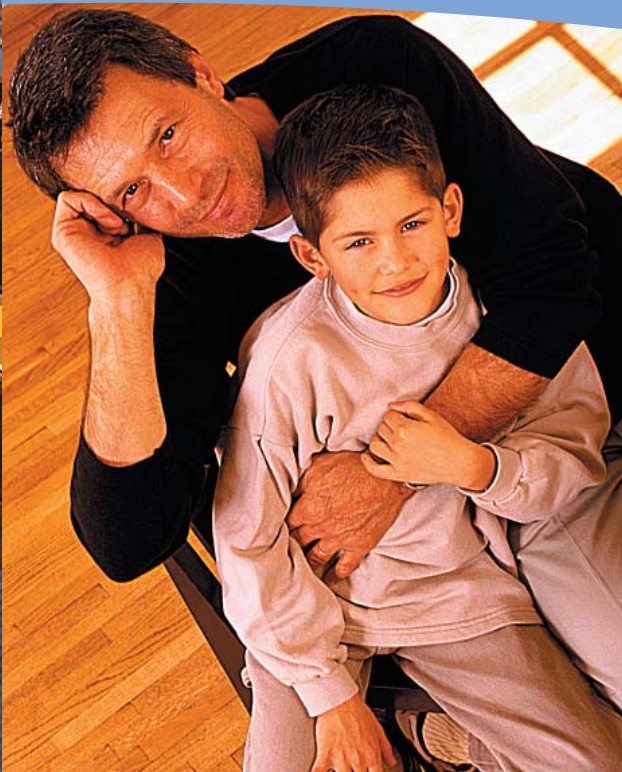




Long Term Disability Insurance

FOR PHYSICIANS PARTICIPATING IN THE HPP PROGRAM

Answers to your questions about coverage
from Standard Insurance Company



The Standard... in Employee BenefitsSM

About This Booklet

This booklet is designed to answer some common questions about the group Long Term Disability (LTD) insurance coverage being offered by your *employer* to eligible *employees*. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Please note that defined terms from the *group policy* and certificate are italicized in this booklet. Features of the group LTD insurance coverage may vary by state.

Long Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills. But, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and were unable to work?

Long Term Disability (LTD) insurance from Standard Insurance Company is designed to pay a monthly benefit to you in the event you cannot work because of a covered sickness or injury. This benefit replaces a portion of your monthly income, helping you meet your financial commitments in a time of need.

You have the option to become insured under the Basic Plan or the HPP Physician Option to meet your individual needs for income protection.

By sponsoring a group LTD insurance plan from The Standard that includes a HPP Physician Option, your *employer* offers you an excellent opportunity to help increase your income protection. The advantages to you include:

- **Choice.** You decide which LTD plan meets your specific needs.
- **Flexibility.** If your needs change, you can request to enroll in the other available plan.
- **Convenience.** With premiums for the Optional Schedule deducted directly from your paycheck, you don't have to worry about mailing monthly payments.
- **Peace of Mind.** You can take comfort and satisfaction in knowing that you have taken a step toward securing your income if you become *disabled*.

Commonly Asked Questions

The following information provides details to give you a better understanding of the group LTD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage. If you have additional questions, please check with your human resources representative.

How much LTD insurance do I need?

If you are not certain that you need LTD coverage beyond the Basic Schedule, consider if it would allow you to meet your financial obligations if you became *disabled* and unable to work for an extended period of time. The risk of disability may be greater than you think. Recent statistics have shown:

- About 2,329 disabling injuries occur every hour during the year. (Source: *Injury Facts*, National Safety Council, 2003)
- Nearly one person in five, or about 49.7 million Americans, has some type of long lasting condition or disability. (Source: U.S. Census Bureau; *Disability Status, 2000*, March 2003)
- Approximately 21.3 million people, or 11.9 percent of all Americans ages 16 to 65, have a disabling condition that affects their ability to work at a job or business. (Source: U.S. Census Bureau; *Disability Status, 2000*, March 2003)

To help determine the level of LTD coverage you may need, complete the worksheet below. Fill in amounts for your monthly expenses and income and compare the two. If you depend on your regular paycheck to pay your bills, what would happen if you became sick and unable to work? Would the Basic Plan meet your needs? If not, the HPP Physician Option may be part of the solution.

Monthly Expenses	
Food	\$ _____
Mortgage/rent	_____
Child care/education	_____
Utilities (electricity, gas, cable, phone, etc.)	_____
Clothing	_____
Debts (credit cards, student and auto loans, etc.)	_____
Insurance (health, life, auto, home, etc.)	_____
Taxes	_____
Other	_____
TOTAL MONTHLY EXPENSES	\$ _____
Monthly Income	
Take-home pay	\$ _____
Spouse income	_____
Other income	_____
TOTAL MONTHLY INCOME	\$ _____

Am I eligible for this coverage?

To be eligible for LTD insurance coverage, you must be:

- An active full-time regular *employee* of University of Utah Hospitals and Clinics, excluding, temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors
- Regularly working at least 20 hours each week
- A citizen or resident of the United States or Canada

Employees in an *eligible class* must complete any required *waiting period* before becoming eligible for insurance.

When does my insurance go into effect?

To become insured under the HPP Physician Option, you must be eligible for insurance and you must give *written election* to your *employer*. It is important for you to give your *written election* within 90 days after the date you become eligible. Otherwise, *evidence of insurability* satisfactory to The Standard will also be required.

Provided you are *actively at work* on the date the insurance is to begin, your insurance will become effective on the first day of the month that falls on or next follows your date of hire:

- You become eligible, if your *written election* is given to your *employer* on or before that date, or
- Your *employer* receives your *written election*, if it is given within 90 days after the date you become eligible, or
- The Standard approves your *evidence of insurability*, furnished at no cost to The Standard, if your *written election* is given to your *employer* more than 90 days after you become eligible

If you are incapable of *active work* on the date your insurance is to begin, it will not become effective until the day after you have completed five full consecutive days of *active work*.

What does it mean to be actively at work?

Active work means performing with reasonable continuity, for wages that are paid regularly by your *employer*, the *material duties* of your *normal occupation* at your usual place of work or at any alternate place of work required by your *employer*. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, *actively at work* will include regularly scheduled days off, holidays or vacation days, so long as you are capable of *active work* on those days and you were *actively at work* on the last day required to be at the workplace.

Will I have to provide information regarding my medical history?

To become insured under the Plan, you must provide *evidence of insurability* satisfactory to The Standard:

- If you give your *written election* more than 90 days after the date you become eligible
- If you give a *written election* for benefits different from the ones for which you are insured and it provides for a greater amount of benefits

When *evidence of insurability* is required, complete and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

When do benefits become payable?

If you become *disabled* and your claim for *monthly income benefits* is approved by The Standard, benefits become payable on the first day of the month after the *elimination period*. This is a specified number of days during which you must remain continuously *disabled* and it may be extended by sick leave. *Monthly income benefits* are not payable during the *elimination period*. The *elimination period* for each plan is indicated below.

	<i>Basic Plan</i>	<i>HPP Physician Option</i>
<i>Elimination Period</i>	30 days	30 days

When am I considered disabled?

Basic Plan

For the *elimination period* and for the *normal occupation period*, *disabled* or *disability* means being unable due to sickness, bodily injury or pregnancy to perform with reasonable continuity the *material duties* of your *normal occupation*.

For the *any occupation period*, *disabled* or *disability* means being unable due to sickness, bodily injury, or pregnancy to perform with reasonable continuity the *material duties* of any occupation for which you are reasonably qualified by education, training or experience.

After the *elimination period*, you may be *disabled* if due to sickness, bodily injury or pregnancy you are unable to earn 80 percent or more of your *increasing monthly wage base*.

The *normal occupation period* is the first 24 months after the *elimination period*. The *any occupation period* begins at the end of the *normal occupation period* and continues while benefits are payable.

HPP Physician Option

For the *elimination period* and for the *normal occupation period*, *disabled* or *disability* means being unable due to sickness, bodily injury or pregnancy to perform with reasonable continuity the *material duties* of your *normal occupation*; or working, but due to sickness, bodily injury or pregnancy being unable to earn 80% or more of your Increasing Monthly Wage Base. If you are continuing to work in your Normal Occupation or any other occupation for which you are reasonably qualified, or you enter a program of Rehabilitation Service and you meet all of the following conditions:

- You provide proof certified by a Physician that you have contracted an Infectious and Contagious disease or tested positive for such a disease; and
- You are unable to earn more than 80% of your Increasing Monthly Wage Base, and
- You are able to perform the material duties of your *normal occupation* on a full-time basis but you are unable to perform these duties due to:
 - restrictions imposed by a Licensing Board, law or regulation as a result of contracting an Infectious and Contagious Disease; or
 - loss of license as a result of contracting an Infectious and Contagious Disease; or
 - being administratively relieved of a portion of your duties due to risks posed by your Infectious and Contagious Disease to those individuals you come in contact with.

Normal Occupation

If you are a physician and elect the physician option, then during the *elimination period* and the *normal occupation period*, The Standard will consider your *normal occupation* to be the one medical or sub-specialty in which you are board certified to practice, for which there is a specialty or sub-specialty recognized by the American Board of Medical Specialties, provided you have earned at least 50% of your gross professional service income in that specialty or sub-specialty during the 24 months immediately before you became *disabled*. If the sub-specialty in which you are practicing is not recognized by the American Board of Medical specialties, you will be considered practicing in the general specialty category.

How much is the monthly income benefit amount?

Your *monthly income benefit* is a percentage of your *monthly wage base* reduced by *benefits from other sources*. The *monthly income benefit* amount for each plan is indicated below.

	<i>Basic Plan</i>	<i>HPP Physician Option</i>
Percentage of <i>monthly wage base</i>	60%	60%
Maximum <i>monthly income benefit</i>	\$8000.....	\$15,000
Insured Monthly Wage Base*	\$13,333.33.....	\$25,000
Minimum <i>monthly income benefit</i>	\$100.....	\$100

To compare the amount of your *monthly income benefit* under both plans, fill in the blanks below.

	<i>Basic Plan</i>	<i>HPP Physician Option</i>
1. Enter your <i>monthly wage base</i>	\$ _____	\$ _____
(*If your <i>monthly wage base</i> exceeds Insured Monthly Wage Base, enter that amount above.)		
2. Percentage of <i>monthly wage base</i>	60%	60%
3. Multiply amount on line 1 by percentage on line 2 and enter	\$ _____	\$ _____
This is your <i>monthly income benefit</i> amount before reduction for <i>benefits from other sources</i> .		

How is the amount of the monthly income benefit calculated?

The *monthly income benefit* amount is determined by multiplying your insured *monthly wage base* by the specified benefit percentage. This amount is then reduced by other income, referred to as *benefits from other sources*, which you receive or are eligible to receive while *monthly income benefits* are payable.

In the example below, the *monthly income benefit* amount is 60 percent of insured *monthly wage base*. If your monthly earnings (or *monthly wage base*) before becoming *disabled* were \$2,000 and you now receive a monthly Social Security disability benefit of \$600 and a monthly state disability benefit of \$200, your *monthly income benefit* would be calculated as follows:

Insured <i>monthly wage base</i>	\$2,000
<i>Monthly income benefit</i> percentage	x 60%
	\$1,200
Less Social Security disability benefit	- 600
Less state disability income benefit.....	- 200
Amount of <i>monthly income benefit</i>	\$ 400

What is the monthly wage base?

The *monthly wage base* is 1/12 of your basic annual wage payable by your *employer* at the start of a term of continuous *disability*. Any change in your earnings after your last day of *active work* will not affect your *monthly wage base*. The basic annual wage includes:

- Salary
- Contributions you make through a salary reduction agreement with your *employer* to an Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement; or an executive nonqualified deferred compensation arrangement
- Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan

If your basic annual wage consists of other than 12 monthly payments, your *monthly wage base* will be 1/12 of the total annual amount of such payments. If you are paid hourly, your basic annual wage is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours, multiplied by 12 months.

Your basic annual wage excludes overtime pay, bonuses, other types of extra compensation and your *employer's* contributions on your behalf to any deferred compensation arrangement or pension plan.

Please contact your human resources representative for additional information regarding what is included in your *monthly wage base*.

What are benefits from other sources?

Benefits from other sources are benefit amounts available or provided to you that reduce the amount of your *monthly income benefit*. *Benefits from other sources* include but are not limited to, the following:

- Social Security or similar benefits that are payable to you and to your dependents for disability or retirement on your wage record under the Social Security Act of the United States or any similar United States or foreign government program
- Workers' compensation or similar benefits, including amounts for partial or total disability, whether permanent, temporary or vocational, or whether paid as monthly or one sum amounts, and any form of settlement, that are payable under any workers' compensation law or similar law
- Benefit amounts that are payable for disability under any other group insurance coverage to which an employer or your *employer* contributed or deducted funds from your wages
- Benefit amounts that are payable for retirement under any plan to which any employer or your *employer* contributed; amounts payable for retirement will not include those benefits payable based on contributions you made; regardless of how funds from the retirement plan are distributed, The Standard will consider all contributions by you and your employer to be distributed simultaneously throughout your lifetime
- State disability benefits that are payable because of your disability under any state disability income benefit law or similar law
- Unemployment compensation benefit amounts that are payable under any unemployment compensation law due to loss of employment
- Sick pay and other salary continuation that are paid or payable under your *employer's* sick leave, annual or personal leave, severance or other salary continuation program (but not vacation pay) and any wages that are payable by your *employer*, including donated amounts

- No-fault insurance benefit amounts that are paid for your loss of income under any mandatory no-fault automobile insurance program (where permitted by law)
- Any amounts paid by compromise, settlement or other method as a result of a claim for any of the above, whether disputed or undisputed

Benefits from other sources will not include amounts paid to you for a continuous disability that starts before a *disability* for which benefits are payable under the *group policy*. In addition, for amounts paid in one sum or by a method other than monthly, The Standard will determine your *monthly income benefit* using a prorated amount and the period of time to which the *benefits from other sources* applies. If no period of time is stated, The Standard will use a reasonable one.

How long may benefits continue?

If you become *disabled* before age 60, *monthly income benefits* may continue during *disability* until you reach age 65. If you become *disabled* at age 60 or older, *monthly income benefits* continue during a term of continuous *disability* until the following age or time limit:

<u>Age when disability begins</u>	<u>Age or time limit</u>
60 but younger than 65.....	5 years
65 but younger than 68 1/2.....	To age 70
68 1/2 and older.....	1 year

When do monthly income benefits end?

After *monthly income benefits* start, they will continue to be payable each month during your term of continuous *disability*. The last benefit payment will be made as of the first day of the month in which the earliest of these events occurs:

- You are no longer *disabled*
- You reach the age or time limit for which benefits are payable
- You die
- You fail to provide proof of continued *disability* and entitlement to benefits under the *group policy*
- Benefits become payable under any other long term disability plan under which you become insured through employment during a period of temporary recovery
- You attain the specified time limit for *disability* caused or contributed to by, or medical or surgical treatment of, *mental illness*, alcoholism or drug abuse, use of alcohol or drugs unless prescribed by and taken in accordance with the instructions of a *physician*

If I become disabled, will contributions to my retirement account continue?

While you are *disabled* and eligible to receive a *monthly income benefit*, a *monthly annuity premium benefit* equal to 3 percent of your *monthly wage base* will be credited to the Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF) retirement annuities or group retirement annuity.

What are some of the other features of this coverage?

This LTD coverage has the following features:

- Your *monthly income benefit* will be adjusted up to 3 percent by the *annual benefit adjustment* beginning 36 months after the date benefits are first payable for a term of *disability*.

- If you die while *monthly income benefits* are payable, and on the date you die you have been continuously *disabled* for at least 12 full months, a *survivor income benefit* equal to three times your *monthly income benefit* will be paid in a lump sum to your *surviving dependent(s)*, if any. Any *survivor income benefit* payable will first be applied to any overpayment of your claim due to The Standard.
- It covers *disabilities* that occur 24 hours a day, both on and off the job.
- If you pay premium with after-tax dollars, a portion of your *monthly income benefits* is federally tax-free under current federal tax law.
- You may qualify for *rehabilitation services* that prepare you to work to the fullest extent of your abilities. This may include such services as vocational testing, job preparation, career counseling, retraining or workplace modification.
- If the *group policy* terminates while you are *disabled*, *monthly income benefits* will continue as long as you are eligible to receive them.

What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following or medical or surgical treatment of the following:

- A mental or physical condition that is intentionally self-inflicted, while sane or insane[‡]
- A mental or physical condition that results from *war* or any act of *war* (declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature)
- A mental or physical condition that results from your committing or attempting to commit an assault or felony, or your actively participating in a violent disorder or riot
- A *preexisting condition* unless you have been continuously insured under the *group policy* and/or the employer's prior long term disability plan for the 12-month period prior to the start of *disability*

[‡] For Colorado and Missouri residents, "insane" is not applicable.

What is a preexisting condition?

A *preexisting condition* is a mental or physical condition, except for pregnancy, whether or not diagnosed or misdiagnosed, that within the six months prior to your most recent effective date of insurance:

- You incurred expense, received medical treatment, services or advice, underwent diagnostic procedures, took prescribed drugs or medicine, or consulted a physician or other licensed medical professional
- Was discovered or suspected as a result of any medical examination including a routine examination

What limitations apply to this coverage?

Monthly income benefits are not payable for any period when you:

- Are confined in a prison or other correctional facility, or in a treatment facility in lieu of being confined in any correctional facility
- Are outside the following areas: the United States, its territories and possessions or Canada; but this does not apply to a term of *disability* that starts while you are *actively at work* outside those areas; or which starts while you are on vacation outside those areas if you return to those areas as soon as you are physically able to do so

- Are not participating in a program of rehabilitation service that The Standard determines prepares you to work to the fullest extent of your ability
- Are not under the *regular care* of a *physician*
- Fail to provide proof of *disability* and other required proof
- Fail to comply with The Standard's request to have you examined
- Attain the specified time limit for *disability* caused or contributed to by or medical or surgical treatment of a *mental illness*, alcoholism or drug abuse, use of alcohol or drugs unless prescribed by and taken in accordance with the instructions of a *physician*

When does my LTD insurance coverage end?

The group LTD insurance ends automatically on the earliest of the following:

- The date the *group policy* terminates
- The date the last period ends for which you make a premium contribution
- The date you stop *active work* in an *eligible class* (which includes ceasing to meet any required *work test*)
- The date the *group policy* is changed to terminate insurance on the class of *employees* to which you belong

If you are no longer *actively at work* due to a leave of absence or a *disability*, ask your *employer* or the *policyholder* for information about options available under the *group policy* for insurance to continue during your leave of absence.

How much will it cost me for coverage?

The monthly premium rates for each option are indicated in the table below.

	<u>Basic Option</u>	<u>HPP Physician Option</u>
Income Benefit	0.995%	1.300%
Annuity Premium	0.071%	0.090%

To calculate the monthly payroll deduction for your coverage under the Optional Schedule, use the following formula:

1. Enter your *monthly wage base*, not to exceed \$25,000..... Line 1: _____
2. Select your rate from the rate table and divide this by 100..... Line 2: _____
3. Multiply Line 1 by the amount shown on Line 2..... Line 3: _____

The amount shown on Line 3 is your estimated monthly payroll deduction for LTD coverage under the Optional Schedule. If you have questions regarding your *monthly wage base*, please contact your human resources representative.

What if I have additional questions?

If you have any additional questions, please contact your human resources representative.

About Standard Insurance Company

Your *employer* has chosen Standard Insurance Company to provide group LTD coverage to eligible *employees*. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for LTD insurance. Talk with your *employer's* human resources representative for more information about group LTD insurance from The Standard.



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