

# Voluntary Long-Term Disability Insurance

*available from Employee's Choice*



**GROUP SIZES 10+  
FULL-TIME EMPLOYEES – 24-HOUR PROTECTION**

AFFORDABLE SALARY PROTECTION IN CASE OF A DISABLING INJURY OR SICKNESS



A product of Southern National Life Insurance Company, Inc.

## MEETING THE NEEDS OF EMPLOYEES AND EMPLOYERS

**Highly desired benefit.** Voluntary Long-Term Disability (VLTD) insurance is a cost-effective way to help protect employees' income in the event of an injury or sickness causing a long-term or permanent disability. Employee's Choice VLTD plans help employers to recruit and retain the best and most talented employees by giving them the added security and protection they want for themselves and their families.

**No Employer Contributions.** Voluntary Long-Term Disability insurance plans allow employers to give their employees the benefits they want with little or no cost to the employer. Employees may pay 100 percent of the premium through payroll deductions.

**Employee Retention.** An attractive benefit package can be a priceless commodity for any employer. A portfolio that includes VLTD can help employers attract and retain skilled and productive employees who contribute positively to their bottom line.

**Simplified Administration.** *Employee's Choice* makes it easy for employers to offer this benefit. And, since monthly premiums are conveniently deducted from payroll, paperwork is kept to a minimum.

### WHY IS LONG-TERM DISABILITY COVERAGE IMPORTANT?

#### Consider the following...

- ✓ A disabling injury occurs in America every 4 seconds.<sup>1</sup>
- ✓ Income lost through disability is two times as great as auto accident losses and three times as great as fire losses.<sup>2</sup>
- ✓ In the last 20 years, deaths due to the "big three" (cancer, heart attack and stroke) have gone down significantly. But disabilities due to those same three are up dramatically.<sup>3</sup>
- ✓ For an "average" Louisiana family with two wage earners and two children, the estimated monthly budget for basic costs such as food, housing, transportation and clothing was \$3,100 in 2005.<sup>4</sup>

**An employer faces tough choices if an employee has an injury or sickness that leaves him or her unable to work.**

#### The employer can...

1. Continue to pay the employee's salary
2. Stop paying the employee's salary
3. Hope the employee can rely on Social Security Disability benefits, or...
4. Provide the opportunity for employees to purchase long-term disability income protection.

## HERE'S AN EXCELLENT SOLUTION...

### EMPLOYEE'S CHOICE GROUP VOLUNTARY LONG-TERM DISABILITY PLAN

The employer chooses the plan design from among the following options for all eligible employees.

- A *maximum monthly benefit* from \$300 to \$3,000 (up to 60 percent of the employee's monthly pre-disability income)
- *Minimum Issue Amount:* \$300 and is elected in \$100 increments
- A *choice of elimination periods* of 90, 180 or 360 consecutive days for both injury and sickness
- A *choice of benefit durations* of three years, five years or at attaining age 65. Benefits to age 65 are available for Industries A and B only (exceptions will require Underwriting approval).

**A highly valued and desired employee benefit at group rates. And because it is a voluntary plan, there is generally little or no cost to the employer!**

<sup>1</sup>The National Safety Council, "Injury Facts," 2005-2006 edition.

<sup>2</sup>National Underwriter, May 2002.

<sup>3</sup>JHA Fact Book.

<sup>4</sup>Economic Policy Institute's Basic Family Budget Calculator, September 2005. Retrieved March 30, 2007, from [www.epinet.org](http://www.epinet.org).

## EMPLOYEE'S CHOICE VLTD PRODUCT FEATURES...

**Elimination Period:** Benefits begin the day after the elimination period is complete. *Employee's Choice* VLTD offers elimination periods of 90 consecutive days (90 days for injury and 90 days for sickness), 180 days or 360 days.

**Guaranteed Issue:** The maximum guaranteed issue amount is \$1,500.

**Participation Requirements:** The greater of 10 employees or 25 percent of eligible employees are required to participate.

**Waiver of Premiums:** After the elimination period is met, premiums are waived while an insured is disabled and benefits are payable.

**Continuity of Coverage:** Continuity of coverage will apply to all employees enrolled under the disability plan that this coverage replaces.

## LIMITATIONS:

**Pre-existing Condition:** In the first 24 months after an employee's effective date, disability will not be covered if it is caused by, contributed to by, or the result of a condition for which:

1. Medical treatment, consultation, care or services, including diagnostic measures, prescription drugs or medicines were received in the 12 months just prior to the effective date; or
2. If symptoms exist that an ordinarily prudent person would have consulted a doctor in the 12 months just prior to the effective date.

**Disabilities Due to Mental Illness, Drug Abuse or Alcoholism:** Cumulative lifetime maximum benefits of 12 months.

**Disabilities Due to Special Conditions:** Cumulative lifetime maximum benefits of 12 months. Examples of special conditions are Chronic Fatigue Syndrome, Fibromyalgia and Carpal Tunnel Syndrome. Please refer to the certificate for complete details of the Special Conditions Limitation.

Other limitations and exclusions are detailed in the employee Certificate.

## DISABILITY DEFINITIONS

**TOTAL DISABILITY:** An employee is disabled when Southern National Life determines that he or she is unable to perform the material and substantial duties of his or her regular occupation due to his or her sickness or injury, and he or she is not working in any occupation.

After 12 months of disability payments, in order to continue receiving benefits, the employee must be unable to engage in any employment or occupation for which he or she is, or becomes qualified by reason of education, training, or experience and which provides the employee with substantially the same earning capacity as his or her former earning capacity prior to the start of the disability.

**PARTIAL DISABILITY:** If an employee is working, he or she is considered partially disabled when Southern National Life determines that, due to his or her sickness or injury, he or she is:

- ✓ Able to perform one or more, but not all, of the material and substantial duties of his or her regular occupation on a full-time or a part-time basis; or
- ✓ Able to perform all of the material and substantial duties of his or her regular occupation on a part-time basis; or
- ✓ Able to perform all of the material and substantial duties of any other occupation on a full-time or part-time basis.

To qualify for a Partial Disability benefit, the employee must be earning less than 50 percent of his or her pre-disability monthly earnings at the time partial disability employment begins and be under the appropriate care of a doctor.

The Partial Disability benefit is limited to 50 percent of the monthly benefit for a three-month period.

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# COST

## *Two Competitive Voluntary Long-Term Disability Plans*

### **PLAN A – 90-Day Elimination Period 5-Year Reducing Benefit Duration**

### **\$1,500 MONTHLY BENEFIT**

EMPLOYEE AGE	MONTHLY COST Industry Class A	MONTHLY COST Industry Class B	MONTHLY COST Industry Class C	MONTHLY COST Industry Class D	MONTHLY COST Industry Class H
<30	6.15	8.25	9.90	12.45	12.45
30-39	10.50	13.80	16.65	20.85	20.85
40-44	15.30	20.10	24.30	30.45	30.45
45-49	20.40	26.85	32.40	40.80	40.80
50-54	28.35	37.35	45.00	56.70	56.70
55-59	40.35	53.25	64.20	80.70	80.70
60+	54.15	71.40	86.10	108.30	108.30

### **PLAN B – 180-Day Elimination Period 5-Year Reducing Benefit Duration**

### **\$1,500 MONTHLY BENEFIT**

EMPLOYEE AGE	MONTHLY COST Industry Class A	MONTHLY COST Industry Class B	MONTHLY COST Industry Class C	MONTHLY COST Industry Class D	MONTHLY COST Industry Class H
<30	3.90	5.10	6.15	7.65	7.65
30-39	6.75	8.85	10.80	13.50	13.50
40-44	10.65	13.95	16.95	21.30	21.30
45-49	15.00	19.80	23.85	30.00	30.00
50-54	21.30	28.05	33.75	42.45	42.45
55-59	32.10	42.15	50.85	64.05	64.05
60+	43.95	57.90	69.90	87.90	87.90

\*Rates are determined by eligible number of lives, monthly benefit, benefit duration, attained age, elimination period and Standard Industrial Classification (SIC) code. Refer to the SIC Chart on page 6. It lists some of the most common industries by class, *but is not an all-inclusive listing*. Ineligible industries follow in the next section. Employees have the choice of benefit amounts up to 50 percent of the insured's monthly pre-disability income in \$100 increments.

\*\*Costs are determined by which Industry Class the business falls into. Refer to the SIC chart on page 6. It lists some of the most common industries by class, *but is not an all-inclusive listing*. Ineligible industries follow in the next section.

# INDUSTRY CLASS LISTING

## Industry Class A

SIC Range / Description	
872X	Accounting, auditing & bookkeeping
731X	Advertising
60XX, except 606X	Banks
822X	Colleges & universities
737X	Computer & data processing services
606X	Credit unions
821X	Elementary & secondary schools
871X	Engineering & architectural services
63XX	Insurance carriers
874X, except 8744	Management & public relations
7383	News syndicates
873X	Research & testing services
823X-829X	Vocational schools & educational services

## Industry Class B

SIC Range / Description	
365X, 366X	Audio, video & communications equipment
275X-277X	Commercial/business printing & greeting cards
48XX	Communication
357X	Computer & office equipment
7323	Credit reporting
283X	Drugs
367X	Electronic components & accessories
376X	Guided missiles, space vehicles & parts
67XX	Holding & investment offices
64XX	Insurance agents/brokers
81XX	Legal services
384X-387X	Medical instruments, photographic equipment
781X, 782X	Motion picture production & distribution
84XX	Museums & gardens
271X-274X	Newspapers/periodicals/books/publishing
61XX	Nondepository institutions
7384	Photofinishing
282X	Plastic materials & synthetics
866X	Religious organizations
381X, 382X	Search, navigation, measuring & control devices
722X, 726X, 7291	Services-photo/funeral/tax return
784X	Video tape rental
511X-513X, 519X	Wholesale-paper/drugs/apparel/nondurables

## Industry Class C

SIC Range / Description	
7322	Adjustment & collection
278X	Blank books & bookbinding
49XX, except 495X	Electric, gas, water, etc.
36XX, except 3625, 365X-367X, 3695	Electrical equipment
762X, 763X	Electrical/watch/jewelry repair
281X	Industrial inorganic chemicals
391X-396X	Jewelry/musical instruments/toys/office supplies
733X	Mailing, reproduction, stenographic services
86XX, except 863X, 866X	Membership organization headquarters
91XX	Municipalities (no police/fire)
92XX-97XX	Non-municipal government entities (no police/fire)
171X, 173X	Plumbing/heating/electrical work
279X	Printing trade services
651X	Real estate operators/lessors
653X-655X	Real estate: agents/title/developers
3625, 3695	Relays, industrial controls, recording media
56XX	Retail-apparel & accessory stores
57XX	Retail-furniture & home furnishings
53XX	Retail-general merchandise stores
83XX	Social services
472X-474X	Transportation arrangement
742	Veterinary specialties
5091	Wholesale/retail-sporting goods
5010-5099, except 5012	Wholesale-auto parts/furniture/metals/elect. goods/ misc.
503X, 504X, 507X, 508X	Wholesale-machinery & equipment/lumber/plumbing
5012	Wholesale-motor vehicles

## Industry Class D

SIC Range / Description	
2873-2892	Agricultural chemicals/adhesives/explosives
01XX-09XX, except 0742	Agriculture/forestry/fishing
79XX	Amusement & recreation
75XX	Auto repair, services, parking
734X, 7381, 7382, 7389	Cleaning & maint./security/misc. business services
153X-154X	Construction-nonresidential
152X	Construction-residential
735X	Equipment rental/leasing
34XX, except 344X	Fabricated metal products, except structural
344X	Fabricated metal products, structural
8744	Facilities support services
202X-209X	Food products except meat
25XX	Furniture & fixtures
764X, 769X	Furniture & misc. repair
16XX	Heavy construction
35XX, except 357X	Industrial machinery & equipment
31XX	Leather products
41XX	Local & interurban passenger transit
70XX, except 7019	Lodging places except casinos
2011-2013	Meat products
399X	Misc. manufacturing
783X	Motion picture theaters
172X, 174X-179X	Other construction trades
478X	Packing/crating/inspection
285X, 286X, 2893-2899	Paints/organic chemicals/ink & carbon
265X, 267X	Paper products
29XX	Petroleum
46XX	Pipelines, except natural gas
2015	Poultry products
33XX	Primary metal industries
55XX	Retail-automotive dealers & service stations
52XX	Retail-building & garden supplies
58XX	Retail-eating & drinking places
54XX	Retail-food stores
59XX	Retail-misc.
30XX	Rubber & plastic products
495X	Sanitary services

## Industry Class D (continued)

SIC Range / Description	
621X, 622X	Security/commodity brokers
623X, 628X	Security/commodity exchanges & services
89XX	Services, nec.
284X	Soap, cleaners & toilet goods
72XX, except 722X, 726X, 7291	Srvcs - laundry & cleaning/ beauty/barber/shoe repair
32XX, except 3292	Stone, clay & glass
21XX	Tobacco products
37XX, except 376X	Transportation equipment
42XX	Trucking & warehousing
514X-518X	Wholesale grocery/raw farm products/chem/petroleum/bev
243X-249X	Wood products

## Industry Class H

SIC Range / Description	
808X	Home health care
806X	Hospitals
807X	Medical/dental labs
805X	Nursing facilities

## UNDERWRITING GUIDELINES

### Eligibility:

- ✓ Applicants must be full-time employees in active employment with the employer in the United States working 30 or more hours per week with a minimum of 90 days of service.
- ✓ Applicants must be W-2 employees. Independent contractors (1099), of counsel personnel, retirees, company board of directors, association members, temporary and seasonal employees, professional entertainers, athletes, private household employees, spouses and children are not eligible.
- ✓ Groups that have been in business less than two years are not eligible. Family members are limited to less than 50 percent of the group.
- ✓ Late entrants applying for coverage will be fully medically underwritten. A late entrant is described as an individual who is enrolling for voluntary long-term disability income insurance more than 31 days beyond his or her initial eligibility date.

### Ineligible Industries and Disability Risks:

*The following are not acceptable disability risks and are not eligible for coverage.*

- ✓ Associations, professional employer organizations (PEOs), leasing companies, temp agencies, private households, multiple employer trusts (METs), unions, pulp/paper/mills, casinos, hotels, dentists and doctors.
- ✓ Groups where more than one carrier is actively marketing LTD (not exclusive access).
- ✓ Offering our plan as an excess or buy-up plan to another coverage.
- ✓ See Eligibility section above for ineligible employee types.

## OTHER INFORMATION

- ✓ The plan design for all eligible employees is selected at the employer level.
- ✓ Employer contribution is encouraged, but not required.
- ✓ There are no monthly billing fees for groups that use electronic billing (bills are conveniently e-mailed to the employer).
- ✓ 24-hour coverage is provided in this plan.
- ✓ **Effective Dates:** Employees must first complete and sign an enrollment form. Coverage begins on the date an employee becomes eligible, provided he enrolls on or before that date. For employees who enroll within 31 days after their eligibility date, coverage begins on the date they apply. For employees for whom evidence of insurability is required, coverage begins on the date the enrollment form is approved.

## Customer Service That's Second to None!

Service is our business, and customer satisfaction is our top priority. When employers or employees have questions about a benefit or the status of a claim, our courteous customer service representatives have all the information right at their fingertips.

### ABOUT EMPLOYEE'S CHOICE

*Employee's Choice* voluntary group benefit plans are designed for employers looking to expand their benefit programs without expanding their budgets. Plus, they offer the convenience of payroll deduction. These voluntary plans include:

- Voluntary Dental Insurance – for both small groups 2-19 and 20+ groups
- Voluntary Group Term Life with Accidental Death and Dismemberment (AD&D)
- Voluntary High-Limit Accidental Death and Dismemberment
- Voluntary Short-Term Disability
- Voluntary Long-Term Disability

*EMPLOYERS: ASK YOUR PRODUCER TODAY ABOUT OUR FULL LINE OF VOLUNTARY PRODUCTS!*

For more information on voluntary group benefit plans from *Employee's Choice*, call a producer or contact an *Employee's Choice* representative:



CALL: 225.295.2525 OR 800.376.7763



FAX: 225.297.2665



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