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**Group Long Term Disability**

**Proposal**

**Prepared for**

**Blue Box Group**

Presented by Armfield Harrison & Thomas Inc

August 11, 2014

“A+” rated, providing flexible, affordable benefits solutions for over a century.

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Situs State: Washington

Proposal Date: August 11, 2014

Proposal Effective Date: September 1, 2014

Proposal Expiration Date: November 9, 2014

**Sales Representative Broker**

Aaron Torgerson Armfield Harrison & Thomas Inc

**Executive Summary**

On behalf of Reliance Standard Life Insurance Company (Reliance Standard), I would like to thank you for giving us the opportunity to quote the enclosed Group Long Term Disability plan for Blue Box Group. We are confident this proposal will uniquely respond to the benefit needs of your client today and in the future.

At Reliance Standard, our goal is to provide your client with a benefits plan that will enhance their ability to attract and retain valued employees, and to provide for their security in times of need. Our commitment to you is:

* A customized insurance plan that meets your client’s goals and objectives
* Quick, efficient handling of all administrative, claims and underwriting matters
* Cooperative and efficient service for you and your client.

The Group Long Term Disability Insurance plan enclosed contains many benefits and provisions. I invite you to read through and consider the proposed plan. The highlighted features are on Page 5, Plan description.

As an added benefit, Reliance Standard offers a secure website providing Benefit Managers online access to the benefits related information they need. From our site, [www.reliancestandard.com](http://www.reliancestandard.com), policyholders are granted access to our Benefit Manager’s Extranet. Here you can obtain state specific forms required for day to day administration/maintenance of the group policies; enroll employees; manage and pay invoices online; and gain access to management reports, including:

* + Premium & Claim History
  + Claim Activity (status)
  + Disability Income Case Summary – YTD Payment Detail by Claimant
  + Evidence of Insurability Status and Tracking

I look forward to reviewing this proposal with you. Please feel free to contact me with any questions you may have.

Sincerely,

Aaron Torgerson

**About this Proposal**

This proposal outlines some of the features and benefits that we offer in our policy, but it is not a policy. The actual group insurance policy will contain additional provisions not fully described in this document. If there are any discrepancies between the proposal and the group insurance policy, the policy will govern. The provisions are explained in basic terms and may be subject to some state restrictions.

We based the premium rate and plan design quotations on the underwriting data you gave us. Final premium rates, rate guarantee and plan provisions may change if:

* The terms of the proposal change;
* There is a change in the factors bearing on the risk to be assumed;
* Any information provided to us in connection with the underwriting of the proposal was incorrect; or
* There is a change in the law or regulation affecting the insurance coverage.

For further details of any of the coverages, including exclusions, any reductions or limitations, and the terms under which the policy may be continued in force or discontinued, contact your sales office.

This proposal is valid only if presented by a licensed insurance agent or broker who is appointed with RSL. It is valid until the date shown, unless we replace or withdraw it.

**Eligibility**

Each Active Full-Time Employee working 30 hours or more per week, except any person working on a temporary or seasonal basis.

Our standard eligibility includes employees who are US citizens working in the US; contact your sales office if you have employees who are not US citizens working in the US, and you'd like us to consider them in the eligibility.

**Plan Descriptions**

|  |  |
| --- | --- |
| Benefit Percentage: | 60% |
| Monthly Maximum: | $8,000.00 |
| Elimination Period: | 90 days |
| Benefit Duration: | ADEA-B-AGE |
| Social Security Integration: | Full Family |
| Minimum Benefit: | 10%, $100 min. |
| Mental & Nervous Limitation: | 2 year limit |
| Drug & Alcohol Limitation: | 2 year limit |
| Pre-Existing Limitation: | 3/12 |
| Survivor Benefit: | 3 Months |
| Managed Rehab Option: | Included |
| Work Incentive Benefit: | 12 Months |
| Child Care: | to age 14/$250 |
| Employee Assistance Prog.: | 3 Face to Face |
| Worksite Mod Benefit: | 100% up to $2,000 |
| Own Occupation Coverage: | 24 Months |
| Residual Disability: | Yes |
| Partial Disability: | Yes |
| Specific Indemnity: | Yes |
| ADL Benefit %: | 10% |
| ADL Benefit Max: | $5,000.00 |
| ADL Pre-Existing Limitation: | 3/12 |
| Extended Disability: | Yes |
| Travel Assistance: | Yes |

**Participation and Contribution**

Employer Contribution: 100%

Employee Participation: 100%

**Plan 1 (Cont.)**

**Total Plan Cost Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Eligible Employees | Total Monthly  Insurable Payroll | Premium Rate  per $100 | Monthly  Premium | Rate  Guarantee |
| 47 | $371,590.13 | $0.13 | $483.07 | 24 Months |

Note: Premium/benefit is payable in US currency.

|  |  |
| --- | --- |
| **Covered Monthly Earnings** | This is the amount of an employee’s salary used to calculate the monthly benefit. Covered monthly earnings usually exclude bonuses, overtime and commissions earned by an employee. If commissions are to be included in the definition, the amount is averaged over a specified time period, usually 36 months. RSL can tailor a pre-determined monthly salary amount to be insured. |
| **Elimination Period** | The elimination period is the period of consecutive days of total disability for which no benefit is payable. It begins on the first day of total disability and extends for the number of days specified on the proposal summary page. Premiums must be paid during the elimination period, but they will be waived once benefits begin. |
| **Benefit Duration /Maximum Benefit Period** | We pay LTD benefits for a total disability due to an accident or sickness event. The maximum benefit period may range from 2 years to age 70. Our standard maximum benefit duration lasts up to a person’s normal retirement age as defined by Social Security. The LTD duration schedules comply with the Age Discrimination and Employment Act (ADEA). ADEA requires that either the level of benefits or the cost of the benefit be the same for older employees as for younger workers.  The following benefit schedule(s) have been quoted for your plan(s).  **Extended ADEA-B**  LTD benefits usually last until normal retirement age as defined by Social Security. Prior to 1983,this was age 65. Then amendments were added to the United States Social Security Act to link normal retirement age to a person’s date of birth.  Therefore, we offer the following schedule:  Benefits will last the longer of (A) or (B) as stated below:  (A)   |  |  | | --- | --- | | **Age at Disability** | **Duration** | |  |  | | Prior to age 62 | to age 65 | | Age 62 | 42 months | | Age 63 | 36 months | | Age 64 | 30 months | | Age 65 | 24 months | | Age 66 | 20 months | | Age 67 | 18 months | | Age 68 | 15 months | | Age 69 and over | 12 months |   (B) Normal Retirement Age as defined by the 1983 amendments to the United States Social Security Act and determined by your year of birth:   |  |  | | --- | --- | | **Year of Birth** | **Normal Retirement Age** | |  |  | | 1937 or before | 65 years | | 1938 | 65 years and 2 months | | 1939 | 65 years and 4 months | | 1940 | 65 years and 6 months | | 1941 | 65 years and 8 months | | 1942 | 65 years and 10 months | | 1943 - 1954 | 66 years | | 1955 | 66 years and 2 months | | 1956 | 66 years and 4 months | | 1957 | 66 years and 6 months | | 1958 | 66 years and 8 months | | 1959 | 66 years and 10 months | | 1960 and after | 67 Years |   If the plan provides for a shorter maximum benefit period (two-year, five-year, etc.), the maximum benefit period will be adjusted accordingly for older employees.  We can design a schedule to fit your needs, but it is your responsibility as the Employer to comply with ADEA. |
| **Extended Disability** | RSL will pay an Extended Disability Benefit to an Insured if he/she:   1. meets all the requirements of Total Disability of the Policy 2. is receiving a Total Disability Benefit under the Policy that will be exhausted because the Maximum Duration of Benefits has ended   and   1. is unable to function without another person's Direct Assistance or verbal direction due to:    1. an inability to perform at least two Activities of Daily Living as defined; or    2. Cognitive Impairment as defined, and    3. is either:       1. confined as an Inpatient in a Skilled Nursing Home, Rehabilitation Facility or Rehabilitative Hospital, or       2. receiving Home Health Care or Hospice Care,   and   * + 1. makes a Written Request for the benefit within thirty (30) days after the Maximum Duration of Benefits has ended.   The Extended Disability Benefit is an amount equal to 85% of the Monthly Benefit (after offsets with Other Income Benefits) which was payable prior to the Insured qualifying for the Extended Disability Benefit. It pays up to $5,000 per month for up to sixty (60) months from the date that the Maximum Duration of Benefits has ended.  “Activities of Daily Living” (ADL) are:   1. Bathing - washing in the tub or shower or by sponge bath from a basin without Direct Assistance 2. Dressing - changing clothes without Direct Assistance, including fastening and unfastening any medically necessary braces or artificial limbs 3. Eating/Feeding - eating without Direct Assistance, once food has been prepared and made available 4. Transferring - moving in and out of a chair or bed without Direct Assistance, except with the aid of equipment (including support and other mechanical devices) 5. Toileting - getting to and from and on and off the toilet, maintaining a reasonable level of personal hygiene and adjusting clothing without Direct Assistance.   “Cognitive Impairment” means confusion or disorientation due to organic changes in the brain resulting in a deterioration or loss in intellectual capacity. It must be confirmed by cognitive or other tests that we find satisfactory.  Direct Assistance means the Insured requires continuous help or oversight to be able to perform the Activity of Daily Living (ADL).  This benefit is not available in all states or provisions may vary from state to state. For specific details, please contact your sales representative. |
| **Benefit Integration** | Other sources of income an Insured receives or is eligible to receive will reduce the Group LTD benefits paid by RSL. We do this so that an Insured does not receive more money while disabled than while working.  Other sources of income that will reduce benefits include:   1. Disability income benefits the Insured is eligible to receive under any group insurance plan(s), 2. Disability income benefits the Insured is eligible to receive under any governmental retirement system, except benefits payable under a federal government employee pension benefit, 3. Disability income benefits the Insured is eligible to receive under workers’ compensation laws, occupational disease law, and any compulsory benefit law, 4. Wages or other compensation an Insured is entitled to receive from you, excluding the amount allowable while engaged in Rehabilitative Employment, 5. Commissions or monies an Insured is entitled to receive from you, including vested renewal commissions but excluding commissions or monies that an Insured earned prior to being disabled which are paid after the disability has begun, 6. That part of a disability or retirement benefit paid for by you that the Insured is eligible to receive under a group retirement plan, and 7. Disability or retirement benefits under the United States Social Security Act, the Canadian pension plans, federal or provincial plans or any similar law for which an employee and his/her dependents are eligible to receive.   Income that will not reduce benefits include:   1. Distributions from profit sharing, thrift, or stock ownership plans, 2. Deferred compensation plans, 3. Individual disability policies, 4. Payments which reduce the face value of any life insurance policy, 5. AD&D benefits, 6. No-fault auto disability payments, 7. Federal government/ military pension, 8. State, county, or municipal pensions 9. Retirement benefits paid for by the employee, 10. Proceeds from a 401(k) plan. 11. Tax sheltered annuities (TSA) 12. Individual Retirement Accounts (IRA).   Please note that the sources of income with which we may integrate may vary by state. For more details, contact your sales representative. |
| **Definitions of Disability** | Our definition of disability is divided into two time periods. The first time period is called the own occupation period and the second time period is called the any occupation period. Please refer to the proposal summary page for the specific details of this proposal.  The “own occupation” period can range from two years or to age 65 depending on the benefit duration schedule elected.  The “any occupation” period lasts for the remainder of the disability, from the end of the “own occupation” period up to the maximum benefit duration period.  During both the “own occupation” and “any occupation” periods, an insured employee may be considered disabled if he/she is partially and/or residually disabled.  **Own Occupation Definition**  During the elimination period and the own occupation period, an Insured must be disabled from his/her regular occupation. An insured is considered disabled from his/her own occupation if unable, as the result of sickness or injury, to perform the material duties of his/her regular occupation.  **Any Occupation Definition**  During the any occupation period, the insured is required to be disabled from any occupation. An insured is disabled from any occupation if unable, as the result of sickness or injury, to perform the material duties of any occupation for which he/she is reasonably fit by education, training and experience.  **Residual Disability**  RSL does not require that an Insured be totally disabled through the elimination period. We allow someone to work part-time and still be eligible for LTD benefits at the end of the elimination period. Once the LTD benefit is payable, the Insured is considered partially disabled.  **Partial Disability**  If an employee is disabled as a result of an injury or sickness, we will consider him/her partially disabled if he/she is capable of performing  the material duties of his/her occupation on a part-time basis or  some of the material duties on a full-time basis.    Definitions may vary by state. For more details, contact your sales representative. |
| **Worksite Modification Benefit** | This is a benefit payable to you, the employer. If you make the necessary modifications to the disabled person’s worksite and the person does return to work, either part-time or full-time, RSL will reimburse you. We will pay 100% of the actual and reasonable expenses paid for the modification to a maximum of $2,000.  This benefit may not be available in all states or may vary from state to state. |
| **Work Incentive****/Child Care Benefit** | Upon satisfying the Elimination Period, during the period of time reflected on the Summary page, RSL will deduct only the amount of earnings which, when added to the employee's LTD benefit, exceeds 100% of the employee's covered monthly earnings.  After such time, if applicable, we will offset the LTD benefit by 50% of the Rehabilitative Employment earnings.  The Child Care Expense Benefit is a feature of the Work Incentive Benefit. If there are dependent children under the age of 14, then we will add up to $250 per month to the Insured's covered monthly earnings when calculating the benefit amount during the work incentive benefit period.  Please check the summary page to determine if the provision is part of our quote. These benefits may not be available in all states or may vary from state to state. |
| **Temporary Recovery during the Elimination Period (Interruption Period)** | Temporary recovery does not necessarily mean that the insured must begin the elimination period all over again if the disability resumes. If an insured returns to full-time work for less than 30 days during the Elimination Period, the disability will be considered continuous. |
| **Managed Rehabilitation Employment Benefit** | RSL encourages disabled employees to return to work either on a part-time or full-time basis.  Vocational rehabilitation services help an employee gain the skills to go back to work doing any occupation.  The managed rehabilitation benefit encourages an employee to return to work in any gainful occupation including his/her occupation on a part-time basis, for which the employee’s training, education or experience will reasonably allow.  We will continue to pay the Monthly Benefit less an amount equal to 50% of the earnings received through Rehabilitative Employment. If rehabilitation is refused, we may reduce or stop the LTD benefit depending on the circumstances. (Reduction or termination of benefits may be prohibited in some states.) |
| **Specific Indemnity Benefit** | This provision allows an employee to receive a guaranteed minimum number of benefit payments if he/she suffers any one of the following losses from an accident resulting in an injury:   |  |  | | --- | --- | | **Loss** | **Monthly Benefit Payments** | | Both hands | 46 | | Both feet | 46 | | Entire sight in both eyes | 46 | | Hearing in both ears | 46 | | Speech | 46 | | One hand and one foot | 46 | | One hand and entire sight in one eye | 46 | | One foot and entire sight in one eye | 46 | | One arm | 35 | | One leg | 35 | | One hand | 23 | | One foot | 23 | | Entire sight in one eye | 15 | | Hearing in one ear | 15 | |
| **Survivor Benefit** | The benefit is an amount equal to three (3) or six (6) times the insured’s net monthly benefit before death. It is payable in a lump sum amount or a monthly benefit to a spouse or to unmarried children under age 25, upon the death of the insured provided the insured had been receiving a Monthly Benefit and was disabled for at least 180 consecutive days.  This benefit may vary from state to state. |
| **Activities of Daily Living Benefit (ADL)** | We will pay the ADL benefit in addition to the monthly benefit if an insured is totally disabled (as defined in the group policy), is receiving a monthly benefit and is:  a) unable to safely and completely perform two or more Activities of Daily Living (as defined in the Group Policy) without another person's assistance or verbal direction, or  b) is cognitively impaired and needs another person's assistance or verbal direction for his/her protection or for the protection of others.  The ADL benefit is a percentage of the insured's Covered Monthly Earnings, subject to a specified maximum. It is payable for as long as we receive continued satisfactory proof that the Insured is entitled to the ADL Benefit and the Monthly Benefit is paid.  Please refer to your proposal summary page for more specific details. This benefit may not be available in all states. |
| **Transfer of Insurance Coverage** | If an employee was covered under a group LTD plan prior to the inception of your RSL plan, and is an eligible employee on the effective date of this policy:   * he/she will be insured under our plan, provided that he/she is actively at work and meets all of the eligibility requirements; * any time used to satisfy the Pre-Existing Conditions limitation of the prior group plan will be credited towards the satisfaction of the Pre-Existing conditions limitation of your RSL policy; * any time used to satisfy the service waiting period of the prior group plan would be credited towards the satisfaction of the service waiting period under the RSL policy. |
| The plan proposed contains the features and benefits requested by you. The following value added features are included in your proposed plan: | |
| **Employee Assistance Program** | This service provides professional, confidential counseling to employees (and their families) who are experiencing personal, family, or work performance problems. It offers assessment, short term counseling and referral services for problems such as stress, life crises, family issues, emotional problems, eating disorders and alcohol or substance abuse. It is totally confidential and available 24 hours a day, seven days a week. |
| **Travel Assistance** | Travel assistance services provide travel and medical assistance services for employees of our Policyholders while traveling on a trip in a foreign country or 100 miles or more from home.    Whether the travel is for business or pleasure your covered employees as well as their spouse and unmarried children under the age of 20 (under age 26 for full time students) are covered.  All travel assistance services are available 24 hours a day through a multilingual staff who are prepared to act quickly and efficiently to serve your employees.  Travel assistance services are provided through On Call International, LLC (On Call) and are not part of the insurance policy being proposed by Reliance Standard Life. On Call is not affiliated with us. We are not responsible for the content of the program or services provided or not provided by On Call. RSL has the right to discontinue offering these services at any time.  For full details about the travel assistance program including all services, limitations and exclusions, please contact your Regional Group Sales Representative. |

|  |  |
| --- | --- |
| **Mental/Nervous Limitation** | We typically provide LTD benefits for insureds who are disabled due to a mental/nervous condition as a standard part of our policy. Benefits in these cases are paid for a limited period. If the Insured is in a hospital or institution at the end of the benefit period, he/she will receive a benefit until the release date or until he/she reaches the maximum benefit duration. The duration period does not have to be consecutive.  Disabilities related to a mental or nervous condition can also be fully covered or excluded. Please refer to the summary page for the provision that has been quoted for you.  This provision varies from state to state. |
| **Drug/Alcohol Limitation** | RSL standardly offers limited benefits for insureds who are disabled due to drug addiction or alcoholism when he/she is an active participant in a substance abuse rehabilitation program approved by us. The benefit is typically paid for one or two years. However, benefits can also be fully covered or excluded. Please refer to the summary page for the provision that has been quoted for you.  This provision varies from state to state. |
| **Pre-Existing Condition** | A pre-existing condition is any sickness or injury for which the Insured received medical treatment, consultation, care or services, including diagnostic procedures or took prescribed drugs or medicines, during a specific period (as outlined in the policy) immediately prior to the Insured’s effective date of coverage.  An insured is covered for pre-existing condition if he / she has been actively at work for one full day following the end of the specific period (as outlined in the policy) from the date he / she becomes an Insured. An Insured is not covered for a pre-existing condition if the requirement is not met.  This provision may vary from state to state. |
| **Other Exclusions** | The LTD policy does not cover any disabilities caused by:   * intentionally self-inflicted injury, * act of war, * commission of a felony, or * an injury or sickness that occurs while the Insured is confined in any penal or correctional institution.   Exclusions and Limitations may vary from state to state |

Why Your Employees Need Long Term Disability

A 20-year-old employee has a 3 in 10 chance of becoming disabled before he or she reaches retirement age[[1]](#footnote-1). A safe workplace doesn’t protect your workers, because most disabilities are caused by illness. In fact, the top three reasons for disability claims are cancer, heart attack and diabetes related illness.[[2]](#footnote-2)

As your workforce gets older, the chances of a work disability grow. Among employees 25 to 44, 11% are likely to have a disability. But among employees 55 to 64, the likelihood increases to more than two and a half times, to 28.1%.[[3]](#footnote-3)

LTD coverage is a powerful benefit that adds measurable value. Employers in a wide range of industries offer employer-paid or voluntary Long Term Disability coverage to their employees. Here are some corporate benefits:

**Protection for your investmen**t – You invest thousands in training and developing your employees, making them ever more valuable assets. You don’t want to lose that investment or the employee’s invaluable knowledge – that’s why RSL provides worksite modification and rehabilitative employment provisions.

**Enhanced corporate image** – Offering LTD coverage tells your employees that they are valued. Plus, having LTD coverage eliminates painful decisions about when to stop paying a disabled employee’s salary and the PR nightmare that can follow.

**The Reliance Standard Advantage**

* **RSL’s LTD plan does not have an earnings test**. Qualifying disability is determined and benefits are triggered solely by the employee’s inability to perform the material duties of his/her regular occupation.
* With RSL’s **Work Incentive Provision,** during the period of time specified in the policy that an Insured performs Rehabilitative Employment during which a monthly benefit is paid, RSL will only deduct the earnings which, when added to the LTD benefit, exceeds 100% of his/her pre-disability earnings.
* In conjunction with this benefit, for disabled employees with children under age of 14, RSL offers a **Child-Care Expense Benefit**. This adds up to $250 per month to the insured employee’s covered monthly earnings.
* **Specific Indemnity Benefit** – This standard provision allows an employee to receive a guaranteed minimum number of benefit payments if he or she suffers specific accidental losses such as dismemberment, speech, sight and hearing.
* Employees and/or their dependents that become victims of identity theft will be eligible for **RSL’s Identity Theft Recovery Services**. An ID Theft Recovery expert will work on their behalf to resolve all types of ID fraud, clearing their name in the eyes of creditors, financial institutions and other legal and government agencies. Services are provided in conjunction with National ID Recovery, LLC.
* Additionally, the RSL LTD contract does not include limitations such as: Maximum Capacity, 40-hour limit, Self Reported Condition (option to add), Gainful Occupation, Prudent Person.

Disability is more common than most people realize. In the last ten minutes alone, 498 Americans became disabled.[[4]](#footnote-4) An illness or accident will keep one in five workers out of work for at least a year before the age of 65[[5]](#footnote-5), and one in seven employees can expect to be disabled for five years or more before retirement.[[6]](#footnote-6)

## Short Term Disability (STD)

* When defining disability, some carriers require the employee to be unable to perform the material duties of his/her regular occupation AND demonstrate a loss of earnings.  **RSL’s plan does not have an earnings test.** Qualifying disability is determined and benefits are triggered solely by the employee’s inability to perform the materials of his/her occupation.
* RSL ties Short Term Disability to an employee’s ability to perform their day-to-day job as defined by his/her employer, not the job function or occupation as defined by the local or national economy.
* RSL’s **maternity** is covered the same as any illness.
* When benefit payments are subject to tax withholdings, RSL will pay the employer’s portion of matching FICA, and does not seek reimbursement from the employer. RSL also prepares W-2 forms for the claimants that receive taxable STD benefits.

**RSL’s Voluntary Advantage**

How would your family’s life change if something happened to you? If you’re married, could your spouse pay all the bills with just one paycheck? What would happen to your family’s future plans? If you are a single parent, how would your children be provided for? Even if you’re single and have no children, how will your credit card, car payment and mortgage obligations be settled?

The answer is life insurance. RSL offers Voluntary Term Life insurance as part of a comprehensive employee benefits package.

**Voluntary Term Life Insurance**

RSL’s Voluntary Tem Life plans offers employees an excellent opportunity to purchase affordable Term Life Insurance for self, spouse and children on a payroll deduction basis. Features include:

* Incremental coverage from $10,000 to $500,000 for employees and spouse[[7]](#footnote-7)
* Guaranteed issue amounts for employees – often for spouses too
* Dependent children coverage with guaranteed issue
* Employee can elect spouse-only or spouse and dependent children-only coverage[[8]](#footnote-8)
* Accelerated Death Benefit included
* Waiver of Premium
* Portability and conversion included[[9]](#footnote-9)
* Five-year age-banded rates

Voluntary Term Life insurance is offered at group rates through convenient payroll deduction. The cost of the insurance is based on age and the benefit amount selected. Children are covered for one composite rate, the amount of which depends on the children benefit selected.

**Why Your Employees Need Group Term Life Insurance**

How would your family’s life change if something happened to you? If you’re married, could your spouse pay all the bills with just one paycheck? What would happen to your family’s future plans? If you are a single parent, how would your children be provided for? Even if you’re single and have no children, how will your credit card, car payment and mortgage obligations be settled?

At Reliance Standard, we realize that personal protection for your employees and their families is an important part of your group benefits package. The financial and economic hardship caused by death and disability can devastate a family. Providing coverage for your employees in the event o a tragedy is an important part of your group benefits. We are committed to supplying you with the best products and services available.

**The Reliance Standard Advantage**

RSL’s Group Tem Life plans offers employers an excellent opportunity to purchase affordable Term Life Insurance for their employees, plus offers supplemental and dependent coverage for spouses and children on a payroll deduction basis. Features include:

* Benefit amounts include multiple of earnings, multiple flat amounts, or Incremental coverage from $10,000 to $500,000 for employees and spouse.. Spouse may be limited to a percentage of the employee amount
* Guaranteed issue amounts for employees – often for spouses too
* Dependent children coverage with guaranteed issue
* Accidental Death and Dismemberment available
* Accelerated Death Benefit included
* Waiver of Premium
* Portability and conversion available
* Five-year age-banded rates for Supplemental Life insurance.

Reliance Standard Life Insurance Company was incorporated in 1907 as Central Life Insurance of Illinois. Reliance Standard is domiciled in Illinois, and maintains its administrative offices in Philadelphia. Reliance Standard is licensed in all states (except New York), the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.

**Our Commitment to Service Excellence**

Employee benefits consist of three parts - the coverage itself, implementation and on-going customer service. Reliance Standard has invested heavily in people and systems to make it easy to do business with us. We reduce your administration downtime with easy-to-use online billing and enrollment support, backed by a National Service Organization spanning our entire network of sales and service offices. Our service and sales professionals are committed to assisting you in every step; from designing an affordable, customized benefit plan to assure smooth and effortless implementation, to assisting employees with questions and service requirements.

**A Strong, Diversified Company**

As a premier insurance carrier, Reliance Standard consistently earns strong financial ratings:

* A.M. Best “A+” (Superior), upgraded August 2013
* Standard & Poor’s “A+” (Strong), upgraded July 2013

Reliance Standard Life Insurance Company is a member of the Tokio Marine Group. The Tokio Marine Group operates in the property and casualty insurance, reinsurance and life insurance sectors globally. The Group’s main operating subsidiary, Tokio Marine & Nichido Fire (TMNF), was founded in 1879 and is the oldest and leading property and casualty insurer in Japan.

**Comprehensive Benefits and Services**

In business for over 100 years, Reliance Standard Life Insurance Company (Reliance Standard) is a leading insurance carrier specializing in innovative and flexible employee benefits solutions including disability income and group term life insurance, dental insurance, critical illness and accident insurance.  Reliance Standard offers a complete suite of voluntary (employee paid) coverage options and services, as well as fully integrated absence management services. Our products and services are marketed through independent brokers and agents to employers of all sizes.

**DISABILITY MANAGEMENT CONCEPTS**

At RSL, our goals are to control your disability costs, both indirect and direct, and to help disabled employees become more confident and productive members of society. We focus on four concepts to accomplish our goals.

|  |  |
| --- | --- |
| **Early Intervention** | Traditional thinking on controlling disability costs is reactive and “after the fact”. We change that orientation by thinking in terms of how to prevent a disability before it happens. We may offer an optional employee assistance program (EAP) to help employees and families with problems that could affect their health. These problems range from depression, drug abuse to financial difficulties, or any other problem that is producing some form of stress. |
| **Integration** | When disability occurs, we view it as a singular event, so we provide you with a single point of contact to integrate our services and address the wide ranging income protection needs of your employees. This integration may include combining short term and long term disability, workers’ compensation, family leave and even statutory coverage. The absence may be reviewed and managed by one disability team. |
| **Cost Containment** | RSL offers many resources to help your employees return to work as quickly and easily as possible. We know that the sooner a disabled person reaches the point of complete or partial recovery, the sooner that individual can resume a productive life. And ultimately, this lowers the cost of the Disability Program to you.  These resources include:   1. *Vocational Rehabilitation Assessment* - This is performed and managed by our in-house staff, in conjunction with a field vocational rehabilitation counselor. 2. *Social Security Assistance Program* - Our in-house service staff will assist your employees by providing the expertise necessary to guide them through filing for social security awards. 3. *Job Search Assistance* - Our vocational counselors take extra steps to help an employee find work that does not require relocation or a change in lifestyle. 4. *Educational Expenses -* In situations where getting back to work starts by going back to school, our rehabilitation program may help with educational expenses for training in a new occupation. |
| **FICA Match** | This program eliminates most of your tax reporting responsibilities for LTD benefit recipients. We will pay the employer’s portion of the Social Security and Medicare taxes on long term disability benefits. We will also prepare the year-end W-2 forms. This value-added service is provided free. |
| **Management Information Reporting** | We offer a comprehensive annual renewal presentation package for larger clients that includes claim listings, experience reports and cost projections.  Our goal is to ensure that you are satisfied with the job RSL is doing to manage your disability claims. |
| **Benefit Illustrations** | Group LTD plans are designed to replace a level of income selected by the employer. A typical plan provides 60% or 66 2/3% income replacement, coordinated with other income benefits. Common benefits we may coordinate with include workers’ compensation, Social Security and work-earnings while disabled.  How an LTD benefit is determined with our Work Incentive benefit:  **Claims Facts**   |  |  | | --- | --- | | Pre-Disability Earnings: | $5,000 | | LTD Benefit %: | 60% | | Gross Monthly LTD Benefit: | $5,000 x .60 = $3,000 | | Return to Work Earnings: | $2,500 |   If an LTD claimant returns to work during the first 12 months of disability, the return to work earnings plus the gross monthly LTD benefit cannot exceed 100% of pre-disability salary. So, in this example you would add $3,000 + $2,500 to get $5,500. $5,500 is greater than $5,000 by 500. The gross LTD benefit is reduced by $500 to $2,500, making the total $5,000, or the same as the pre-disability earnings.  After the first 12 months, the employee would receive the following benefit:   |  |  | | --- | --- | |  |  | | Gross LTD Benefit: | $3,000 ($5,000 x 60%) | | Less 50% of Part-time Earnings | - $1,250 ($2,500 x 50%) | | Net Monthly LTD Benefit: | $1,750 | | Total Income from all Sources: | $4,250 ($1,750 + $2,500) | |

1. Social Security Administration, Fact Sheet, January 2007. [↑](#footnote-ref-1)
2. Council for Disability Awareness, 2010 [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. National Safety Council, Injury Facts, 2008 Edition [↑](#footnote-ref-4)
5. Life and Health Insurance Foundation for Education, 2005. [↑](#footnote-ref-5)
6. Health Insurance Association of America, Commissions Disability Table, 2000 [↑](#footnote-ref-6)
7. GL also allows for the employee amount to be a multiple of earnings or multiple flat amounts, and the spouse amount may be limited to a percentage of the employee amount. [↑](#footnote-ref-7)
8. Not available with GL [↑](#footnote-ref-8)
9. Portability optional with GL [↑](#footnote-ref-9)