



The Standard<sup>SM</sup>  
Positively different.

---

# The Protector<sup>SM</sup>

## Disability Income Insurance Policy Illustration

Prepared for:  
Physician Client  
November 30, 2005

---

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland, OR 97204-1093

A subsidiary of StanCorp Financial Group, Inc.



**Male**

**Age (Nearest):**  
**30**

**Occupation Class:**  
**3A**

**Non Tobacco Discount**

**Total Monthly Benefit:**  
**\$4,500**

**Waiting Period:**  
**90 Days**

**Benefit Period:**  
**To Age 67**

**Premiums Payable To:**  
**Age 67**

| Benefit                          | Description                    |                            |
|----------------------------------|--------------------------------|----------------------------|
| \$4,500                          | Base Policy Benefit            |                            |
|                                  | Policy Fee                     |                            |
| <u>Optional Riders Selected:</u> |                                |                            |
|                                  | Residual Disability Rider**    |                            |
|                                  | Future Purchase Option Rider** | \$5,000 Option Pool Amount |
|                                  | Noncancelable Rider**          |                            |
|                                  | Own Occupation Rider#          |                            |
|                                  | Indexed Cost of Living Rider** |                            |
| \$4,500                          | Total Monthly Benefit          |                            |

**\$54,000 Total Annual Benefit**

See the next page for additional payment options and premiums.

\$1,984,500 is the total potential benefit received between the end of the Waiting Period and the end of the Benefit Period, if you become disabled immediately after purchasing the policy.

- \* The Future Purchase Option rider premium is payable to the policy anniversary nearest age 50. The rider ends at that time, and the total premium for the policy is then reduced by the amount of premium for this rider.
- \*\* Premiums for these benefits may change as other benefits are added or deleted.
- # The Own Occupation Rider is only available if the policy includes the Noncancelable Rider.

|           | 60 Days | 90 Days | 180 Days | 365 Days | 730 Days |
|-----------|---------|---------|----------|----------|----------|
| 2 Years   | N/A     | N/A     | N/A      | N/A      | N/A      |
| 5 Years   |         |         |          |          |          |
| To Age 67 |         |         |          |          |          |

*Office Use only:*

PN67 00 N7I  
N FPOBAL 03 N7IO  
N FPOXL N7R  
N7O N7IR

Version 2.22.0335, Update 148

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.



**PREMIUM MODE COMPARISON CHART**

The annual premium as illustrated:

The chart below displays the cost of premiums if paid other than annually, and the **difference in cost to you each year.**

| Premium Mode And Number of Payments Per Year | Modal Factor | Modal Premium <sup>1</sup> | Total Annualized Premium <sup>2</sup> | Cost Difference Per Year <sup>3</sup> |
|--|--------------|----------------------------|---------------------------------------|---------------------------------------|
| Special Monthly (12)                         | 0.0875       |                            |                                       |                                       |
| Quarterly (4)                                | 0.265        |                            |                                       |                                       |
| Semi-Annually (2)                            | 0.516        |                            |                                       |                                       |

- <sup>1</sup> The Modal Premium is the Net Annual Premium (shown on page 2) times the applicable Modal Factor.
- <sup>2</sup> The Total Annualized Premium is the Modal Premium times the Number of Payments Per Year for that mode.
- <sup>3</sup> The Cost Difference Per Year is the total difference over a year between the Net Annual Premium and the Total Annualized Premium for the particular Premium Mode.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.

**"Approximately 30% of all people 35 to 65 will suffer a disability for at least 90 days, and about one in seven can expect to become disabled for five years or more."**

Source: Health Insurance Association of America; The New York Times, February 2000; As published in *The JHA Disability Fact Book*, 2003 Edition.

**Consider the odds...**

During your working years, it is more likely you will face a disability than die. For a male, age 35, the odds are nearly 2 to 1; for a female, age 35, almost 3 to 1.

**Odds of a Disability (90 days or longer) vs. Death Prior to Age 65**

| <i>Age</i>    | <i>25</i> | <i>35</i> | <i>45</i> | <i>55</i> |
|---------------|-----------|-----------|-----------|-----------|
| <i>Male</i>   | 1.9 to 1  | 1.8 to 1  | 1.7 to 1  | 1.7 to 1  |
| <i>Female</i> | 3.0 to 1  | 2.9 to 1  | 2.7 to 1  | 2.4 to 1  |

Source: 1985 CIDA Table and 1980 CSO Table

**Consider the financial impact...**

The average duration of a disability for a person 40-54 years of age is greater than four years. If you were to lose your ability to earn an income for even a year or more, would you be able to pay your bills? How would you compensate for your loss in income?

**Average Duration of Disability Lasting More Than 90 Days, Beginning Prior to Age 65 And Lasting no Longer than Age 65**

| <i>Age</i>   | <i>Duration</i>   |
|--------------|-------------------|
| <i>40-44</i> | 4 years, 4 months |
| <i>45-49</i> | 4 years, 7 months |
| <i>50-54</i> | 4 years, 6 months |

Source: Transactions, Society of Actuaries 1981 Reports

**Consider the solution...**

Disability income insurance from Standard Insurance Company can provide the income protection you need, helping you preserve your standard of living. The attached illustration describes our policy features and benefits.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.

---

## POLICY FEATURES

The following is a description of some key provisions of The Protector policy.

### **Total Disability Benefit     \$4,500**

After the waiting period and during your total disability, we will pay the total disability benefit for up to the maximum benefit period, subject to policy terms and limitations. The waiting period is the number of days of disability required before you are eligible for benefits.

You are totally disabled if, due to injury or sickness, you are:

1. unable to perform the substantial and material duties of your regular occupation;
2. not engaged in any other gainful occupation; and
3. under the care of a physician. The physician's care requirement will be waived if further care would be of no benefit to you.

Your regular occupation is your occupation at the time your disability begins. If you have limited your practice to a professionally recognized specialty in medicine or law, the specialty will be deemed to be your regular occupation.

### **Presumptive Total Disability**

If you permanently lose your hearing, speech, sight or the use of two limbs, we will pay the total disability benefit, beginning with the day of the loss, but not beyond the maximum benefit period.

### **Own Occupation Benefit Rider (Optional Policy Rider)**

This rider liberalizes the definition of total disability so that the insured would still be considered totally disabled if unable to perform the substantial and material duties of his or her regular occupation and was under the care of a physician, but was working in another occupation.

### **Continuous Disability**

Recurrent periods of disability from the same cause or causes are considered one period of continuous disability if separated by your recovery of less than 12 full months.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.

---

### **Residual Disability Benefit Rider (Optional Policy Rider)**

The residual disability rider pays a benefit if you are not totally disabled, but you are disabled enough to incur at least a 20% loss of income and if, because of injury or sickness:

1. you are able to perform some, but not all of your regular occupation's substantial and material duties, or you are able to perform all of these duties but not for as long a time or as effectively as before; and
2. you are under the care of a physician.

The monthly benefit amount for a residual disability is equal to the *sum* of the basic monthly benefit and the Supplemental Social Insurance benefit, *times* the loss of income for that month *divided* by Indexed Prior Monthly Earnings. At least a 20% loss of income is required. Benefits begin on the later of the commencement date or the day after your total disability ends. The minimum benefit payment for the first six months under this rider is 50% of the policy's basic monthly benefit. A benefit for total disability does not have to be paid before the residual disability benefit is payable. If you are unable to earn at least 20% of your Indexed Prior Monthly Earnings, we will pay the full basic monthly benefit.

The rider also pays a **recovery benefit** if the insured returns to work at least 30 hours per week after a period of disability for which residual disability benefits were paid. The benefit will be payable in a lump sum and will equal the lesser of 1) four times the basic monthly benefit, 2) the total residual benefit paid prior to recovery, or 3) the number of months remaining in the maximum benefit period times the basic monthly benefit.

### **Rehabilitation Benefit**

If you join a vocational rehabilitation program, approved by The Standard, while you are receiving total disability benefits, we will continue these benefits for the lesser of 36 months or the number of months left in the maximum benefit period. We will also pay any reasonable costs for the program not paid by other plans, policies or programs.

### **Survivor Benefit**

If you die while receiving total disability benefits, we will continue these benefits, payable to the owner or owner's estate, for up to three months, but not beyond any remaining maximum benefit period.

### **Cosmetic and Transplant Surgery Benefit**

We will consider you as totally disabled if, more than six months after the policy is effective, you become totally disabled due to cosmetic or transplant surgery.

### **Waiver of Premium**

While you are disabled and after the earlier of the date benefits start or the 90th day of continuous disability, we will waive premiums due and refund premiums paid since your disability started. We will continue to waive future premiums while disability benefits are payable.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.

---

## POLICY RENEWABILITY AND PREMIUMS

### Guaranteed Renewable

Your coverage is guaranteed renewable to the termination date\* as long as the premium is paid on time. The policy ends at that time unless you ask that it be continued under the Renewable Option (see below). We cannot change any feature of your policy, except for the premium, until the termination date. The premium may be changed only after the policy is three years old and then only if the change applies to all policies with similar benefits insuring the same risk class.

### Noncancelable Policy Rider (Optional Policy Rider)

This rider changes the policy and riders to noncancelable and guaranteed renewable. **No change in premium rates.** As long as the premium is paid by the end of each grace period, we cannot change the policy or its premium, until the termination date. This rider also changes the policy to provide that, if the maximum benefit period is longer than five years and you become eligible for the **benefit for presumptive total disability**, the total disability benefit will be payable for your lifetime.

### Renewable Option

Renewable for Life: You may ask to continue the policy beyond the termination date under the Renewable Option if you are working at least 30 hours per week and are not disabled at the time of your request. Only the total disability benefit will be available. Benefits are limited after age 66/67\* and the premium may change.

### Waiting Period 90 Days

The waiting period is that period, measured from the first day of your disability, throughout which you must be disabled before disability benefits become payable. Disability benefits start after the waiting period ends. Regardless of the number or length of any periods of recovery during your disability, for a benefit to be payable, the waiting period must be satisfied within the total number of consecutive days which equals the lesser of two times the waiting period or 365 days.

### Maximum Benefit Period To Age 67

The maximum benefit period is the longest continuous period of time we will pay disability benefits during each continuous disability. For any maximum benefit period we will not pay benefits beyond the later of the policy termination date or the date on which 24 months of benefits have been paid for any continuous disability. If benefits begin before you are age 64 (or 65 if appropriate), we will not pay beyond age 66/67\*.

If the Renewable Option is selected and benefits begin after age 64 (or 65 if appropriate) but before age 75, we will not pay for more than two years. For benefits starting after age 75, benefits will not be paid for more than 12 months.

\* For insured individuals born on or before 12/31/56, the normal termination date is the policy anniversary on or next following the 66th birthday. For other insured individuals it is the policy anniversary on or next following the 67th birthday. The To Age 66/67 benefit period ends at these respective ages, as well.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.

---

## EXCLUSIONS AND LIMITATIONS

### Exclusions from Coverage

We will not pay benefits for the first 90 days of your disability due to pregnancy or childbirth, and we will not pay benefits for disability due to war. We also will not pay benefits for disability caused or contributed to by your committing an assault or felony or participating in a riot, or for disability while confined to a penal institution. We will also not pay benefits for a preexisting condition unless it is disclosed on your application and it is not specifically excluded. A preexisting condition is any mental or physical condition for which you consulted a physician, received medical treatment or services, or took prescribed drugs or medication, or for which a reasonably prudent person would have sought medical advice, care or treatment, during the 365-day period preceding the policy's effective date.

After two years from the later of the policy's effective date or last reinstatement date, no misstatements in the application will be used to rescind the policy or deny a claim for disability starting after the end of the two-year period (this may be three years in some states). However, we will not pay benefits for any disability if fraud is involved or if the condition is specifically excluded.

### Limitation for Mental Disorder and/or Substance Abuse

The maximum benefit period for disabilities caused or contributed to by mental disorder (or by medical or surgical treatment for a mental disorder) or substance abuse is 24 months, during your lifetime. This limitation does not apply to any period during which you are confined in a hospital solely because of a mental disorder.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.



**OPTIONAL BENEFIT RIDERS**

(Selection of optional policy riders can increase premiums. Please see your price summary page for detailed pricing.)

**Future Purchase Option Benefit Rider      \$5,000 Option Pool Amount**

This rider allows benefit increases to be purchased at each policy anniversary subject only to financial underwriting requirements. The Option Pool Amount is the total amount of increase that can be purchased under the rider. On any policy anniversary, the owner may apply for up to a specified portion of the pool, according to attained age and subject to financial qualification, as follows:

| Attained Age | Portion of Pool Available |
|--------------|---------------------------|
| 18 to 41     | Full Amount of Pool       |
| 42 to 45     | One-half of Pool          |
| 46 to 50     | One-third of Pool         |

**Indexed Cost of Living Benefit Rider**

This rider pays an additional benefit after 365 days of disability. The benefit payable under this rider is a percentage of the base amount. The base amount is the monthly total disability benefit plus any benefit payable under the Supplemental Social Insurance Rider and/or Residual Disability Rider, if part of the policy. The percentage applied will be based on the consumer price index increase for the prior year, up to 6%. The benefit amount will not decrease even if the CPI-W decreases.

Also illustrated (see descriptions under policy features):

- Own Occupation Benefit Rider**
- Noncancelable Policy Rider**
- Residual Disability Rider**

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.



The Protector Disability Income Insurance Illustration  
Prepared for Physician Client on 11/30/2005

---

For the proposed policy we require:

- Urine HIV Test (Blood Profile and HOS for health care professions)
- Complete Application
- Income Documentation (W-2, Complete Tax Return, Pay Stub)
- Personal History Interview\*

If other coverage is in force with The Standard, there may be additional requirements.

This is only a summary of premiums, benefits and limitations. Premiums and benefits are not guaranteed. This is NOT a contract and only the contract provisions in the policy, if one is issued, will control. Any coverage issued is subject to the terms and conditions of the policy. All policy applications are subject to Standard Insurance Company's medical and financial underwriting requirements and guidelines. A medical exam may be required. This is generic language only and some policy provisions may vary in different states. The addition of optional policy riders may increase premiums.