

INTEGRATED DISABILITY PLAN DESIGNS

PROVISION		STANDARD	OTHERS AVAILABLE *
BENEFIT PERCENTAGE	SHORT TERM DISABILITY	60%	50, 66 ² / ₃ , 70%
	LONG TERM DISABILITY	60%	40, 50, 66 ² / ₃ , 70%
MAXIMUM BENEFIT	SHORT TERM DISABILITY	\$1,000 <i>(25 lives or more)</i>	\$2,500 <i>(subject to spread of 7 highest salaries)</i>
	LONG TERM DISABILITY	\$6,000	Maximums up to \$15,000 <i>(subject to Underwriting Guidelines)</i>
ELIMINATION PERIOD (E.P.)	SHORT TERM DISABILITY	1st Day Accident 8th Day Sickness	0-30 Days: 1st Day Hospitalization
	LONG TERM DISABILITY	90 & 180 Days	From 30 to 360 Days
BENEFIT DURATION	SHORT TERM DISABILITY	13 and 26 Weeks	Up to 52 Weeks
	LONG TERM DISABILITY	Reducing Benefit Duration	SSNRA, 65/5/70, 2, 3, 5 year
DEFINITION OF DISABILITY	SHORT TERM DISABILITY	Extended Own Occupation	None
	LONG TERM DISABILITY	2 Year Own Occupation	1, 3, 5 Year Own Occ, Extended Own Occ, 2 Year Own Occ/ADL
RETURN TO WORK BENEFIT	SHORT TERM DISABILITY	100% Unlimited Duration	None
	LONG TERM DISABILITY	12 Month Duration	24 Month, Unlimited Duration
RESIDUAL DISABILITY THROUGH E.P.	SHORT TERM DISABILITY	None	None
	LONG TERM DISABILITY	Yes	Without Residual available on Stand-Alone LTD only
SOCIAL SECURITY INTEGRATION	SHORT TERM DISABILITY	Primary & Family <i>(Full)</i>	None
	LONG TERM DISABILITY	Primary & Family <i>(Full)</i>	Primary only, All Sources <i>(60% or 70%)</i>
MENTAL ILLNESS/ SUBSTANCE ABUSE LIMITATION	SHORT TERM DISABILITY	None	None
	LONG TERM DISABILITY	24 Months	No Limitations 12 Months: 12 Months & 24 Months with Self Reported Symptoms
MINIMUM BENEFIT	SHORT TERM DISABILITY	\$25 Per Week	None
	LONG TERM DISABILITY	The Greater of \$100 Per Month or 10%	\$50 Per Month

* Subject to underwriting considerations.

Without a disability insurance program, the employer faces a multitude of problems when an employee becomes disabled. Should the employee be paid? For how long and how much? These are just the start of many difficult issues to face the employer. Not knowing what is available often makes employers feel helpless about minimizing the financial impact of employee disabilities upon their business. The realities are that a properly designed and priced disability program can reduce the financial strain. It can also help assist employees return to work earlier and with a positive attitude towards the employer. A disability insurance plan solves these and many more problems. It allows the employer to focus on managing the business and puts the administration of the disability program in the hands of disability professionals.

Boston Mutual offers the employer more than the traditional disability solutions. Our ***Integrated Disability Insurance Plan*** takes Short and Long Term coverage into the 21st Century. This innovative approach joins the two benefits into a single, comprehensive plan. Although each is available on a stand-alone basis, writing them in combination blends the features of each into one easily administered program. The integrated approach may also result in claims savings through early intervention in the claim process.

The Integrated Disability Plan provides the producer and employer with a broad selection of traditional and innovative benefit options. The Escalation Benefit, commonly known as a cost of living adjustment or COLA, is illustrative of the newer benefit features now available. For example, adding an Escalation Benefit to a basic plan, can be a cost effective solution for many employers. Depending upon the amount and duration of the Escalation Benefit, a plan design covering a lesser percentage of earnings and providing an Escalation Benefit to a disabled employee may, over time, equal or exceed a benefit based upon a greater percentage of earnings. This approach can also be financially advantageous to the employer. With a plan design such as this, the premium and the employer's cost may be less than insuring the greater percentage of payroll.

With 401K plans playing an increasingly important role in the retirement planning of today's workforce, an extended disability can have a catastrophic impact upon the financial security of an employee's family. This impact can remain hidden until the employee reaches normal retirement age. At that time, it becomes apparent that the 401K assets are drastically less than what would have accumulated if the employee continued at work. With the myriad of financial strains a disabled employee encounters during a lengthy disability, 401K contributions generally cease. The income that would have been dedicated to the 401K must be allocated to everyday expenses. The Retirement Protector can help to minimize the otherwise dire consequences of reaching retirement with inadequate resources. This option provides a qualified employee with an additional benefit, which is directly deposited in the person's 401K account. Thus the retirement fund continues to grow.

May not be available in all states. State variations may apply

“Your Choice for Group Insurance”

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SHORT TERM DISABILITY PLAN BENEFITS AND FEATURES

Short Term Disability Only

When the Short Term Disability (STD) component of the INTEGRATED DISABILITY PLAN is sold without LTD, it provides the weekly payment of benefits associated with the traditional Non-Occupational STD. The Boston Mutual Disability Plan also provides coverage for both partial and total disability through a single definition of disability.

Definition of Disability

Following the elimination period, the insured is disabled if unable to perform some or all of the material duties of the regular occupation and has at least a 20% loss in earnings. After the elimination period, the insured is also considered to be disabled if working in any occupation and has at least a 20% loss in earnings.

Unlimited Duration Return to Work Benefit

As an incentive to return from disability, partially disabled insureds who are working and earning between 20% and 80% of their pre-disability earnings are eligible for up to 100% of the maximum weekly payment so long as the payment in conjunction with Other Income Amounts including current income does not exceed the pre-disability earnings.

Temporary Recovery

Weekly benefits will resume without a new elimination period for an employee who has temporarily recovered and returns to work at more than 80% of the pre-disability earnings and is disabled by the same condition within fourteen days after the prior disability ended.

Flexibility in Plan Design

- Benefit Duration of up to 52 weeks.
- Elimination Period from 0 to 30 days.
- First Day Hospitalization.
- Standard Provisions include Cost of Living Freeze, Primary or Primary & Family (*Full*) Social Security Integration.
- \$25 Minimum Payment.

Two Year Rate Guarantees are available.

INTEGRATED SHORT TERM AND LONG TERM DISABILITY

The advantages of the INTEGRATED DISABILITY PLAN become evident when the Short Term coverage is combined with the Long Term benefit. The following become standard provisions:

Workplace Modification

The employer may qualify for reimbursement of up to \$1,000 for the costs of job site adjustments which accommodate an employee's returning to or remaining at work.

Vocational Services

A disabled employee receiving a payment may be eligible for vocational rehabilitation services. An employee's eligibility for these services will be based upon the individual's disability, education, skills, motivation to return to work, etc. A rehabilitation program will be prepared. Vocational services may include testing, training, job modification and other services which aid the employee in returning to active employment. These services benefit the employee, his family and the employer.

Social Security

Assistance with the Social Security process is available to an employee receiving a disability payment and who may be eligible for Social Security Benefits.

Other Features

- Coordinated Claim Management.
- Early Claim Intervention.
- Emphasis upon early return to work, possibly avoiding longer term claim.
- Transparent transition from STD to LTD in the case of an extended illness or injury subject to the Pre-Existing Conditions Provision of the LTD benefits.

LONG TERM DISABILITY PLAN BENEFITS AND FEATURES

Return to Work Benefit – Limited to 12 Months

As an incentive to return from disability, partially disabled insureds who are working and earning between 20% and 80% of their pre-disability earnings are eligible for up to 100% of the maximum monthly payment for 12 months so long as the payment in conjunction with Other Income Amounts including current income does not exceed the pre-disability earnings.

Accumulation of Elimination Period

In the case of Elimination Periods, longer than 90 days, an insured may return to his regular occupation for up to 30 days without serving a new Elimination Period. For shorter Elimination Periods, the insured may return to work for up to 7 days.

Temporary Recovery

Benefits will resume without a new elimination period for an insured who after returning to work at more than 80% of the pre-disability earnings becomes disabled within six months by the same condition.

Continuity of Coverage (*No Loss/No Gain*)

To prevent loss of coverage due to the change in insurance companies, an employee covered under the previous plan will be covered, as he would have been under the prior plan, subject to the terms of the policy and the satisfying of any pre-existing exclusions.

Rate Guarantees

A two year rate guarantee is generally standard at no additional cost on new groups.

Other Standard Features

- Waiver of Premium.
- Three Month Survivor Benefit.
- Cost of Living Freeze.
- Workplace Modification.
- Vocational Rehabilitation.
- Social Security Assistance.

INNOVATIVE LONG TERM DISABILITY OPTIONS

Return to Work Benefit

In addition to the standard 24 month Return to Work Benefit, 24 month and Unlimited Duration options are available for most industries.

24 Month Own Occupation with Activities of Daily Living

This plan enables employers to offer group LTD benefits to their work force at economical rates and total cost levels. This definition of disability provides a traditional definition of disability for the initial two years. During that period, the insured is disabled if unable to perform some or all of the material duties of the regular occupation and has at least a 20% loss of earnings. It also provides a partial disability benefit. Benefits will continue beyond the 24 months if the insured is continuously unable to perform one or more of the seven Activities of Daily Living (ADLs) without stand-by help or has a cognitive impairment or terminal illness.

The Activities of Daily Living are:

- Bathing
- Dressing
- Toileting
- Transferring
- Eating
- Mobility
- Continence

This provision, used in conjunction with our customized plan design, enables Boston Mutual to underwrite most businesses and industries for true Long term Disability coverage at *significantly reduced* group rates. Previously, many of these employers could not obtain Group LTD at any cost.

Self Reported Symptoms Limitations

This enhancement provides the most seriously disabled claimants with an additional payment each month to supplement their normal monthly benefit. The Supplemental Benefit is payable when it is most needed. To be eligible, the person must be unable to perform the material and substantial duties of the regular occupation as a result of sickness or injury and be continuously unable to perform one or more ADLs; or have a cognitive impairment; or terminal illness. The supplement is a percentage of the Basic Monthly Earnings. Various options relative to percentage and monthly maximums are available.

Employee Choice

With this option, the employer manages costs by providing a base level of LTD benefits. The employees may then elect to purchase additional coverage tailored to their individual situations. This is generally known as a “buy up plan.”

Other Optional Provisions

- 401K Retirement Protector
- 6 Month Survivor Benefit
- Escalation Benefit (*COLA Adjustments*)
- Spousal Disability Benefit
- Pension Continuation Benefit