

# PREMIER CHOICE<sup>SM</sup> LONG-TERM DISABILITY

insurance for employer groups with 2+ lives or 10+ voluntary lives

Underwritten by Security Life Insurance Company of America, 10901 Red Circle Drive, Minnetonka, Minnesota, 55343

- Employee Assistance Program (EAP)
- Reasonable accommodation expense benefit
- Social Security assistance
- Direct deposit of benefits

Premier Choice group products were designed for employers seeking maximum product flexibility. The flexible benefit choices can be designed around the employees' needs and budgeting constraints. Based on benefit choices selected, the price of the plan will vary.

Benefits Available	Benefit Choices
Standard Monthly Benefit	<ul style="list-style-type: none"> <li>• For 2-9 life groups, 60% of monthly earnings up to \$6,000 maximum</li> <li>• For 10+ life groups, 50%, 60% or 66 2/3% of monthly earnings up to \$10,000 per month</li> <li>• For voluntary groups, 50% or 60% of monthly earnings up to \$6,000 per month</li> </ul>
Elimination Period	<ul style="list-style-type: none"> <li>• For 2-9 life groups, 90 or 180 days</li> <li>• For 10+ life groups, 60, 90, 120, 180, 270 or 365 days</li> <li>• For voluntary groups, 90, 120, 180, 270 or 365 days</li> </ul>
Maximum Benefit Duration	<ul style="list-style-type: none"> <li>• For 2-9 life and voluntary groups, Social Security Normal Retirement Age (SSNRA), Reduced Benefit Duration (RBD), 5 years/RBD or 2 years/RBD (benefit durations may be limited based on group's SIC)</li> <li>• For 10+ life groups, SSNRA, 65/5/70, RBD, 5 years/RBD, 3 years/RBD or 2 years/RBD</li> </ul>
Own Occupation Periods	<ul style="list-style-type: none"> <li>• For 2-9 life and voluntary groups, 2 years</li> <li>• For 10+ life groups, 2 years, 3 years, 5 years or to age 65 (extended)</li> </ul>
Additional Benefits Included	<ul style="list-style-type: none"> <li>• Partial disability and residual benefit</li> <li>• 2 year rate guarantee</li> <li>• Reasonable accommodation expense benefit</li> <li>• Social Security assistance</li> <li>• Direct deposit of benefits</li> <li>• Work incentive benefit</li> <li>• Survivor benefit</li> <li>• Employee Assistance Program (for 10+ life and voluntary groups)</li> <li>• Guarantee issue: <ul style="list-style-type: none"> <li>– For 2-9 life groups, \$2,000 (for groups enrolling 2-5 lives) and \$3,000 (for groups enrolling 6-9 lives)</li> <li>– For 10+ life groups, fully guaranteed issue</li> <li>– For voluntary groups, minimum of \$3,000</li> </ul> </li> </ul>
Optional Benefits	<ul style="list-style-type: none"> <li>• Available for 10+ life groups: <ul style="list-style-type: none"> <li>– Child care expense benefit</li> <li>– Advanced survivor benefit</li> <li>– Progressive income benefit</li> <li>– Cost of living adjustment (COLA)</li> <li>– Retirement plan (401(k)/pension) contribution benefit</li> <li>– 3 year rate guarantee</li> <li>– Minimum indemnity for accidental dismemberment and loss of sight</li> <li>– Medical or COBRA premium benefit</li> <li>– Spouse or elder care expense benefit</li> </ul> </li> </ul>

## UNDERWRITING GUIDELINES

### MINIMUM GROUP SIZE

You can offer this plan if you employ 2 or more full time employees.

### ELIGIBILITY

Full time employees working 30 or more hours per week. 2-9 lives a minimum 30 day waiting period. Does not include annual open enrollment for voluntary groups.

### EMPLOYER RESTRICTIONS

This plan is only available to employers that have been in business more than one year.

For groups with 2-9 lives, most Firms will qualify for this plan; however, coverage is not available to:

- Groups funded by the government or any government agency
- Groups that are home based
- Groups that are seasonal in nature
- Groups with more than 90% family content
- Groups with an eligible employee age 70+

For voluntary and groups with 10+ lives, most Firms will qualify for this plan.

This list of ineligible Firms is representative only and not all-inclusive.

### MINIMUM PARTICIPATION REQUIREMENTS, 2-9 LIVES

100% if you pay the full cost of the benefits, with a minimum of 2 enrolled. 100% if your employees contribute toward the cost, when there are less than 5 employees, with a minimum of 2 enrolled. 75% if your employees contribute toward the cost, when there are 5 or more lives, with a minimum of 4 enrolled.

### MINIMUM PARTICIPATION REQUIREMENTS, 10+ LIVES

100% of your employees must participate if you pay the full cost of this coverage.

At least 75% of your employees (or 10 employees, whichever is greater) must participate if your employees contribute toward the cost.

### MINIMUM PARTICIPATION REQUIREMENTS, VOLUNTARY GROUPS

At least 30% of your employees (or 10 employees, whichever is greater) must participate. This requirement must be maintained at renewal.

### PRE-EXISTING CONDITION LIMITATION

If your employee becomes disabled within a specified number of months after coverage becomes effective, and the disability results from a pre-existing condition for which he or she received treatment within a specified number of months immediately prior to that coverage, we will not pay total or partial disability benefits to him or her. If benefits under this plan are increased, the insured employee will not be paid the increased benefit amount (but will receive the benefit in effect prior to the increase) for any disability caused by a pre-existing condition that begins within a specified number of months after the increase became effective.

### GUARANTEE ISSUE

Groups 2-9 Lives-Guarantee issue of \$2,000 for groups enrolling 2-5 lives and \$3,000 for groups enrolling 6-9 lives. The amount of guarantee issue is based on industry of group for voluntary groups.

### LATE ENTRANT PROVISION

A late entrant is an employee who contributes toward the cost of this plan and did not enroll within 31 days of their initial eligibility date. All late entrants will be required to submit evidence of insurability. Coverage can be denied based on the information provided. Coverage will become effective on the date underwriting approves the application.

### LIMITATIONS AND EXCLUSIONS

The policy will not cover any period of disability caused by, attributed to, or resulting from:

1. elective procedure or surgery;
2. engaging in any illegal or fraudulent occupation, work, or employment;
3. traveling or flying on any aircraft operated by or under the authority of military or any aircraft being used for experimental purposes;
4. participation in a war, or an act of war, declared or undeclared;
5. active military duty;
6. active participation in a riot, rebellion or insurrection;
7. attempting to commit, or committing, or participating in, an assault or felony;
8. commission of a crime for which you have been convicted;
9. intentionally self-inflicted injury or illness, while sane or insane;
10. attempted suicide, while sane or insane;
11. being legally intoxicated;
12. being under the influence of any narcotic, unless the narcotic is taken under the direction of and as directed by a physician.

We will not pay any benefits for any period that you are confined to any facility because you were convicted of a crime or other illegal act.

## TOTAL DISABILITY

During the own occupation period, your employee is considered totally disabled when unable to perform the material and substantial duties of his or her regular occupation. After the own occupation period, your employee is considered totally disabled when he or she is not able to perform the duties of any occupation for which your employee is reasonably qualified based on training, education and experience, and is not engaged in gainful employment.

## PARTIAL DISABILITY

Your employee is eligible for partial benefits if he or she is earning less than 80% of his or her pre-disability earnings.

## WORK INCENTIVE

To encourage a prompt, yet safe return to work we will not reduce the monthly partial disability benefit paid to your employee during the first 12 months he or she is in a part time return-to-work program, unless the combination of benefits plus earnings exceeds 100% of his or her pre-disability earnings.

## SOCIAL SECURITY INTEGRATION

We offset benefits paid under this plan by Social Security benefits paid to your employee's entire family. You can choose to limit this offset to benefits paid only to your employee. (State variations may apply.)

## DRUG/ALCOHOL ABUSE AND MENTAL/NERVOUS DISORDERS

Benefits are payable for 24 months on claims related to Drug and Alcohol abuse and Mental/Nervous disorders. (State variations may apply.)

## PRE-EXISTING CONDITIONS

There is a standard 12 month wait on pre-existing conditions for which your employee received treatment within the 3 months immediately prior to the effective date of this coverage. (State variations may apply.)

## REASONABLE ACCOMMODATION EXPENSE BENEFIT

We will reimburse a portion of your expense when a workplace adjustment or enhancement is needed to enable your employee to return to work.

## SURVIVOR BENEFIT

If your employee dies while receiving benefits under this plan, we will pay a benefit, equal to 3 times his or her last monthly benefit, to your employee's survivor. Higher benefit amounts are available at your option.



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This is only a summary of benefits and is subject to individual state regulations. This product may not be available in all states. Premium rates may change upon renewal. This policy is renewable at the option of the Company. For complete information, please see the Certificate of Insurance.

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