.
- refuse to participate in rehabilitation efforts as required by us
- Are not receiving appropriate care
- Refuse to participate in a transitional work arrangement or other modified work arrangement. (These work arrangements may be offered to you by your employer, or an affiliated company while you are disabled; they may be of the same or any other occupation as once held by you prior to the disability; and they may include, but are not limited to: reassigned duties, work site modification, flexible work arrangements, job adaptations or specialized equipment.)
- Fail to cooperate with us in the administration of the claim. (Such cooperation includes, but is not limited to providing information or documents needed to determine whether benefits are payable or the actual benefit amount due.)

## Changes To Existing Coverage

---

You can make changes to your existing coverage within 31 days after the following specific “life status changes.”

- Marriage, divorce, annulment or legal separation.
- Birth or adoption of a child.
- Your spouse’s death, termination of employment, or a change in benefit plans available to your spouse.
- Change in your or your spouse’s employment affecting your benefits eligibility.

## Termination of Coverage

---

Your coverage will end on the earliest of any of the following dates:

- the date you are no longer an employee of the employer sponsoring the plan
- the date you are no longer a member of an eligible class of employees
- the date the plan is terminated by the insurer or the employer
- the day after the last date for which premium has been paid by you or the employer.
- the date you become eligible for a plan of benefits intended to replace this coverage.

If you are disabled and receiving benefits under this plan, your benefits and coverage will continue until the expiration of your benefit period, or until you no longer qualify for benefits under the plan, whichever comes first.

## How Much Your Coverage Will Cost

---

The cost of this insurance program is paid for by you. Please indicate your disability plan choice (or your decision not to select coverage) on your enrollment form. You must authorize payroll deduction for premium payments.

Monthly Benefit	Rate
\$1,200	\$12.93 per Employee per Month
\$1,500	\$14.86 per Employee per Month
\$1,800	\$15.09 per Employee per Month
\$2,500	\$15.79 per Employee per Month
\$3,750	\$16.12 per Employee per Month
\$5,000	\$16.74 per Employee per Month

*(Please Note: All benefits in this plan are paid on a monthly basis, regardless of your regular pay period.)*





LIFE INSURANCE COMPANY OF NORTH AMERICA

POLICYHOLDER

Martin County School District

POLICY NUMBER

LK 006348

Long-Term Disability (LTD) Enrollment Form

Name Last First M. I. Sex: Male Female

Date of Birth Social Security No. / / - / - / / /

Address Number and Street City State Zip Code Home Phone ( )

Date Hired Title or Occupation Annual Salary \$



Please check the appropriate box.

- I accept the LTD insurance provided by the Company's Group Insurance Plan...
I have been offered LTD insurance and decline to purchase it at this time...

Late entrants must complete an Evidence of Insurability Form. Coverage for late entrants is subject to the Insurance Company's approval.

If you are not in active service on the date your coverage would otherwise take effect, you will be covered on the date you return to active service.

Pre-Existing Condition Limitation: A pre-existing condition is any injury or illness for which you have consulted a physician...

Signature of Applicant Date







This information is a brief description of the important features of this plan. It is not a contract. Terms and conditions of the coverage are set forth in Group Policy No. LK-006348, on Policy Form TL-004700, issued in Florida and subject to its laws. The availability of this offer may change. Please keep this material as a reference, and file it with your certificate, should you become insured.

*Licensed Resident Agent:  
Stephen C Zilberfarb #E108462*

*Coverage is underwritten by  
Life Insurance Company of North America  
1601 Chestnut Street  
Philadelphia, PA 19192*

03/15  
Class 1



**GO YOU**<sup>SM</sup>



"Cigna" is a registered service mark, and the "Tree of Life" logo and "GO YOU" are service marks, of Cigna Intellectual Property, Inc., licensed for use by Cigna Corporation and its operating subsidiaries. All products and services are provided exclusively by such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Life Insurance Company of North America, Cigna Life Insurance Company of New York, and Connecticut General Life Insurance Company. All models are used for illustrative purposes only.