

# Berkshire Life

Insurance Company of America

## ProVider Plus Disability Income Insurance



A Berkshire 5 Minute Court



Berkshire

### Disability:

### It Could Happen To You-

#### Even if you're careful.

You probably take plenty of precautions in your daily life. You wear your seatbelt, you childproof your home, you have a working smoke detector. Still, no matter how prepared you are, accidents do happen—at home, on the road, at work and at play. And disability can be the outcome. A sports injury, a broken limb, a car accident, an illness...a problem pregnancy, a heart attack, a serious back injury—any of these situations can result in your not being able to work at your usual job. That, in turn, means a loss of income, even if you have a relatively sedentary job.

#### Even if you're young.

Good health and good habits are no guarantee either.

According to a recent study, most people believe they have only a 16% chance of becoming disabled during their working years. The reality, however, is that:

- If you're under age 35, chances are one in three that you will be disabled for at least six months during the course of your career.
- Men have a 43% chance of becoming seriously disabled during their working years.
- Women have a 54% chance.
- At age 42, it is four times more likely that you will become seriously disabled than that you will die during your working years/

### What would a disability mean to you and your family?

When you consider the possibility of becoming disabled, ask yourself these important questions:

1. Could you afford to live without your income?! If your spouse works, how long would your family realistically be able to rely on only one income?

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1. Gallup survey conducted for UNUM Corporation (508 respondents ages 30 to 65), reported by Best's Review.

2. "Why Disability" booklet, published by National Underwriter.

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What would you have to give up to keep going? Exactly how long would you have to give up to keep going? The statistics above are sobering, particularly when you consider how much of your income goes to cover basic expenses every month—the mortgage, the groceries, the heat, home repairs, your children's various needs. As you think about what you earn and what it pays for, it becomes obvious how vital it really is to protect your earning ability.

2. Are you relying on your employer-sponsored group Long-Term Disability insurance to protect you if you can't work because of a disability? If so, you may be disappointed. As you learn more about disability income insurance, you may discover that your employer-sponsored coverage is far from optimal. It might, for example, insure you only if you are totally disabled—even though a partial disability could mean you were reduced to earning part-time wages (hardly enough to maintain your standard of living).

It's a good idea to take the time to determine exactly how comprehensive your group coverage is—what it pays for...what it doesn't...when it takes effect. Of course, one overwhelming advantage of personal DI insurance is that, unlike an employer-sponsored plan, it's totally portable if you leave your current employer. You pay the premiums, you own the policy and benefits are paid to you directly.

### **When you decide you need Disability Income Insurance, here's where to start...**

**First, look for the signs of quality coverage.**

#### **Non-cancellable coverage:**

What good is an insurance policy if it can be cancelled just when you need it most? To avoid this possibility, choose a policy that's non-cancellable and guaranteed renewable to age 65 as long as you keep paying premiums on time. That also means that premiums are guaranteed until age 65.

#### **Guaranteed renewable for life:**

Although premiums may increase after age 65, your policy should be conditionally renewable for life, as long as you are at work full time. The very best coverage has no age limit for renewability.

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### **Next, look for the kind of coverage that's right for you.**

There are two basic kinds of DI insurance available—Income Replacement and Own-Occupation ("Own-Occ"). Here's what you need to know about the differences between them.

**Income Replacement**—This kind of insurance pays benefits if you suffer a loss of income due to a disability. The drawback to this type of policy is that it does not cover you for the loss of a skilled profession, such as architecture or law, which requires years of specialized, difficult and expensive training. These professionals may be able to earn a significant income teaching or writing, for example, if they are disabled—but feel they should be compensated for the loss of the career they invested in so heavily. This is why many professionals and business owners choose the other type of DI insurance, Own-Occupation.

**Own-Occupation**—This type of disability insurance policy pays benefits if you can't perform "the material and substantial duties of your occupation" because of sickness or injury. "Your occupation" means your regular occupation at the time you become disabled. With Own-Occ coverage, you are considered totally disabled—and receive benefits accordingly—as long as you are not able to work in your own occupation even if you are performing unrelated duties in a different occupation. ^

### **Understanding Berkshire's Non-Cancellable Own-Occ**

**DI: ProVider Plus<sup>4</sup>**

#### **The Total Disability Benefit**

The Total Disability Benefit on a Berkshire ProVider Plus DI policy will be paid at the end of each month while you are totally disabled, after what is known as "the elimination period" has elapsed.

3. Definitions may vary by policy. See specific policy language for exact definition.

4. Form 0100 (6/01), 1100 (6/01) or 2100 (06/01)

## Terms You Should Know: Elimination Period and Accumulation Period

An elimination period functions somewhat in the way a deductible amount does on other types of insurance. Rather than making you responsible for paying a certain dollar amount before coverage starts, however, it is a period of time you must wait after you become disabled before your benefits begin. Berkshire offers several choices of elimination periods—choose from 1 month, 2 months, 3 months, 6 months, 1 year<sup>5</sup> or 2 years.<sup>3</sup> The longer the elimination period, the lower the cost of your coverage.

For each elimination period, there is a corresponding “accumulation period.” Starting with the first day of disability, the accumulation period is a set period of time during which you need to accumulate enough days, weeks or months of disability to satisfy your elimination period. For example, if you return to work after a period of disability that’s shorter than your elimination period but then become disabled again while you are still in the accumulation period, the time you were originally disabled still counts toward the fulfillment of your elimination period. For instance, if your ProVider Plus policy has a three-month elimination period, you’ll have seven months in which to accumulate those three months of disability.

### Other Base Benefits

The following benefits are also part of the base policy:

The Capital Sum Benefit, The Presumptive Total Disability Benefit and The Transplant and Cosmetic Surgery Benefit offer benefits in specific disabling circumstances. The Rehabilitation Benefit may help pay for vocational rehabilitation after you become disabled.

5. May not be available in all states.

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## Special Waivers

### The Waiver of Premium Benefit

With Berkshire coverage, your premiums are waived and you no longer need to pay them after you have been totally disabled for three months (or the elimination period has been satisfied, if it’s shorter). The premiums you paid during that period will be refunded. Additionally, you do not have to pay any premiums due during the first three months after you recover.

### The Waiver of Elimination Period

If you become disabled from any cause within five years after the end of a prior period of disability for which Berkshire paid benefits and which lasted for more than six months, a new elimination period will not be required.

### What About Relapses?

After the elimination period has been met, recurrent periods of disability will be considered one continuous period of disability if they result from the same cause(s) and are not separated by a recovery of more than a specified number of months (depending on your benefit period and your age when your disability begins).

### Now for the Extras:

#### Optional Benefit Riders, to Secure Additional Coverage

**NOTE: Not all riders are available on all policies. Please see your agent or individual policy brochures for details.**

Berkshire offers high-quality non-cancellable, guaranteed renewable Own-Occ DI, with a variety of optional riders which can be added to your policy for extra value and protection.

**You may consider a rider to meet any of the following needs:**

- To get coverage if you suffer an income loss from a partial, rather than total, disability (Residual Disability Riders)
- To keep your coverage in line with your increasing income (Future Increase Option Rider)
- To have the option to increase your coverage once a year for a specified number of years (Automatic Increase Rider)
- To help your disability benefit keep pace with inflation (Cost of Living Adjustment Rider, also known as COLA)<sup>6</sup>
- To help if you lose your employer-sponsored long-term DI coverage (Group Disability Rider)
- To help maintain your coverage if you become unemployed (Unemployment Premium Waiver Option Rider)
- To work alongside Social Security benefits (Social Insurance Rider)
- To help if you can only work part-time (Partial Disability Rider)

**Available Berkshire Discounts**

The following discounts may be available to qualified prospects:

- The Multi-Policy Discount (5% off first-year premium)
- Non-Tobacco User Discount (15%)
- Preferred Risk Discount (5%)
- Employer-Sponsored Plan Discount (10%)<sup>7</sup>
- Association Discount (10%)<sup>7</sup>

**Protect Your Way of Life.**

With Berkshire disability income protection, you can feel confident that you have done the best you can to safeguard your livelihood with a quality policy from a highly reputable company. To find out more about a DI plan that's ideal for you, contact your local Berkshire representative or simply mail back the reply card.

6. This benefit is not necessarily protection against increases in the cost of living.  
7. May not be available in all states.

This policy provides disability income insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50%. This ratio is the portion of future premiums which the company expects to return as benefits, when averaged over all people with this policy.

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