

Wallingford Swarthmore School District

Long-Term Disability Insurance is Paycheck Insurance



Just Over 1 in 4 of Today's 20-Year Olds Will Become Disabled Before Retiring.¹ Are You Willing to Gamble with Those Odds?

- ✓ Health Insurance
- ✓ Car Insurance
- ✓ Life Insurance
- ? Paycheck Insurance

Most people remember to insure their car, their health and their life. However, almost everything you own is based on your ability to earn an income. Disability Insurance is not an "extra". It is a "must".

Wallingford Swarthmore School District is pleased to provide you with the opportunity to purchase Group Voluntary Disability Insurance. Now you can protect your wages by taking advantage of affordable group rates. When you enroll in this coverage, you will be paid a percentage of your salary if you become totally disabled and are unable to work.

Are you willing to gamble with your paycheck?

Just over 1 in 4 of today's 20-year olds will become disabled before retiring.¹ In just the last 10 minutes, 490 Americans became disabled.² That's 49 every minute. Are you willing to gamble with those odds?

- In the U.S., a disabling injury occurs every second, a fatal injury occurs every four minutes.²
- Disability is not only caused by freak accidents. It is often caused by conditions such as arthritis, cancer, pregnancy, heart disease...³

- The risk of long-term disability during a worker's career is greater than the risk of premature death. Yet most workers would never think of going without Life Insurance protection for their families.⁴
- Disability can be more disastrous financially than death. If you are disabled, you lose your earning power, but you still have living expenses and medical care costs not covered by Health Insurance.⁵

What about Social Security, Workers Comp and other insurance plans?

- Only 36% of the 2.8 million workers who applied for Social Security Disability Insurance benefits in 2011 were approved.⁶
- Workers' compensation provides benefits ONLY if a disability is a result of an on-the-job accident, injury or occupational disease. Close to 90% of disabling accidents and illnesses are not work related.⁷
- Health Insurance covers medical services and prescriptions; it does not replace income if you cannot work.
- Unemployment Compensation is for those who are physically and mentally able to work.

(over)

1 U.S. Social Security Administration, Fact Sheet February 7, 2013 | 2 National Safety Council, Injury Facts 2012 Ed. | 3 Council for Disability Awareness, disabilitycanhappen.org | 4 Guide to Disability Income Insurance, America's Health Insurance Plans, 2013. | 5 "Life and Disability Insurance," usa.gov, October 17, 2012. | 6 2011 Social Security Administration, Office of Chief Actuary, ssa.gov/OACT/STATS/dibStat.html | 7 Council for Disability Awareness, CDA 2012 Long Term Disability Claims Review.

For complete details including all benefits, exclusions and limitations, refer to certificate form number GLDI-C200-(12/06) as issued to the employer.

Certified Employees —Voluntary Long-Term Disability Insurance

Am I eligible for this coverage?

You are eligible for this plan if you are an active employee of the Wallingford Swarthmore School District and working a minimum of 38.75 hours per week .

Are there any medical questions?

If you are a new hire or a newly eligible employee you can purchase this plan without medical questions or tests if the following conditions apply to you:

- if you enroll within 31 days from your date of hire or eligibility date.
- if at least 25% of all eligible Wallingford Swarthmore School District employees are enrolled. (To find out if 25% of the employees are enrolled, please see your Human Resources department.)

If you enroll late (after 31 days from your hire date or eligibility date), if you request an increase in coverage, or if less than 25% of Wallingford Swarthmore School District eligible employees have enrolled, you will need to complete the medical questionnaire.

Please note that coverage may be denied based upon your answers to the medical questions.

What about maternity coverage?

Disability Insurance will protect you the same as any illness.

How much coverage is available?

Long-Term Disability benefits will replace 60% of your salary to a maximum monthly amount. See the cost calculation sheet enclosed to view the coverage option, rates and maximum monthly benefit.

What is an "Elimination Period"?

An Elimination Period is the time between when your disability begins and the time you are eligible to receive benefits. No benefits are paid during the Elimination Period.

Your disability benefits are tax-free

If you pay for this insurance with post-tax dollars, the benefit is not subject to income tax. Please see your tax adviser for complete advice.

Waiver of Premium

The Waiver of Premium feature waives your Disability Insurance premium payment during a disability. This begins as soon as you start receiving benefits and continues while you are disabled.

What if I earn income while I'm disabled such as Social Security income?

As with most Disability Insurance plans, benefits are reduced by other income you may receive during a disability, including Social Security or a State Retirement Disability benefit plan. Please refer to your insurance certificate for more information.

What Exclusions or Limitations are there?

1. The policy does not cover any total disability:

- due to war, declared or undeclared, or any act of war
- due to any act of international armed conflict or conflict involving the armed forces of any country
- due to your attempted suicide or as a result of your intentionally self-inflicted injuries while sane or insane
- due to your imprisonment while confined in a penal or correctional institution or under house arrest
- during any military leave for active duty including training duty
- as a result of your committing of or attempting to commit assault, battery or any other crime
- as a result of engaging in illegal activity or actively participating in a violent disorder or riot
- Pre-existing Condition: If you received medical treatment, took prescribed drugs or consulted a physician for an illness or injury, in the 3 months prior to the effective date of coverage, that particular sickness or injury or anything related to that condition will not qualify for benefits during the first 12 months of the plan.

2. Payment of monthly benefits is limited to 24 months per occurrence for a total disability caused by or attributed to a Mental Disorder or Substance Abuse. If the Insured Person's Disability is caused by Substance Abuse, he or she must be participating in an available rehabilitative program recommended by a Physician.

3. Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while the Insured Person resides outside of the United States or Canada.

4. Payment Limit. In no event will the LTD Benefit plus Deductive Income plus Work Earnings exceed 100% of Predisability Earnings.

Wallingford Swarthmore School District— Cost Calculation

Your Employer-Paid Core Plan:

- The greater of 30-day Elimination Period or use of all sick leave
- Maximum covered salary: \$50,000
- Maximum Monthly Benefit \$2,500
- Benefit Duration: 5 years

Optional Employee-Paid Buy-Up Plan:

- The greater of 30-day Elimination Period or use of all sick leave
- Maximum covered salary: up to \$108,000
- Maximum Monthly Benefit \$5,400
- Benefit Duration: Social Security Normal Retirement Age (SSNRA), 12 month minimum
- Rate: 0.00262

Calculate your monthly cost:

	\$ _____	Enter your annual salary*
X	0 . 00262	Buy—Up Option Rate
=	\$ _____	Annual Cost
	÷ 12	
=	\$ _____	Your cost per month

***This policy will not cover any amount of salary that exceeds \$108,000. If your annual salary exceeds this amount, do not enter your full salary. Instead, use \$108,000 as your salary amount on this line. Please note: rates are subject to change.**

Administered by:

NATIONAL INSURANCE SERVICES
Corporate Headquarters
 250 South Executive Drive, Suite 300
 Brookfield, WI 53005
Offices Nationwide
 800.627.3660

Underwritten by:

 **Madison National Life Insurance Company**
 A Member of The IHC Group

PO Box 5008, Madison, WI 53705

This is a brief description of disability insurance. For complete details including all benefits, exclusions and limitations, refer to Certificate form number (GLDI-C200-(12/06) as issued to your employer.

Madison National Life Insurance Company, Inc. is a Wisconsin Insurance company and a member of the IHC Group. The IHC Group is an insurance organization composed of Independence Holding Company (NYSE:IHC) and its operating subsidiaries. The IHC Group has been providing life, health and stop loss insurance solutions for over 30 years. For information on the IHC Group, see www.ihcgroup.com