



TheStandard®

Voluntary Long Term Disability Insurance

FOR EMPLOYEES OF KENT STATE UNIVERSITY

Answers to your questions about coverage from Standard Insurance Company



STANDARD INSURANCE COMPANY

About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Long Term Disability (LTD) insurance coverage being offered by Kent 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, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet. Features of the group Voluntary LTD insurance coverage may vary by state.



Voluntary Long Term Disability Insurance Features

Chances are you already purchase 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?

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 sponsoring group Voluntary LTD insurance from Standard Insurance Company, Kent State University 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 disability.

Some of the features of this coverage

LTD coverage offered by The Standard has the following features:

- It covers *disabilities* that occur 24 hours a day, both on and off the job.
- Since premium payments are made with "after-tax" dollars, *LTD benefits* are federally tax-free under current federal tax law.
- You make premium payments for the LTD Plan through payroll deduction.
- Benefits are not based on years of service.
- 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 *survivor's benefit* equal to three times your unreduced monthly *LTD benefit* may be payable.
- If the *group policy* terminates, and you are receiving *LTD benefits*, those benefits will continue as long as you remain eligible to receive them.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary LTD insurance available from The Standard. Written in non-technical language, this 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:

- Nearly one person in five, about 49.7 million Americans, has some type of long lasting condition or disability. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)
- On average, about 2,329 disabling injuries occur every hour during the year. (Source: National Safety Council, *Injury Facts, 2003*)
- 21.3 million or 11.9 percent of all Americans aged 16 to 65 have a disabling condition that affects their ability to work at a job or business. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)

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? Is LTD insurance part of the solution?

Monthly Expenses

Food	\$ _____
Mortgage/rent	_____
Childcare/education	_____
Heating Costs	_____
Utilities	_____
(electricity, cable, phone, etc.)	
Clothing	_____
Debts	_____
(credit cards, student & auto loans, etc.)	
Insurance	_____
(health, life, auto, home, etc.)	
Taxes	_____
Other	_____
Total Monthly Expenses	\$ _____

Monthly Income

Take home pay	\$ _____
Spouse income	_____
Other income	_____
Total Monthly Income	\$ _____

Why do I need LTD insurance from The Standard if I am enrolled in the Ohio Public Employees Retirement System or State Teachers Retirement System of Ohio (OPERS/STRS) plans?

Voluntary LTD insurance from The Standard would supplement disability benefits received through the OPERS or STRS plan. Here are some advantages:

- OPERS/STRS pay a 45% benefit if you have less than 20 years of service. You are eligible for The Standard's LTD insurance the first day of the month following your date of hire and may elect a benefit level of either 50% or 60%.
- Benefits payable under the OPERS/STRS are subject to federal tax. The after-tax income replacement could be as little as 34%-37% of your income. Benefits payable under the Standard's LTD Plan are tax-free, providing 50% or 60% of income replacement (depending on the plan you select).
- With The Standard's LTD insurance, benefits are payable after a 180-day benefit waiting period. With OPERS/STRS, the benefit waiting period is 365 days.

Am I eligible for this coverage?

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

- A regular employee of Kent State University who is *actively at work* at least 40 hours each week; or
- A regular appointed Faculty Member of Kent State University; and
- A citizen or resident of the United States or Canada

When does my insurance go into effect?

The effective date of your coverage depends on when you become an eligible *member*, when you apply and whether you are required to provide *evidence of insurability*.

If you are **not** required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary LTD coverage becomes effective on:

- The date you become eligible if you apply on or before that date or
- The date you apply if you apply within 31 days after you become eligible

If you choose to enroll at a later date, you will be required to provide *evidence of insurability*. If you are required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary LTD coverage will become effective on the date The Standard approves your *evidence of insurability*. In every case, you must meet the *active work* requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the *material duties* of your *own occupation* at Kent State University'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 1 day of *active work* as an eligible employee.

Will I have to provide information regarding my medical history?

If you apply for coverage beyond the 31-day period of your initial eligibility, proof of good health is required. You will need to complete and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

Evidence of insurability is also required if you are currently enrolled in the 50 percent benefit option and wish to move to the 60 percent benefit option, for reinstatement of terminated coverage, and for *members* eligible but not insured under your company's prior LTD insurance plan, if any.

When do LTD benefits become payable?

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 180 days and remain continuously *disabled*. *LTD benefits* are not payable during this *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 *material duties* of your *own occupation*, and
- You suffer a loss of at least 20 percent of your *indexed predisability earnings* when working in your *own occupation*.

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. You may work in another occupation while you are *disabled* from your *own occupation*, however, you will not be considered *disabled* when your *work earnings* from another occupation exceeds 80 percent of your *indexed predisability earnings*.

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 perform with reasonable continuity the *material duties* of *any occupation* that you are able to perform, whether due to education, training or experience:

- Which is available at one or more locations in the national economy, and
- In which you can be expected to earn at least 60 percent of your *indexed predisability earnings* within 12 months following your return to work, regardless of whether you are working in that or any other occupation.

How much is the LTD benefit amount?

Your monthly *LTD benefit* is either 50 or 60 percent of your insured primary *predisability earnings* reduced by *deductible income*, depending on which option you choose. The plan minimum and maximum *LTD benefit* amounts are indicated below.

Plan Maximum Monthly <i>LTD benefit</i>	Plan Minimum Monthly <i>LTD benefit</i>
\$6,000	\$100

How is the LTD benefit amount calculated?

You have two options from which to choose for this benefit. In both cases, your monthly *LTD benefit* is a percentage of your insured primary *predisability earnings* reduced by *deductible income*. The *LTD benefit* amount is determined by multiplying your insured primary *predisability earnings* by the specified benefit percentage. This amount is then reduced by other income you receive or are eligible to receive while *LTD benefits* are payable. This other income is referred to as *deductible income*.

In the examples below, the *LTD benefit* amount is 50 percent of insured *predisability earnings* for Option 1 and 60 percent for Option 2. If your primary monthly earnings (*predisability earnings*) before becoming *disabled* were \$4,000 and you factor in deductible income as defined in the *group policy* (i.e. Social Security and/or state retirement benefits) your monthly *LTD benefit* would be calculated as follows:

	Option 1	Option 2
Insured primary monthly <i>predisability earnings</i>	\$4,000	\$4,000
<i>LTD benefit</i> percentage	x 50%	x 60%
	\$2,000	\$2,400
Less Social Security disability benefit	- \$700	- \$700
Amount of <i>LTD benefit</i>	\$1,300	\$1,700
Total income replacement*	\$2,000	\$2,400
	Option 1	Option 2
Insured primary monthly <i>predisability earnings</i>	\$4,000	\$4,000
<i>LTD benefit</i> percentage	x 50%	x 60%
	\$2,000	\$2,400
Less OPERS/STRS benefit	- \$1800	- \$1800
Amount of <i>LTD benefit</i>	\$200	\$600
Total income replacement*	\$2,000	\$2,400
* Total income replacement includes the <i>LTD benefit</i> payable by The Standard and other income you receive or are eligible to receive while <i>LTD benefits</i> are payable (i.e. Social Security or OPERS/STRS).		

What are predisability earnings?

Predisability earnings are your monthly primary work assignment earnings from Kent State University and include:

- Salary
- Contributions you make through a salary reduction agreement with Kent State University 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, commissions, overtime pay, shift differential pay, Kent State University'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*. Please contact your human resources representative for additional information regarding what is included in *predisability earnings*.

What is deductible income?

Deductible income is income you receive or are eligible 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) paid by your *employer*
- Benefits received under the Ohio Public Employees Retirement System
- Benefits received under the State Teachers Retirement System of Ohio
- Benefits under any workers' compensation law, state disability income benefit law or similar law
- Amounts under unemployment compensation law or similar law
- Social Security disability or retirement benefits, including benefits for your *spouse* and *children*
- Disability benefits from any other group insurance coverage
- Disability or retirement benefits under your *employer's* retirement plan
- Earnings from work activity while you are *disabled*, plus the earnings you could receive if you worked as much as you are able to considering your *disability*
- Earnings or compensation included in your *predisability earnings* and which you receive or are eligible to receive while *LTD benefits* are payable
- Amounts due from or on behalf of a third party because of your *disability*
- Any amount you receive by compromise, 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* at age 61 or younger, *LTD benefits* may continue during *disability* until you reach age 65, or for 3 years 6 months, if longer. 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	3 years 6 months
63	3 years
64	2 years 6 months
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 and 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

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)
- The loss of your professional or occupational license or certification
- 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 a specified period of time, and you have been actively at work for at least one full day after the end of the specified period

What is a pre-existing condition?

A *pre-existing* condition is a mental or physical condition, whether or not diagnosed or misdiagnosed:

- Which was discovered or suspected as a result of any routine or other medical examination, at any time during the *pre-existing period* or
- For which you have (or a reasonably prudent person would have) consulted a physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the *pre-existing condition period*.

The *pre-existing condition period* is the 90-day period just before your Voluntary LTD insurance becomes effective. A separate *pre-existing condition period* applies for the 50 percent benefit option and the 60 percent benefit option.

What plan limitations apply to this coverage?

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

- Not under the ongoing care of a physician in the appropriate specialty as determined by The Standard
- 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
- Able to work and earn at least 20 percent of your *indexed predisability earnings*, but you elect not to work; during the first 24 months after the end of the benefit waiting period the responsibility to work is limited to work in your *own occupation*; thereafter, the responsibility to work includes work in *any occupation*

In addition, payment of *LTD benefits* is limited in duration in the following situations:

- To 12 months while you reside outside of the United States or Canada.
- To 24 months in your lifetime if your *disability* is caused or contributed to by *mental disorders, substance abuse or other limited conditions*, including but not limited to chronic fatigue conditions, allergy or sensitivity to chemicals or the environment, chronic pain conditions, carpal tunnel or repetitive motion syndrome, temporal mandibular joint disorder or craniomandibular joint disorder.

When does my Voluntary LTD insurance coverage end?

Insurance ends automatically on the earliest of the following:

- The last day of the last period 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
- If applicable, the date Kent State University ceases to participate under 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 table below.

Employee age on the first of the month of their attained age below	Option 1 Percent of employee's insured <i>predisability earnings</i> before reduction by <i>deductible income</i>	Option 2 Percent of employee's insured <i>predisability earnings</i> before reduction by <i>deductible income</i>
Age 29 and under	0.144	0.221
Age 30 to 34	0.173	0.265
Age 35 to 39	0.234	0.335
Age 40 to 44	0.311	0.477
Age 45 to 49	0.473	0.720
Age 50 to 54	0.700	1.071
Age 55 to 59	0.935	1.405
Age 60 to 64	0.996	1.480
Age 65 to 69	1.065	1.583
Age 70 to 74	1.328	1.972
Age 75 and above	1.905	2.830

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

1. Enter your monthly *predisability earnings*, not to exceed \$12,000 for Option 1 or \$10,000 for Option 2Line 1: _____
2. Select your rate from the table and divide by 100
Enter that amount hereLine 2: _____
3. Multiply Line 1 by the amount shown on Line 2Line 3: _____

The amount shown on Line 3 is your estimated monthly payroll deduction. If you have questions regarding your primary *predisability earnings*, please contact your human resources representative.

How do I apply for Voluntary LTD insurance coverage?

To apply for the Voluntary LTD insurance coverage, please access the “Flashline Secure Log-In” at www.kent.edu and choose the enrollment link. If you apply more than 31 days after becoming eligible for the coverage, *evidence of insurability* is required. Coverage subject to *evidence of insurability* is not effective until approved by The Standard.

What if I have additional questions?

If you have any additional questions, please contact your human resources representative.

About Standard Insurance Company

Kent State University has chosen Standard Insurance Company to provide group Voluntary LTD coverage to eligible employees. The Standard has earned an excellent 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.

Just as others count on you, you can count on The Standard for Voluntary LTD insurance in a time of need. Talk with your human resources representative for more information about group Voluntary LTD insurance from The Standard.



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