

Disability Income Insurance Proposal

Prepared for:

Presented by:

At American Fidelity Assurance Company, we understand employers have a choice when it comes to selecting a benefits provider. We work hard to ensure every customer experience an employer and their employees have with us is a positive one. Our dedicated focus on the [education community] means that we are committed to understanding the benefit landscape for [education employees], [how state plans work], state retirement benefits, and how these create specific needs for both younger employees and those looking to retire in the near future.

Consider the Facts

68% of Americans would find it very difficult or somewhat difficult to meet their current financial obligations if their next paycheck were delayed for one week.

Council for Disability Awareness: Chances of Disability. Web. 19 Dec. 2016.

Accidents are not usually the culprit of disability. Back injuries, cancer, heart disease, and other illnesses cause the majority of long-term absences.

Council for Disability Awareness: Chances of Disability. Web. 19 Dec. 2016.

A 20-year-old worker has a 25% chance of becoming disabled before reaching full retirement age.

Council for Disability Awareness: Six Frequently Asked Questions Concerning Disability Insurance. December 23, 2016.



Proposal Prepared on:

Proposed Effective Date:

Short Term Disability

Eligibility Requirements

All permanent employees

Disability Plan Benefits

Benefit Schedule	Choice of benefit amount in increments of \$100, from \$500 to \$10,000
Maximum Monthly Benefit	Not to exceed 60% of monthly earnings
Minimum Monthly Benefit	\$100 or 10%, whichever is greater
Elimination Period Injury/Sickness	14 or 30 Days
Maximum Benefit Period	180 Days
Guarantee Issue Amount	\$4,000
Minimum Participation	Greater of 20% or 10 lives
Own Occupation Period	Same as the benefit period
Pre-existing Condition Period	12/12
Mental & Nervous Limitation	Same as any other Sickness
Drug & Alcohol Limitation	15 days

Plan Rates per \$10 of covered weekly benefit 14 Day Elimination Period

Ages 0 – 24	Ages 25 – 29	Ages 30 – 34	Ages 35 – 39	Ages 40 – 44	Ages 45 – 49	Ages 50 – 54	Ages 55 – 59	Ages 60 – 64	Ages 65 - 99
\$0.54	\$0.54	\$0.54	\$0.54	\$0.64	\$0.64	\$0.92	\$0.92	\$1.28	\$1.28

30 Day Elimination Period

Ages 0 – 24	Ages 25 – 29	Ages 30 – 34	Ages 35 – 39	Ages 40 – 44	Ages 45 – 49	Ages 50 – 54	Ages 55 – 59	Ages 60 – 64	Ages 65 - 99
\$0.38	\$0.38	\$0.38	\$0.38	\$0.55	\$0.55	\$0.81	\$0.81	\$1.10	\$1.10

60 day notice of rate change

Disability Plan Riders

- A critical illness rider can help fill holes left by high deductible medical plans, it is guarantee issue up to \$10,000 and does not require you to satisfy your disability elimination period to qualify for benefits.
- The hospital indemnity rider can pay a benefit of up to \$150 a day and also does not require you to satisfy your disability elimination period to qualify for Benefits.
- We also offer optional disability coverage for a spouse.

Short Term Disability

Disability Plan Highlights

- Benefits are paid directly to insured, not to a doctor or employer
- Convenient payroll deduction
- Benefit payments may be directly deposited into banking account
- Benefits are paid due to covered Injury or Sickness
- Benefits are payable year-round
- Secure online billing system available for your convenience
- Employees can file a claim, track the status of a claim, upload documentation and setup push notifications all within the AFMobile app available in the iTunes App store or Google Play store

Valuable Benefits Include

- Pregnancy Benefit
- Donor Benefit
- Worksite Accommodation Benefit Evaluation
- Social Security Filing Assistance
- Physician Expense Benefit Available up to \$150 for Injury Up to 8 times per Year
- Accidental Death Benefit \$10,000 Flat Amount if within 90 days of Covered Disability
- Conversion Option

Underwriting Guidelines

- Guaranteed Issue underwriting allows an applicant, regardless of health history, to be guaranteed disability coverage when they are first eligible
- For all new groups, Monthly Indemnity amounts above the Guarantee Issue limit will be Subject to Health Questions.
- Monthly indemnity amounts may be increased up to \$400 annually without health questions.
- All increases in monthly indemnity will be subject to a new Pre-Existing Condition Limitation.
- Takeover Credit for a prior carrier is available upon request/approval from American Fidelity.

Learn More

For additional information about American Fidelity Assurance Company, click here: <https://americanfidelity.com/about-af/>

Long Term Disability

Eligibility Requirements

All permanent employees

Disability Plan Benefits

Benefit Schedule	Choice of benefit amount in increments of \$100, from \$500 to \$10,000, not to exceed a maximum monthly salary of \$16,667.
Maximum Monthly Benefit	Not to exceed 60% of monthly earnings
Minimum Monthly Benefit	\$100 or 10%, whichever is greater
Elimination Period Injury/Sickness	180 Days
Maximum Benefit Period	Up to Social Security Normal Retirement Age (SSNRA) for Injury and Sickness
Guarantee Issue Amount	\$4,000
Minimum Participation	Greater of 20% or 10 lives
Own Occupation Period	24 Months
Disabled and Working	Included
Pre-existing Condition Period	12/12
Mental & Nervous Limitation	24 months
Drug & Alcohol Limitation	15 days
Special Conditions Limitations	12 months

Plan Rates per \$100 of covered monthly salary

Ages 0 - 24	Ages 25 - 29	Ages 30 - 34	Ages 35 - 39	Ages 40 - 44	Ages 45-49	Ages 50 - 54	Ages 55 - 59	Ages 60 - 64	Ages 65 - 69	Ages 70 - 99
\$0.46	\$0.46	\$0.46	\$0.46	\$1.66	\$1.66	\$2.92	\$2.92	\$3.84	\$3.84	\$3.84

60 day notice of rate change

Disability Plan Riders

- A critical illness rider can help fill holes left by high deductible medical plans, it is guarantee issue up to \$10,000 and doesn't require you to satisfy your disability elimination period to qualify for benefits.
- The hospital indemnity rider can pay a benefit of up to \$150 a day and also does not require you to satisfy your disability elimination period to qualify for Benefits.
- We also offer optional disability coverage for a spouse, a survivor benefit rider and a COBRA rider which can help cover the cost of medical COBRA premiums.

Long Term Disability

Disability Plan Highlights

- Benefits are paid directly to insured, not to a doctor or employer
- Convenient payroll deduction
- Benefit payments may be directly deposited into banking account
- Benefits are paid due to covered Injury or Sickness
- Benefits are payable year-round
- Secure online billing system available for your convenience
- Employees can file a claim, track the status of a claim, upload documentation and setup push notifications all within the AFMobile app available in the iTunes App store or Google Play store

Valuable Benefits Include

- Pregnancy Benefit
- Donor Benefit
- Worksite Accommodation Benefit Evaluation
- Social Security Filing Assistance
- Physician Expense Benefit Available up to \$150 for Injury Up to 8 times per Year
- Accidental Death Benefit \$10,000 Flat Amount if within 90 days of Covered Disability
- Waiver of Premium 180 Days
- Conversion Option
- American Fidelity Offers an Employee Assistance Program for Disability Insureds. This program includes (3) Confidential Telephonic Coaching sessions per issue per person, 24/7 Online and mobile app resources that provide access to libraries with more than legal and financial topics, and work-life library to address issues on parenting, child care, and workplace issues.

Underwriting Guidelines

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