

# Financial Protection When Your Employees Need It Most

# Long Term Disability Plans

For small businesses with two or more employees

## FINANCIAL PROTECTION AND SECURITY

Give your employees the financial protection they need if they are unable to work due to a disability. Long Term Disability plans replace a portion of the employee's income, providing a sense of security and peace of mind. Plus, you may experience tax advantages on the premium payments.

## Plan Choices

You can choose from four LTD plans and select the elimination period and maximum duration that best suit your employees' needs.

	Plan 1	Plan 2	Plan 3	Plan 4
Elimination Period	90 days	180 days	90 days	180 days
	To age 65	To age 65	5 years	5 years
Maximum Duration	If disability occurs at age 60 or older, the maximum benefit duration is graded as follows:			
	<i>Age at Disability</i>	<i>Maximum Benefit Duration</i>		
	60.....	60 months		
	61.....	48 months		
	62.....	42 months		
	63.....	36 months		
	64.....	30 months		
	65.....	24 months		
	66.....	21 months		
	67.....	18 months		
68.....	15 months			
69 and older.....	12 months			

## Plan Guidelines

- LTD plans are available to groups with two or more employees with medical coverage. Plus, you can also purchase LTD coverage on a stand-alone basis if you have five or more insured employees.
- The elimination period, or the period of disability that must pass before benefits are payable, must be satisfied by days of total disability (not partial disability).
- An employee may return to work during the elimination period for up to a specified number of days without having to begin a new elimination period.
- Recurrent disability allows resumption of benefits if an employee returns to work for fewer than six months and is again disabled by the same or a related cause. A new elimination period does not need to be satisfied.

## Benefits and Provisions

- **60 percent of covered earnings** up to a monthly maximum of \$5,000 – Benefits higher than \$3,000 are subject to simplified financial underwriting.
- **\$100 minimum monthly benefit** – Applies regardless of other benefit reductions.
- **Three-month survivor benefit** – Equal to three times the insured's gross monthly benefit payable to an eligible survivor or estate, provided the insured was disabled for six months and was receiving a monthly benefit at the time of death.
- **Maternity** – Pregnancy or complications of pregnancy are covered the same as any other disability.
- **Waiver of premium** – Premium payments are waived for disabled employees during any period for which benefits are payable.



## Benefits and Provisions (cont.)

- **Mental illness, nervous disorders, substance abuse and alcohol abuse limitation** – Benefits are limited to 24 months for an insured suffering from a mental or nervous condition, drug abuse and/or alcohol abuse, unless the insured is confined to a hospital at the end of the 24-month period.
- **12-month rate guarantee**

### Integration With Other Income Benefits

LTD benefits are reduced, dollar for dollar, by disability and retirement benefits an insured is eligible for, or receives, from any other sources, including:

- Primary and family Social Security benefits
- Workers' Compensation and similar benefits
- Disability benefits from any other group insurance plan or any compulsory benefit law
- Benefits from the employer's retirement plan

Benefits that will *not* reduce the LTD payment include:

- No-fault automobile insurance benefits
- Individual disability income policies
- The portion of retirement benefits attributable to employee contributions
- Military disability benefits

### Cost-of-Living Freeze

Once a monthly LTD benefit is established, it will not be further reduced due to any cost-of-living increases from other benefit sources.

## Exclusions and Limitations

Disabilities resulting from the following are not covered:

1. War, declared or undeclared, or any act of war
  2. Intentionally self-inflicted injuries
- and**
3. Active participation in a riot

## Definitions

**"Disability"** and **"disabled"** mean that because of injury or sickness:

1. The insured cannot perform each of the material duties of his or her regular occupation.
- and**
2. After benefits have been paid for 24 months, the insured cannot perform each of the material duties of any gainful occupation for which he or she is reasonably fitted by training, education or experience.

*For individuals employed as airplane pilots or copilots:*

The loss of a pilot's license for any reason does not, in itself, constitute disability.

**"Partial disability"** and **"partially disabled"** mean that because of injury or sickness an insured, while unable to perform all of the material duties of his or her regular occupation on a full-time basis, is:

1. Performing at least one of the material duties of his or her regular occupation or another occupation on a part-time or full-time basis
- and**
2. Currently earning at least 20 percent less per month than his or her indexed predisability earnings due to that same injury or sickness

## Pre-existing Condition Limitation

A disability that occurs within the first 12 months of coverage will not be covered if it is contributed to or caused by a pre-existing condition for which the insured was treated in the three months prior to his or her effective date of coverage. When a Starmark-administered LTD plan replaces previous LTD coverage, benefits will be paid for a pre-existing condition if the pre-existing condition exclusion period for the prior policy has been satisfied considering continuous time insured under both policies. The benefit will be determined by the schedule, but will not exceed the prior carrier's maximum benefit. Pre-existing condition limitations also apply to benefit increases that result from salary increases of 10 percent or more.

The information contained in this product brochure is a general description of features, benefits, requirements and restrictions of Trustmark Life Insurance Company policy number SMP/1003. Please refer to the Certificate of Insurance for more details. Plans administered by Starmark are fully insured by Trustmark Life Insurance Company. Plan availability and/or coverage may vary by state.

Starmark's sole focus is providing a flexible healthcare benefits portfolio and unparalleled personal service to small businesses. By offering HSA-compatible health plans and nationwide network access, plus cutting-edge resources such as seamless HRA administration, easy and innovative paperless employee enrollment and valuable online healthcare decision support tools, Starmark continues to be a distinguished leader in small group healthcare benefits.



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