

RSL SmartChoice™ Long Term Disability (LTD)

A Group LTD Insurance Solution for Small Business

Plan Benefits and Features

Group Size	▶ 2 to 19 Employees
Monthly Benefit	▶ 60% of basic monthly earnings ¹ to a \$7,500 monthly maximum
Guarantee Issue	▶ Coverage is available for all eligible employees who enroll on a timely basis (within 31 days of eligibility)
Elimination Period	▶ Choice of 60, 90 or 180 days
Benefit Period	▶ To Normal Retirement Age ² for injury/sickness
Own Occupation Definition	▶ 36 months
Pre-Existing Limitation	▶ 12 months prior/12 months after ³
Transfer	▶ Time covered under a prior long term disability plan will be credited toward satisfaction of any pre-existing limitation
Pre-Existing Benefit	▶ 30% of basic monthly earnings to a maximum of \$3,750 payable for 12 months
Zero Day Residual	▶ The elimination period can be satisfied by days of total and/or partial disability. Earnings loss is not required.
Partial Disability/ Rehabilitation Benefit	▶ After the elimination period, partial disability benefits are payable to disabled employees who return to work part time or full time with restricted duties.
Survivor Benefit	▶ Three times the last monthly benefit amount payable in a lump sum
Mental/Nervous Condition and Drug/Alcohol Duration	▶ Up to 24 months of benefits if not hospital confined
Integration	▶ Full family Social Security
Premium Waiver	▶ No premium charged from the first of the month following the date the benefit is paid until the employee returns to work
Contributions	▶ Employers can pay all of, part of, or none of the premium
Carve Outs	▶ Permitted for 2 or more eligible employees within a class, subject to underwriting approval. Carve outs must include employees who work in an office environment and who have no manual labor duties.
Rate Guarantee	▶ Initial rate guaranteed for 36 months

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¹ Definition of Earnings—basic salary exclusive of overtime, bonuses and other special forms of compensation. Commission earnings will be based on the average earnings of the prior 24 months.

² Normal Retirement Age, as defined by the 1983 Amendments to the United States Social Security Act and determined by year of birth.

³ Pre-existing Limitation can vary by state.

Additional Plan Information

Eligibility

Employer Eligibility: Most employers are eligible to participate. A list of ineligible businesses is shown on the facing page. Firms in business less than one year, firms not participating in Social Security, and firms with employees residing on employer's premises are also ineligible.

Employee Eligibility: Eligible employees are those actively working full time for a minimum of 30 hours per week year round (non-seasonal) who have satisfied the employer's minimum service requirement. Eligibility may be modified to include part time employees working a minimum of 20 hours per week, provided less than 25% of the eligible employees are working less than 30 hours per week.

Participation Requirements

The following minimum participation requirements must be met:

- ▶ 2 eligible employees – both must be insured
- ▶ 3 to 5 eligible employees – all but one must be insured
- ▶ 6 to 9 eligible employees – all but two must be insured
- ▶ 10 to 19 eligible employees – 75% must be insured

Contribution Levels

Provided all participation requirements are met, employees may contribute up to 100% of premium. If the employer pays 100% of the premium, all eligible employees must be insured.

Group Policy Effective Date

SmartChoice LTD effective date is the first of the month following receipt of all application submission materials.

Total Disability

To be considered totally disabled means that as a result of injury or sickness during the elimination period and for the next 36 months, an insured cannot perform the material duties of his/her regular occupation. After a monthly benefit has been paid for 36 months, an insured is considered totally disabled if he or she cannot perform the material duties of any occupation that he or she is reasonably qualified based on education, experience or training. An insured who is partially disabled will be considered totally disabled during the elimination period and thereafter. Partial disability means the insured is able to do all of his/her duties some of the time or some of his/her duties all of the time.

NOTE: Definitions of Total Disability and Pre-Existing Condition can vary by state.

Pre-Existing Condition

Any sickness or injury for which the insured received medical treatment, consultation, care or services, or took prescribed medicine during the 12 months prior to the insured's effective date of coverage. A limited benefit is payable for a disability caused by, contributed to by, or resulting from a pre-existing condition that occurs within the first 12 months from the insured's effective date. The condition will be fully covered if the disability begins more than 12 months after the effective date.

Partial Disability/Rehabilitation Benefit

This benefit is available to insureds who are partially disabled after satisfying the elimination period. The benefit may be paid until the date the maximum benefit period ends. This benefit will equal the regular monthly benefit less 50% of earnings received for partial disability employment and less any remaining integration amounts. Partial disability means the insured is able to do all of his/her duties some of the time or some of his/her duties all of the time.

Maximum Benefit Period

Age	Duration	Age	Duration
61 or Less	▶ To age Normal Retirement Age*	66	▶ 1 year 9 months
62	▶ 3 years 6 months	67	▶ 1 year 6 months
63	▶ 3 years	68	▶ 1 year 3 months
64	▶ 2 years 6 months	69+	▶ 1 year
65	▶ 2 years		

* Normal Retirement Age, as defined by the 1983 Amendments to the United States Social Security Act and determined by year of birth.

Ineligible Businesses

The following types of groups are ineligible for the SmartChoice LTD Plan:

SIC Code(s)	Industry Classification	SIC Code(s)	Industry Classification
0111-0971	▶ Agriculture, Forestry, Fishing, Hunting & Trapping	4952-4959	▶ Sewer/Refuse
1011-1241	▶ Metal & Coal Mining	5541	▶ Gasoline Service Stations
1311-1499	▶ Oil/Gas Extraction, Mining & Quarrying	5812-5813	▶ Eating & Drinking Places
1611-1629	▶ Heavy Construction	5921	▶ Liquor Stores
1761-1799	▶ Special Trade Contractors	5983-5989	▶ Fuel Oil Dealers
2111-2141	▶ Tobacco Products	7011-7041	▶ Hotels/Motels
2411-2431	▶ Logging, Sawmills & Millwork	7381	▶ Detective, Guard or Armored Services
2611-2631	▶ Pulp/Paper Mills	7911-7999	▶ Amusement & Recreation Services
2892	▶ Explosives	8082	▶ Home Health Care Services
3292	▶ Asbestos	8811	▶ Private Households
3482-3489	▶ Ordinance & Accessories	8999	▶ Services, Nec
4311	▶ U.S. Postal Service	9221-9229	▶ Public Safety
4493	▶ Marinas	9711-9999	▶ National Security/ International Affairs
4612-4619	▶ Pipelines		

NOTE: For SIC Code range of 8011–8099 Health Services, the following doctors are Ineligible for LTD coverage: Anesthesiologists, Urologists, Surgeons (excluding Plastic Surgeons), Orthopedic/Sports Medicine Doctors, Otolaryngologists (Ear, Nose and Throat Specialists), and OB-GYNs. All medical professionals outside of these specialties are eligible for coverage, as are the staffs of all Health Services offices.

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To be appointed by Reliance Standard, please call 1-800-351-7500 x3971.

*Reliance Standard Employer Trust situated in Delaware for Pennsylvania employers. In SD, OR, LA and ME the policy is issued to the employer.