

Voluntary Short-Term Disability Insurance

available from Employee's Choice



GROUP SIZES 5-19

AFFORDABLE SALARY PROTECTION IN CASE OF A DISABLING INJURY OR SICKNESS



A product of Southern National Life Insurance Company, Inc.

MEETING THE NEEDS OF EMPLOYEES AND EMPLOYERS

Highly Desired Benefit. Voluntary Short-Term Disability (VSTD) insurance is a cost-effective way to help protect your employees' income in the event of a disabling injury or sickness. It is often referred to as "salary protection" or "paycheck protection" because it kicks in quickly and helps to cover daily living expenses. **Employee's Choice** VSTD plans help give employees the added security and protection they want for themselves and their families.

No Employer Contributions. Voluntary Short-Term Disability insurance plans allow employers to give employees the benefits they want with little or no cost to the employer. Employees may pay 100 percent of the premium through payroll deductions.

Employee Retention. An attractive benefit package can be a priceless commodity for any employer. A portfolio that includes VSTD can help employers attract and retain skilled and productive employees who contribute positively to their bottom line.

Simplified Administration. **Employee's Choice** makes it easy for employers to offer this benefit. And, since monthly premiums are conveniently deducted from payroll, paperwork is kept to a minimum.

WHY IS SHORT-TERM DISABILITY COVERAGE IMPORTANT?

Consider the Following...

- ✓ A disabling injury occurs in America every 4 seconds.¹
- ✓ About 32 percent of deaths and disabling injuries involve workers off the job.²
- ✓ In the last 20 years, deaths due to the "big three" (cancer, heart attack and stroke) have gone down significantly. But disabilities due to those same three are up dramatically.³
- ✓ For an "average" Louisiana family with two wage earners and two children, the estimated monthly budget for basic costs such as food, housing, transportation and clothing totaled \$3,100 in 2005.⁴

EMPLOYEE'S CHOICE VSTD PRODUCT FEATURES...

Employee's Choice VSTD product is designed to replace a portion of income lost due to a disabling injury or sickness.

ELIMINATION PERIOD: Benefits begin the day after the elimination period is complete. **Employee's Choice** VSTD offers elimination periods for non-occupational coverage of 14 days for injury and 14 days for sickness. **Other elimination periods are available.**

¹National Safety Council, "Injury Facts," 2005-2006 edition

²Ibid.

³National Underwriter, May 2002

⁴Economic Policy Institute's Basic Family Budget Calculator, September 2005. Accessed March 30, 2007, at www.epinet.org.

DURATION OF PAYMENT: This figure reflects the maximum number of months an eligible employee will receive benefits. *Employee's Choice* VSTD offers a benefit duration of either 3 or 6 months. **Other benefit durations are available.**

MINIMUM MONTHLY BENEFIT: The minimum monthly benefit is \$100.

GUARANTEED ISSUE: For groups of 5-19 eligible employees, the maximum guaranteed issue amount is \$1,500 per month.

WAIVER OF PREMIUMS: After the elimination period is met, premiums are waived while an insured is disabled and benefits are payable.

CONTINUITY OF COVERAGE: Continuity of coverage will apply to all employees enrolled under the disability plan that this coverage may replace.

LIMITATIONS:

Pre-existing Condition: A disability will not be covered that begins in the first 12 months after an employee's effective date and is caused by, contributed to by, or the result of a condition for which:

1. He received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the 12 months just prior to his effective date; or
2. He had symptoms for which an ordinarily prudent person would have consulted a doctor in the 12 months just prior to his effective date.

Mental Illness, Drugs or Alcohol: Cumulative lifetime maximum benefits of 12 months. This limit applies only to 24-month duration plans.

Other limitations are applicable. Please refer to Certificate for detailed information.

As an employer, if one of your employees has an injury or a sickness that leaves him or her unable to work, *what will you do?*

1. Continue to pay the employee's salary?
2. Do nothing and risk losing a valuable employee? Or...
3. Provide the opportunity for employees to purchase benefits that would help cover living expenses while they are disabled?

HERE'S AN EXCELLENT SOLUTION...

Employee's Choice Small Group Voluntary Short-Term Disability Plan...

- ✓ a *maximum monthly benefit* from \$300 to \$3,000 (not to exceed 60 percent of the insured's monthly pre-disability income)
- ✓ an *elimination period* of 14 days for injury and 14 days for sickness (benefits begin the day after the elimination period is complete)
- ✓ a *benefit duration* of either 3 or 6 months

A highly valued and desired employee benefit at group rates. And because it is a voluntary plan, there is generally little or no cost to the employer!

Employee's Choice Small Group VSTD Products Are Highly Competitive.

Rates are based on eligible lives, monthly benefit, benefit duration, attained age, elimination period chosen and Standard Industrial Classification (SIC) code. As the employer, you may choose the monthly benefit, elimination period and benefit duration.

Take a look at two popular sample plans:

Employee's Choice Small Group Voluntary Short-Term Disability Plans

PLAN A
Three-Month Benefit Duration
\$500 MONTHLY BENEFIT

Benefit Duration	Elimination Period Injury	Elimination Period Sickness	Minimum Monthly Benefit	Waiver of Premium	Continuity of Coverage
3 Months	14 days	14 days	\$100	Yes	Yes

PLAN B
Six-Month Benefit Duration
\$500 MONTHLY BENEFIT

Benefit Duration	Elimination Period Injury	Elimination Period Sickness	Minimum Monthly Benefit	Waiver of Premium	Continuity of Coverage
6 Months	14 days	14 days	\$100	Yes	Yes



COST

Costs are determined by which Industry Class your business falls into. Refer to the SIC chart on the following page – it lists some of the most common industries by class, *but is not an all-inclusive listing*. Ineligible industries follow in the next section.

PLAN A Three-Month Benefit Duration

\$500 MONTHLY BENEFIT

EMPLOYEE AGE	MONTHLY COST Industry Class A	MONTHLY COST Industry Class B	MONTHLY COST Industry Class C	MONTHLY COST Industry Class D
<50	7.15	8.05	8.95	9.85
50-59	9.75	10.95	12.20	13.40
60+	10.90	12.30	13.65	15.05

PLAN B Six-Month Benefit Duration

\$500 MONTHLY BENEFIT

EMPLOYEE AGE	MONTHLY COST Industry Class A	MONTHLY COST Industry Class B	MONTHLY COST Industry Class C	MONTHLY COST Industry Class D
<50	9.65	10.85	12.05	13.25
50-59	13.15	14.80	16.45	18.10
60+	14.70	16.55	18.40	20.25



INDUSTRY CLASS LISTING

Industry Class A		Industry Class B		Industry Class C		Industry Class D	
SIC		SIC		SIC		SIC	
Range / Description		Range / Description		Range / Description		Range / Description	
872X	Accounting Services	01XX	Agriculture, Forestry, Fishing	49XX	Electric, Gas & Sanitary	23XX	Apparel & Other Textile
731X,	Advertising & DP Services	-09XX,		67XX	Holding & Investment Offices		Products
737X		except		89XX	Miscellaneous Services	75XX	Auto Repair Services
60XX	Banks	0742		92XX	Non-Municipal Government	7019	Casino Hotels (EP >=14
48XX	Communication	79XX	Amusement & Recreation (no	-97XX			days only)
15XX	Construction		entertainers, athletes)	73XX	Other Business Services	7999	Casinos (EP >=14 days only)
-17XX		28XX	Chemicals & Allied Products	except		800X	Doctors & Dentists
82XX	Education Services	64XX	Insurance Agents & Brokers	731X,		-804X	
36XX	Electronic Equipment	63XX	Insurance Carriers	736X,		34XX	Fabricated Metal Products
871X	Engineering Services	31XX	Leather Products	737X		25XX	Furniture & Fixtures
20XX	Food Products	81XX	Legal Services	65XX	Real Estate	808X	Home Health Care
38XX	Instruments & Related	70XX	Lodging Places except Casinos	54XX	Retail - Food Stores	806X	Hospitals
84XX	Museums & Gardens	except		53XX	Retail - General Merchandise	41XX	Local & Interurban
61XX	Nondepository Institutions	7019		Stores			Passenger Transit
27XX	Printing & Publishing	76XX	Miscellaneous Repair Services	59XX	Retail - Misc.	35XX	Machinery except Electrical
		78XX	Motion Picture Services	50XX	Wholesale - Durable Goods	807X	Medical & Dental Labs
		91XX	Municipalities	except		86XX	Membership Organizations
		873X	Other Management Services	501X		except	
		-879X		51XX	Wholesale - Nondurable Goods	863X,	
		265X	Paper Products			866X	
		267X				39XX	Misc. Manufacturing
		72XX	Personal Services			805X	Nursing Facilities
		56XX	Retail - Apparel & Accessory			809X	Other Health Services
			Stores			29XX	Petroleum
		55XX	Retail - Automotive Dealers &			46XX	Pipelines, except Natural
			Service Stations				Gas
		52XX	Retail - Building & Garden			33XX	Primary Metal Industries
			Supplies			866X	Religious Organizations
		57XX	Retail - Furniture & Home			58XX	Retail - Eating & Drinking
			Furnishings				Places
		30XX	Rubber & Plastic Products			62XX	Security & Commodity
		83XX	Social Services				Brokers
		32XX,	Stone, Clay & Glass			22XX	Textile Mill Products
		except				21XX	Tobacco Products
		3292				37XX	Transportation Equipment
		47XX	Transportation Services			42XX	Trucking & Warehousing
		0742	Veterinary Specialties			44XX	Water Transportation
						501X	Wholesale - Motor Vehicles
						243X	Wood Products
						-249X	



UNDERWRITING GUIDELINES

Eligibility:

- ✓ Applicants must be full-time employees in active employment with the employer in the United States working 30 or more hours per week with a minimum of 30 days of service (90 days for those in the construction, retail, casino or hotel industries).
- ✓ Applicants must be W-2 employees. Independent contractors (1099), of counsel personnel, retirees, company board of directors, association members, temporary and seasonal employees, professional entertainers, athletes, private household employees, spouses and children are not eligible.
- ✓ Groups that have been in business less than two years are not eligible. Family members are limited to less than 50 percent of the group.
- ✓ Late entrants applying for coverage will be fully medically underwritten. A late entrant is described as an individual who is enrolling for voluntary short-term disability income insurance more than 31 days beyond his or her initial eligibility date.
- ✓ Application for a Monthly Benefit exceeding \$1,500 per month requires evidence of insurability.
- ✓ Application for increase in coverage is allowed at any time after initial enrollment with evidence of insurability.

Ineligible Industries and Disability Risks:

- ✓ Associations, professional employer organizations (PEOs), leasing companies, temp agencies, private households, multiple employer trusts (METs) and unions
- ✓ Groups in which more than one carrier is actively marketing Short-Term Disability (STD)
- ✓ Groups offering our plan as an excess or buy-up plan to another coverage

Participation Requirements:

- ✓ For companies of 5 to 19 employees, the greater of five employees or 50 percent of eligible employees are required to participate. The group contract may be terminated if participation falls below this requirement.

OTHER INFORMATION

- ✓ Employer contribution is encouraged, but not required.
- ✓ There are no monthly billing fees for groups that use electronic billing (bills are conveniently e-mailed to you).

- ✓ **Effective Dates:** Employees must first complete and sign an enrollment application. Coverage begins on the date an employee becomes eligible, provided he enrolls on or before that date. For employees who enroll within 31 days after their eligibility date, coverage begins on the date they apply. For employees for whom evidence of insurability is required, coverage begins on the date the enrollment form is approved.
- ✓ **Non-Occupational Coverage Only:** Any sickness or injury that was caused by or aggravated by any employment for pay or profit is not covered.
- ✓ **Other Plan Designs Are Also Available:** Elimination periods can be as little as 0 days for injury and 7 days for sickness or as great as 30 days for both injury and sickness. *Employee's Choice* also offers other benefit duration periods to meet your needs.

ABOUT EMPLOYEE'S CHOICE

Employee's Choice voluntary group benefit plans are designed for employers looking to expand their benefit programs without expanding their budgets. Plus, they offer the convenience of payroll deduction. These voluntary plans include:

- Voluntary Dental, for both Small Groups 2-19 and 20+ Groups
- Voluntary Group Term Life with Accidental Death & Dismemberment
- Voluntary High-Limit Accidental Death & Dismemberment
- Voluntary Short-Term Disability
- Voluntary Long-Term Disability

ASK YOUR PRODUCER TODAY ABOUT OUR FULL LINE OF VOLUNTARY PRODUCTS!

Customer Service That's Second to None!

Service is our business, and customer satisfaction is our top priority. Whether you have a question about a benefit or the status of a claim, our courteous customer service representatives have all your information right at their fingertips.

For more information on voluntary group benefit plans from *Employee's Choice*, call your producer or contact an *Employee's Choice* representative:



CALL: 225.295.2525 OR 800.376.7763



FAX: 225.297.2665



E-MAIL: SNLQuotes@bcbsla.com