

Protect your Income with Group Long Term Disability Insurance



Long Term Disability Insurance protects your most important asset... your ability to make a living.

- ✓ 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.

Just Over 1 in 4 of Today's 20-Year Olds will become Disabled Before Reaching Age 67¹.

Nobody wants to think about a tragic long term disability. If it happened to you, how would you replace your paycheck? Depending on their savings and obligations, some people can withstand a short-term disability without income protection insurance—but most cannot.² A recent study by the Federal Reserve found that 4 out of 10 American adults could not handle a \$400 emergency.³

Saint Paul Public Schools understands the importance of Long Term Disability insurance, which is why this benefit is available to you. Disability benefits can help pay your mortgage, college tuition, medical insurance payments, or more.

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

- Social Security Disability Insurance (SSDI) replaces less than half of the income of anyone earning over \$30,000 a year.¹
- Roughly 75 percent of full-time workers in America earn more than this threshold³, and are therefore at risk of severe income loss if they experience a disability.
- The application process for SSDI can take months or even years and applications are generally only approved when disabilities are expected to last a year or more.²

- Workers' Compensation only covers disabilities resulting from an on-the-job related injury or illness.
- Unemployment Compensation is for those who are physically and mentally able to work.

How much coverage is available?

Your Group Long Term Disability policy allows you to receive a portion of your lost earnings should you become disabled. The benefit will equal **60% of your annual salary, subject to a maximum monthly benefit of \$6,000.**

Am I eligible for this coverage?

You are eligible for this plan if you are an active employee working at least 20 hours per week. Please see your bargaining contract to confirm eligibility.

Are there any medical questions or tests needed to qualify for the plan?

If you enroll late (after 31 days from your hire date or eligibility date) you will need to complete the medical questionnaire. Please note that coverage may be denied based upon your answers to the medical questions.

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 Elimination Period is equal to the greater of 90 consecutive calendar days or the end of Salary Continuation (not including vacation pay or Accumulated Sick Leave).**

¹ U.S. Social Security Administration, Basic Facts, June 2019 | ² The Council for Disability Awareness, The State of Disability Coverage in America, 2019 | ³ Federal Reserve, Report on the Economic Well-Being of U.S. Households in 2017, May 2018 |

Group Long Term Disability Insurance

How do you define Disability?

Disability or Disabled means that during the Elimination Period and for 36 months, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse or Pregnancy, you are unable to perform one or more of the Material Duties of your Occupation. After 36 months, you must be unable to perform one or more of the Material duties of Any Occupation. You may work part time and still be eligible to receive a benefit.

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 employer-sponsored sick leave pay, Social Security or a State Retirement Disability benefit plan. Please refer to your insurance certificate for more information.

When will Benefits End?

The duration of benefits depends upon your age at disablement:

Age	Benefit Duration*	Age	Benefit Duration*
59 or younger	To age 65	65	2 years
60	5 years	66	1 3/4 years
61	4 years	67	1 1/2 years
62	3 1/2 years	68	1 1/4 years
63	3 years	69 and older	1 year
64	2 1/2 years		

*To the later of: 1) the specified length of time as stated above, or 2) the day before attaining the Social Security Normal Retirement Age under the United States Social Security Act, as revised.

Are there any Limitations or Exclusions?

Limitations:

- Payment of Long Term Disability (LTD) Benefits is limited to 6 months for each period of continuous Disability while you reside outside of the United States or Canada.
- In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Pre-disability Earnings. In the event your LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Pre-disability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Pre-disability Earnings, subject to the Minimum Monthly Benefit.

Exclusions:

You are not covered for a Disability caused or contributed to by:

- War or any act of War.
- Your committing or attempting to commit battery.
- Your engaging in an illegal activity.
- Your active participation in a violent disorder or riot.
- Injury or illness during any military leave for active duty, including training duty.
- An intentionally self-inflicted injury or attempted suicide, while sane or insane.
- No LTD Benefits will be paid for any period of Disability when you are, for any reason, confined in a penal or correctional institution or under house arrest.
- 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 unless you have not been treated for the condition for at least 3 consecutive months.

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

Independence Holding Company (NYSE: IHC), formed in 1980, is a holding company that is principally engaged in underwriting, administering and/or distributing group and individual specialty benefit products, including disability, supplemental health, pet, and group life insurance through its subsidiaries (Independence Holding Company and its subsidiaries collectively referred to as "The IHC Group"). The IHC Group includes three insurance companies (Standard Security Life Insurance Company of New York, Madison National Life Insurance Company, Inc. and Independence American Insurance Company), and IHC Specialty Benefits, Inc., a technology-driven full-service marketing and distribution company that focuses on small employer and individual consumer products through general agents, telebrokerage, call centers, advisors, private label arrangements, independent agents, and through the following brands: www.HealthDeals.com; Health eDeals Advisors; www.PetPartners.com; and www.PetPlace.com

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