Voluntary Short-Term Disability

Fayette County Board of Commissioners

announces income protection for its employees

Proposed Effective Date: 06/01/2010

If you were unable to work because of an injury or sickness, would you be financially prepared? Our Voluntary Short-Term Disability insurance can help protect your income in the event of disability by providing you a benefit for injuries and sicknesses that are **not** work related. Your employer is offering you the opportunity to purchase Short-Term Disability insurance through convenient payroll deduction.

The plan your employer has selected includes the following features:

Eligibility

- You are eligible to participate in the plan if you are a full-time employee of the policyholder or an associated company,
  - whose annual pay is greater than or equal to $12,000, and
  - who is at active work, and
  - who is working in the United States of America, except any temporary or seasonal worker.
  - Any other requirements set by your employer must also be met. "Full-time" means working at least 20 hours per week.

Plan Features

- Weekly benefits are equal to 60% of basic covered weekly pay, to a maximum of $1,000 per week.

  Benefits begin on the 90th day of disability for accident and the 90th day of disability due to sickness or pregnancy. Pregnancy is covered as any other disability. Benefits are payable to 52 weeks less any qualifying/eligibility time period chosen upon enrollment.

- Benefits are not subject to federal income tax when premiums are paid with after-tax dollars.

- You may qualify for disability benefits by meeting **either** an occupation test **or** an earnings test.
  - Occupation Test

    You may qualify under the occupation test if you are under the regular care and attendance of a doctor, and an injury, sickness or pregnancy prevents you from performing at least one of the material duties of your occupation.
  - Earnings Test

    You may qualify under the earnings test if an injury, sickness or pregnancy prevents you from earning more than 80% of your pre-disability pay.

- Any amount of coverage you elect is available on a **Guaranteed Issue** basis. This means that you do not have to answer any health questions to enroll in this plan.

- If you are eligible and choose not to enroll for coverage you are a late applicant under our plan and must wait to enroll during a subsequent annual enrollment period. The normal pre-existing conditions limitation will apply.

- Coverage assumes that the current insurance carrier will continue coverage for any insured individual who is disabled on the date the existing contract terminates (even if it terminates while a disabled person is satisfying any applicable qualifying period).
- This plan includes a Quality of Care Benefit which provides services and support initiatives targeted at helping you return to better health and a Managed Rehabilitation Benefit which provides assistance and incentives to participate in a vocational rehabilitation plan should you become disabled.
- There is a pre-existing conditions limitation. A pre-existing condition is one for which you have seen a medical practitioner or taken medication in the 6 months prior to your coverage effective date. We will not pay benefits for any disability resulting directly or indirectly from a pre-existing condition unless the disability begins after 12 consecutive months during which you are continuously insured under this plan. Should you become disabled due to a pre-existing condition, we will pay the lesser of the prior plan's benefit with its pre-existing conditions limitation or this plan's benefit without a pre-existing conditions limitation. The time you were continuously insured under the prior plan will count toward satisfying the pre-existing conditions limitation.

  We will, however, pay a Limited Pre-existing Conditions Limitation Benefit. This means that we will pay you 25% of the Schedule Amount of benefit for up to 4 weeks if your disability occurs during the pre-existing conditions period. This benefit is provided as a financial bridge while we are conducting our claims investigation. If we conclude that your claim is due to a pre-existing condition, no further payment will be made. If your disability is not due to a pre-existing condition and we approve the claim, we will pay the balance of any benefit due.
- Your benefit may be reduced by disability benefits from retirement or government plans, other group disability plans, no-fault benefits, and return-to-work earnings. If your benefit is reduced, a minimum weekly benefit of $25 applies.
- The greater of 10 employees or 25% of all eligible employees must enroll in the plan before this group policy can be issued.
- A conversion privilege is included. Limitations and exclusions apply.

We will not pay benefits for any time you are confined to any facility because you were convicted of a crime or public offense. We will not pay benefits for any part of a period of disability during which you are receiving benefits under any Workers' Compensation Act or a similar law. We will not pay benefits for any disability caused by war or any act of war, whether declared or not; intentionally self-inflicted injury; while sane or insane; taking part in or the result of taking part in committing an assault or felony; an injury that arises out of or occurs in the course of any occupation for pay or profit; or a sickness that entitles you to benefits under any Workers' Compensation Act or a similar law. We will also not pay benefits if your employer, the policyholder, or an associated company has offered you the opportunity to return to limited work while you are disabled; you are functionally capable of performing the limited work which is offered; and you do not return to work when and as scheduled.

This coverage has limitations and exclusions. We do not pay for disabilities resulting from a pre-existing condition or a related condition. For complete details, please contact your company's benefits representative or refer to your benefit booklet. This highlight sheet provides a brief description of coverage. In the event that a discrepancy exists, the policy provisions will prevail. We can cancel the policy after giving the policyholder 60 days written notice.