

true group and voluntary products

EMPLOYER CONTRIBUTION AND PARTICIPATION REQUIREMENTS

Employer paid

- When the employer contributes 100 percent of the cost, 100 percent employee participation is required.
- If the employer contributes less than 100 percent, 75 percent employer participation is required.
- Dental requires the employer to contribute 50 percent of the employee-only cost.
- Life and Disability requires the employer to contribute 25 percent of the monthly premium.

Voluntary

- Voluntary Disability and Dental plans require a minimum of 10 lives or 25 percent of eligible employees, whichever is greater.
- Voluntary Life coverage requires 10 lives or 20 percent of eligible employees, whichever is greater.
- Vision requires two employees to participate.

REQUEST FOR PROPOSAL

For a competitive quote, submit the following information:

- Company name
- Location (city, state, ZIP)
- Nature of business
- Census data – including gender, date of birth (or age) and earnings (if percent of salary benefit is chosen)
- Benefit plan desired
- If there is an existing plan, include the following:
 - Present plan and rates
 - Present carrier
 - Experience – paid premium vs. paid claims
 - Dental and Vision experience is required for groups with more than 100 lives;
 - STD experience is required for groups with more than 100 lives;
 - Life and LTD experience is required for groups with more than 500 lives.

Send the above information by fax to 816-531-4648, or by email to groupbenefits@kclife.com.

true group and voluntary products – LTD/STD

OVERVIEW

Disability plays no favorites. It can strike at any time, in any industry or occupation. Still, it remains neglected by some companies. Employees need protection from an unexpected disability. Kansas City Life Insurance Company has the disability products employers need. From employer-paid to voluntary, employers may choose Long and/or Short Term Disability plans that best fit their needs as well as those of their employees. Affordable premiums combined with strengthened claims management capabilities and flexible plan designs make disability products from Kansas City Life a wise choice.

BENEFIT PERCENTAGES

In an effort to provide employees with financial support during a disability, yet encourage them to return to work, benefit percentage options of 50 or 60 percent are most common. For STD plans, employers may choose a benefit that is a flat amount for all employees, not to exceed 66 2/3 percent of weekly earnings.

ELIMINATION PERIODS

For STD, benefits may commence on the first, eighth, 15th or 31st day for accident, and eighth, 15th or 31st for illness. The employer may also elect to include a first-day hospitalization benefit. For LTD, 90 or 180 day elimination period options are available.

BENEFIT DURATIONS

For LTD, the standard duration is Social Security Normal Retirement Age. Please refer to table on Page 32. For STD, 13 or 26 weeks is standard. However, both products offer a variety of options to fit your client's needs.

TOTAL DISABILITY (STD)

An employee is considered disabled when, due to sickness or injury, he or she is unable to perform the material and substantial duties of his or her regular occupation and is not working in any occupation.

PARTIAL DISABILITY (STD)

An employee is considered disabled when it is determined that due to sickness or injury:

1. The employee is unable to perform all the material and substantial duties of the occupation;
2. The employee has a 20-percent or more loss in weekly earnings;
3. And during the elimination period, the employee is unable to perform any of the material and substantial duties of the regular occupation and is not working in any occupation.

RESIDUAL DISABILITY (STD)

The employee is considered disabled when due to sickness or injury:

1. The employee is unable to perform all the material and substantial duties of his or her regular occupation; and
2. The employee has a 20-percent or more loss of weekly earnings.

DEFINITION OF DISABILITY (LTD)

The standard definition of disability is when an employee due to injury or sickness:

1. The employee is unable to perform all the material and substantial duties of the regular occupation; and
2. The employee has a 20-percent or more loss in indexed monthly earnings.

After the regular occupation period, the employee is considered disabled when due to injury or sickness the employee is unable to perform the duties of any gainful occupation for which he or she is reasonably qualified based on training, education and experience. Other definitions of disability are available.

COST OF LIVING FREEZE

Once a disabled employee receives LTD benefits, the benefit amount will not be reduced should there be a cost-of-living adjustment from other integrated income sources.

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ACCUMULATION OF ELIMINATION PERIOD (LTD)

If a disabled employee returns to work while satisfying the elimination period, he or she may satisfy the elimination period within the accumulation period. The days that the employee is not disabled will not count toward the elimination period. If the employee does not satisfy the elimination period within the accumulation period, a new period of disability will begin. The elimination period and the accumulation period begin on the first day of the disability. The accumulation period is double the days of the elimination period.

VOCATIONAL REHABILITATION (LTD)

If an employee becomes disabled, vocational rehabilitation services will prepare the employee to resume gainful work through vocational testing, vocational training, workplace modification, prosthesis or job placement.

RECURRENT DISABILITY

For STD plans, if an employee has a recurrent disability, and after the prior disability ended, he or she returned to work for the employer for 14 days or less, the disability will be treated as part of the prior claim and a new elimination period will not need to be met.

For LTD plans, if an employee has a recurrent disability, and after the prior disability ended, he or she returned to work for six months or less, we will treat the disability as part of the prior claim and the employee does not have to complete another elimination period.

DEFINITION OF EARNINGS

For STD plans, Kansas City Life defines an employee's earnings as the gross weekly income from the employer in effect just prior to the date of disability.

For LTD plans, Kansas City Life defines an employee's earnings as the usual monthly rate of pay. The employer may elect to include commissions and bonuses in the earnings definition.

MINIMUM BENEFIT

For STD plans, the minimum weekly payment amount will be \$25, regardless of income from other sources.

For LTD plans, regardless of income from other sources, the minimum monthly payment amount is the greater of \$100 or 10 percent of the gross monthly benefit.

INDEXED PRE-DISABILITY EARNINGS (LTD)

After an individual has been disabled for 12 consecutive months, an inflation adjustment is made to pre-disability earnings. This new calculation may result in a higher benefit and can continue annually for the duration of the claim.

NO SELF-REPORTED DISABILITY RESTRICTIONS

There are no restrictions or limitations for self-reported illnesses or subjective illnesses under the LTD contract. Claims for self-reported conditions are handled the same as every claim – by focusing on functionality instead of diagnosis.

RATE GUARANTEES

For STD, groups with fewer than 150 lives may receive a two-year rate guarantee, subject to underwriting approval. For groups with more than 150 lives, Kansas City Life offers one-year rate guarantees. For Voluntary coverage, rates will generally be guaranteed for two years for groups with fewer than 100 lives and for one year for groups with 100 lives or more. LTD plans generally have a two-year rate guarantee.

WAIVER OF PREMIUM

Premium payments are waived for disabled employees who have qualified for LTD benefits.

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ADDITIONAL BENEFITS AVAILABLE (LTD)

- Activities of Daily Living
- Accidental Dismemberment and Loss of Sight
- Survivor Benefit*
- Retirement Contribution
- Medical or COBRA Premium Disability
- Advanced Survivor Benefit
- Extended Earnings Protection
- Child or Family Care Expense
- Infectious and Contagious Disease
- Cost of Living Adjustment
- Workplace Modification*

**These are included as standard benefits for LTD plans.*

EMPLOYEE ASSISTANCE PROGRAM

All True Group and Voluntary LTD plans include an extensive Employee Assistance Program (EAP) through KEPRO. The EAP program includes five face-to-face visits per issue, per year for each member and his or her dependents.

OUR DISABILITY CLAIMS SERVICE PROMISE

- New claims posted to claim system within 24 hours
- New claims acknowledged within three days
- New information on ongoing claims managed within five days
- Telephone calls returned same day
- LTD decision time average of 30 days

PERMANENT AND TOTAL DISABILITY

When re-entry into the same occupation or another is not possible, we look for other ways to resolve claims, including assisting the employee with securing other income and moving to permanent and total disability status and/or settlement.

EXPERIENCED DISABILITY CLAIMS ANALYSTS

Our claims resolution results are above industry averages (including return to work, rehabilitation, settlement and contractual ineligibility). The effectiveness of claim resolution relies on the experience and expertise of the people managing the claims process. Our registered nurses, physicians, vocational rehabilitation professionals and risk management specialists bring decades of experience to help solve the unique and complex problems that workers face after injury or illness. In addition to our exceptional staff, we partner with specialized resources outside our Company. When needed, we will work with medical specialists and utilize vocational rehabilitation practitioners from our national network.

HELPING PEOPLE RETURN TO WORK

Our claims team focuses on the importance of work and income in people's lives. We are committed to approaching every eligible claim with the goal of returning the employee to work. Return-to-work management is coordinated by a claims analyst with the assistance of a vocational expert when needed. Services are provided in close consultation with employers to help return individuals to their own occupation or to another occupation for which they are qualified.

SOCIAL SECURITY DISABILITY INSURANCE ASSISTANCE

For those employees who are deemed totally disabled from any occupation for 12 months or more, assistance with securing Social Security Disability Insurance (SSDI) is offered. We educate employees on the advantages of receiving Social Security Disability and assist with the application and appeals process. If a Social Security advocate is needed to obtain a successful SSDI award, we will assume the cost.