



Voluntary Long Term Disability Insurance

Standard Insurance Company has developed this document to provide you with information about the optional insurance coverage you may select through your *employer*. Written in non-technical language, this is not intended as a complete description of the coverage. If you have additional questions, please refer to the Voluntary Long Term Disability (LTD) Employee Brochure which can be found at: <http://www.standard.com/eforms/10386.pdf> or check with your human resources representative.

Eligibility

To become insured, you must be:

- A regular employee of The University of Oklahoma, excluding temporary or seasonal employees, full-time members of the armed forces, leased employees or independent contractors
- *Actively at work* at least 20 hours each week
- A citizen or resident of the United States or Canada

Employee Coverage Effective Date

Please contact your human resources representative for more information regarding the following requirements that must be satisfied for your insurance to become effective. You must satisfy:

- Eligibility requirements
- An *eligibility waiting period*
- An *evidence of insurability* requirement
- An *active work* requirement. This means that 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.

Benefit Amount

There are three plan options for your Long Term Disability coverage, providing different coverage amounts and plan options. If you earn under \$6,667 per month (\$80,000 per year), you can choose between Plan 1 or Plan 2. If you earn \$6,667 per month or more, you can choose among Plans 1, 2 or the High Option (Plan 5).

Your monthly benefit is a percentage of your insured *predisability earnings*, reduced by *deductible income*. Please contact your human resources representative for additional information regarding what is included in *predisability earnings*:

	Plan 1	Plan 2	High Option (Plan 5)
Benefit Percentage	66 2/3%	50%	66 2/3%
Maximum Monthly Benefit	\$5,000	\$2,000	\$15,000
Minimum Monthly Benefit	\$100	\$100	\$100
Annual Income Requirement	None	None	\$80,000

Evidence of Insurability

If you apply for coverage more than 60 days after you become eligible or if you are covered for Plans 1 or 2 and apply for coverage under the High Option (Plan 5), you must supply *evidence of insurability* and be approved prior to your insurance becoming effective. These evidence requirements are waived if you:

- Apply to change from Plan 2 to Plan 1 during your *employer's* annual enrollment period;
- Apply to change from Plan 1 to the High Option (Plan 5) during your *employer's* annual enrollment period immediately following your salary increase to \$6,667 per month or more; or
- Apply to change from Plan 1 to the High Option (Plan 5) within 31 days of first receiving a salary increase to \$6,667 per month or more.

Benefit Waiting Period

If your claim for *LTD benefits* is approved by The Standard, benefits become payable after you have been *disabled* for 180 days and remain *disabled*, Benefits are not payable during the *benefit waiting period*.

Taxability

You may choose to pay your premium with pre-tax or post-tax dollars. By paying your premium with pre-tax dollars, you reduce your taxable income by the amount of your premium payment. This may decrease the amount of your taxes and provide relatively small, but immediate and ongoing tax savings. However, if you pay your premiums with pre-tax dollars, any *LTD benefits* you receive will be considered taxable income.

If you chose to pay your premium with post-tax dollars, the amount you pay for the premiums will remain included in your taxable income; however, under current federal tax law, any *LTD benefits* you receive will not be federally taxable. Because benefits will not be federally taxable, more money may be available to you while you are disabled. The tax savings can be quite significant, but will not occur unless benefits become payable.

Preexisting Condition Exclusion

A general description of the *preexisting condition exclusion* is included in the Voluntary LTD Employee Brochure. If you have questions, please check with your human resources representative.

Preexisting Condition Period: The 90-day period just before your insurance becomes effective. If you change Plans to increase your coverage level, a new *preexisting condition exclusion* period will apply for the amount of the increase.

Exclusion Period: 12 months

Own Occupation Period

For the plan's definition of *disability*, as described in your brochure, the *own occupation period* for Plan 1 and Plan 2 is the first 24 months for which *LTD benefits* are paid. For the High Option (Plan 5), the *own occupation period* continues until the end of the *maximum benefit period*.

Any Occupation Period

For Plan 1 and Plan 2, the *any occupation period* begins at the end of the *own occupation period* and continues until the end of the *maximum benefit period*.

Maximum Benefit Period

If you become *disabled* before age 60, *LTD benefits* may continue during *disability* until you reach age 65. If you become *disabled* at age 60 or older, the benefit duration is determined by your age when *disability* begins:

<u>Age</u>	<u>Maximum Benefit Period</u>
60 - 64	5 years
65 - 68	To age 70
69 and older	1 year

When 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

Rates

Effective January 1, 2009, rates are decreasing by 20%. The rates below reflect this change.

If you have questions regarding how to determine your earnings, please contact your human resources representative.

PLAN 1 Rate % of Insured Earnings	PLAN 2 Rate % of Insured Earnings	HIGH OPTION Rate (PLAN 5) % of Insured Earnings
.66%	.30%	1.02%

To calculate your monthly payroll deduction, use the formula indicated below:

1. Enter your average monthly income, not to exceed \$7,500 for Plan 1; \$4,000 for Plan 2; and \$22,500 for the High Option (Plan 5), on Line 1. Line 1: _____

2. Select the rate for the Plan you want 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.

Sample Rates

The following samples provide you with an estimate of what coverage would cost under each plan, based on sample average monthly income levels.

Average Monthly Income	Estimated Monthly Payroll Deduction		
	Plan 1	Plan 2	High Option Plan 5
\$3,000	\$19.80	\$9.00	N/A
\$4,000	\$26.40	\$12.00	N/A
\$5,000	\$33.00	\$12.00	N/A
\$6,000	\$39.60	\$12.00	N/A
\$7,000	\$46.20	\$12.00	\$71.40
\$8,000	\$49.50	\$12.00	\$81.60
\$10,000	\$49.50	\$12.00	\$102.00

Group Insurance Certificate

If you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage. The information presented above is controlled by the *group policy* and does not modify it in any way. The controlling provisions are in the *group policy* issued by Standard Insurance Company.