

# COLLEGE STATION ISD LONG-TERM DISABILITY INSURANCE

If you had to miss work because of a covered injury or sickness, how long could you go without your paycheck? **Long-Term Disability Income Insurance** provides a benefit to help replace a portion of your income while you're unable to work due to a covered Disability. This policy can help with expenses like your mortgage, car payment, groceries, medical bills and more.

## When Coverage Begins

Your coverage will begin on the requested effective date following the date you become eligible.

## Monthly Premium

**Plan I** - \$0.27 per \$100 of covered Monthly Compensation.

**Plan II** - \$0.24 per \$100 of covered Monthly Compensation.

## Benefits Begin

Your benefits will begin on the 91st day of Disability due to a covered injury or sickness.

## Monthly Disability Benefit

The available benefit amount is 60% of your Monthly Compensation, not to exceed:

**Plan I** - a maximum monthly Disability benefit of \$1,800.00; a maximum Monthly Compensation of \$3,000.00 and the amount for which premium is paid. The employer pays up to \$8.10 per month based on a \$1,800.00 a month benefit up to \$36,000.00 a year.

**Plan II** - a maximum monthly Disability benefit of \$8,000.00; a maximum Monthly Compensation of \$13,333.00 and the amount for which premium is paid. Employees making over \$36,000.00 a year may buy-up to their maximum covered compensation for an additional premium. The employer pays for the first \$8.10 of monthly premium.

## Minimum Disability Benefit

The Minimum Disability Benefit is 10% of the monthly Disability benefit or \$100.00, whichever is greater.

## Maximum Benefit Period

Benefits are payable up to the time shown in the chart. This is based on your age as of the date Disability begins.

Age	Maximum Benefit Period
Less than age 60	To Social Security Normal Retirement Age (SSNRA)*
60	60 months, or to SSNRA*, whichever is greater
61	48 months, or to SSNRA*, whichever is greater
62	42 months, or to SSNRA*, whichever is greater
63	36 months, or to SSNRA*, whichever is greater
64	30 months, or to SSNRA*, whichever is greater
65	24 months, or to SSNRA*, whichever is greater
66	21 months, or to SSNRA*, whichever is greater
67	18 months, or to SSNRA*, whichever is greater
68	15 months, or to SSNRA*, whichever is greater
Age 69 or older	12 months, or to SSNRA*, whichever is greater

\*Age at which you are entitled to unreduced social security benefits based on current Social Security Amendments.

## Deductible Sources of Income include:

- Other group Disability income;
- Governmental or other retirement system, whether due to Disability, normal retirement or voluntary election of retirement benefits;
- United States Social Security Act or similar plan or act, including any amounts due to your dependent(s) on account of your Disability;
- State Disability;
- Unemployment compensation; and
- Sick leave or other salary or wage continuance plans provided by the employer which extends beyond 365 calendar days from the date of Disability.

We reserve the right to estimate these deductible sources of income that you may receive as defined in your certificate.

## Disabled Due to a Covered Disability and Not Working

For the first 12 months you are Disabled due to a covered Disability and not working, we will pay the Disability benefit described in the schedule.

After 12 months, your Disability payment will be the Disability benefit described in the schedule less any Deductible Sources of Income you receive or are entitled to receive. No Disability Payment will be provided for any period you are not under a physician's regular and appropriate care.

## Return to Work Incentive Benefit: Disabled While Working

We will provide a Disability Payment if you are disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Compensation due to the same Disability.

If you are disabled, and your Disability Earnings are greater than 20% of your Monthly Compensation due to the same Disability, we will calculate your payments as follows:

- During the first 24 months of payments while disabled and working your Disability Payment will not be reduced as long as the Disability Earnings plus the gross Disability benefit do not exceed 80% of your Monthly Compensation.
- If the Disability Earnings plus the gross Disability benefit exceeds 80% of your Monthly Compensation, the Disability Payment will be reduced by the amount exceeding 80% of your Monthly Compensation.
- After 24 months of payments, while disabled and Working, you will receive payments based on the percentage of Monthly Compensation you are losing due to your Disability.

We will stop payments and your claim will end if at any time you are no longer disabled or if your Disability Earnings exceed 80% of your Monthly Compensation. The elimination period cannot be satisfied with days you are disabled and working.

## Survivor Benefit

An eligible survivor will be paid a lump sum benefit equal to 3 times the Disability Payment if, on the date of your death: the Disability had continued for 90 or more consecutive days and you were receiving or were entitled to receive payments under the policy. If there are no eligible survivors, no payment will be made. The Survivor Benefit may be paid earlier if you have a terminal illness.

## Waiver of Premium

No premium payments are required while receiving Disability benefits under the plan for 90 consecutive days. We will require proof on an annual basis that you remain disabled during this time.

### Alcoholism and Drug Addiction Limited Benefit

If you are disabled due to alcoholism or drug addiction, a limited benefit of up to 2 years for each Disability will be paid. Benefits will not be paid beyond the Maximum Benefit Period. If drug addiction is sustained at the hands of or while under the regular and appropriate care of a physician during treatment for injury or sickness, it will be covered the same as any other sickness.

### Mental Illness Limited Benefit

If you are disabled due to a mental illness, regardless of the cause, Disability Payments will be provided for up to 2 years, not to exceed the maximum Disability period.

### Special Conditions Limited Benefit

Pays a benefit up to 2 years due to Special Conditions if you are disabled and under your physician's regular and appropriate care. Special Conditions mean: Chronic Fatigue Syndrome; Fibromyalgia; Any disease, disorder, accident or injury of the neck or back not resulting in hemiplegia, paraplegia or quadriplegia; Environmental allergic illness including, but not limited to sick building syndrome and multiple chemical sensitivity; and self-reported symptoms. Self-reported symptoms are symptoms the insured tell their physician that are not verifiable using tests, procedures or clinical examinations. Examples include headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness, or energy loss.

### Leave of Absence

Your coverage may continue up to one year during a leave of absence approved in writing by your employer.

### Termination of Coverage

Your insurance coverage will end on the earliest of these dates: the date you do not meet the eligibility requirements as defined in the eligibility section; the date you retire; the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision; the end of the last period for which premium has been paid; the date the policy is discontinued; or the date your employment ends.

If your coverage ends as a result of your termination of Active Employment, such termination is caused by an injury or sickness for which Disability benefits would be payable, and Disability is established before the termination of Active Employment, then Disability benefits will be paid as if such termination had not occurred.

Termination of the policy will not affect Disability Payments that began before termination. We may end your coverage if you submit a fraudulent claim. Your coverage can be terminated on any premium due date with 31 days advance notice. If premium rates are increased, we will provide a 60 day advance notice.

### Definitions

**Active Employment** means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day, and these duties are completed at one of the places of business where you usually do such duties or at some location to which your employment sends you. You are said to be on Active Employment on a day that is not a scheduled work day only if you are not disabled and would be able to perform in the usual manner all of the regular duties of your employment if it were a scheduled work day.

**Disability** or disabled for the first 24 months of Disability means that you cannot perform your regular occupation's material and substantial duties. After that, Disability means you are unable to perform the material and substantial duties of any gainful occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

**Disability Payments** mean your Disability benefits minus any deductible sources of income.

**Disability Earnings** mean the gross monthly earnings you receive while disabled and working.

**Hospital** shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatric ward; or an extended care facility for the care of convalescent, rehabilitative, or ambulatory patients. The definition of a Hospital may vary by state.

**Monthly Compensation** means for contracted employees, one-twelfth (1/12) of your contract salary through your employer; or for non-contracted employees, it's one-twelfth (1/12) of your annual salary through your employer, in effect on the date Disability began. It excludes any additional compensation, including but not limited to overtime pay, weekend or summer work compensation, bus or other allowances, bonuses or district-funded fringe benefits. If you become disabled while on an approved leave of absence, we will use your gross Monthly Compensation from your employer in effect just before the date your absence began.

**Pre-Existing Condition** means a disease, injury, sickness, physical condition or mental illness for which you had treatment, incurred expense, took medication, received care or services including diagnostic testing or related measures, or received a diagnosis or advice from a physician during the 3-month period immediately before your effective date of coverage. Pre-Existing Conditions will also include conditions related to such disease, injury, sickness, physical condition, or mental illness.

## Limitations

### Pre-Existing Condition Limitation

No Disability benefit will be payable if Disability is caused by or resulting from a Pre-Existing Condition and begins before you have been continuously covered under the policy for 12 months. This provision will not apply if you have gone treatment-free, incurred no expense, taken no medication, and received no diagnosis or advice from a physician for 12 consecutive months for such condition(s).

This limitation will not apply to a Disability resulting from a Pre-Existing Condition that begins after you have been continuously covered under the policy for 12 months.

## Exclusions

The policy does not cover any loss, fatal or non-fatal, resulting from:

- Intentionally self-inflicted injury while sane or insane.
- An act of war, declared or undeclared.
- Injury sustained or sickness contracted while in the service of the armed forces of any country.
- Committing a felony.
- Penal incarceration. We will not pay benefits for Disability or any other loss during any period you are incarcerated in a penal or correctional institution for 30 consecutive days or longer.
- Injury or sickness arising out of and in the course of any occupation for wage or profit or for which you are entitled to Workers' Compensation. The term "entitled to Workers' Compensation" shall also include Workers' Compensation claim settlements that occur via compromise and release. Further, no benefits will be paid under this policy for any period you are entitled to Workers' Compensation benefits.

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