

Disability Is A Fact of Life

- ◆ 27,000,000 Americans are currently on disability.
- ◆ 6.85 out of 100 people between the ages of 20 and 35 will suffer a disability that lasts 3 months or longer.
- ◆ If a disability lasts longer than 3 months, its average duration is 2.9 years at age 30, 3.9 years at age 40 and 4.5 years at age 50.
- ◆ **48% of all home foreclosures done in this country today are a result of disabilities, only 3% are due to premature death.**
- ◆ Death rates are down; disability rates are up.
- ◆ At ages 35 - 40, your chances of being disabled are twice as great as those of dying.
- ◆ Worker's Compensation rates recently rose again. Analysts attribute this in part to the inclusion of stress on the job as a possible claim.
- ◆ Each year, the statistics average as follows:
 - ▶ 1 in 106 people die
 - ▶ 1 in 88 homes catch fire
 - ▶ 1 in 70 cars is involved in a serious accident
 - ▶ 1 in 8 people are disabled

Source: Commissioners Disability Trade, US Gov't Housing/Finance, Society of Actuaries

Could Employees Live Off Of Savings??

Continental American Short Term Disability Plan

Effective Date: November 1, 2009

Existing Employees - Underwriting approval required

This insurance provides for payment of a monthly disability benefit to replace up to 60% of earnings lost by employees who are totally disabled because of an injury or sickness and are unable to work. Benefit payments begin the first day following an accident and on the eighth day due to a sickness and continue during total disability up to the maximum duration provided by the Plan up to one year. The maximum monthly benefit is \$3,000.

ELIGIBILITY

All active full-time employees (30 hours or more per week) under age 70 who have completed three (3) months of continuous employment are eligible to apply for this plan.

FEATURES

- **Group Premium Rates** - Special low group rates are available to all employees. Premiums cannot be individually increased due to change in health.
- **Guarantee Issue** - Newly eligible employees will be guaranteed the coverage for which he or she qualifies up to \$1,200.
- **Unisex Rates** - Equitable rates for all.
- **Payroll Deduction** - Premiums are paid by convenient payroll deduction.
- **Elimination Period** - 0 days accident, 7 days sickness.
- **Duration of Benefits** - Total Disability - 3 months, 6 months or 12 months.
- **Covers Pregnancy** - Pregnancy paid same as sickness if conception is after the coverage effective date.
- **Individual Certificate** - Each insured employee will receive an individual certificate, and an employee's insurance cannot be individually canceled.
- **Effective Date of Insurance** - An employee's insurance will be made effective on the first day of the calendar month following the date his or her application is approved, provided the employee is "actively at work."
- **Benefits Payable Regardless of Other Insurance**
- **Summer Months, Weekends and Holidays are Covered**
- **Partial Disability Benefits Available**
- **Benefits Paid Directly to You**

BENEFITS PROVIDED

Total Disability Benefits

We will pay a monthly benefit for total disability during a period of disability as follows:

1. Benefits start on the day following the Elimination Period elected.
2. Benefits will continue to be paid for days of total disability; but they will not be paid beyond the applicable maximum benefit period for total disability.

Total Disability means that due to injuries or sickness:

1. You are not able to perform the substantial and material duties of Your occupation; and
2. You are under the regular care and attendance of a Physician which is appropriate and required for the condition causing your disability. (Unless the Physician tell us that regular care would be of no further benefit to you during such continuing disability); and
3. You are not gainfully employed or occupied in any other occupation.

Partial Disability Benefits

We will pay a monthly benefit for partial disability during a period of partial disability which immediately follows a period for which you received total disability benefits from this plan as follows:

1. Benefits start on the day following the last day for which benefits were payable for total disability.
2. Benefits will continue to be paid at 50% of the monthly benefit for total disability on the following basis:
 - The three month benefit period will pay partial disability benefits for up to 30 days.
 - The six month benefit period will pay partial disability benefits for up to 60 days.
 - The twelve month benefit period will pay partial disability benefits for up to 90 days.

PORTABILITY PRIVILEGE

When your coverage would otherwise terminate under this plan because you end employment with the Employer, you may elect to continue your disability income coverage for a period of up to 18 months and without submitting evidence of insurability provided the group policy remains in force. But you must have been continuously insured for at least twelve (12) months under this Plan just before the date your employment terminated. The coverage you may continue is the same Monthly Benefit for Total Disability shown in your schedule and elimination period you had on the date your employment terminated.

1. **To keep your insurance in force you must:**
 - make written application to the company within 31 days after the date your insurance would otherwise terminate;
 - pay the required premium to the company no later than 31 days after the date your insurance would otherwise terminate;
 - be employed full time, 30 hours or more per week, within 60 days of the termination of your employment with the employer, in a similar occupation.
2. **Insurance will cease on the earliest of these dates:**
 - the date you failed to pay any required premium;
 - the date you retire;
 - the date the group policy is terminated;
 - the date you become insured under any other disability income plan;
 - the date following 18 months of coverage under this portability privilege.

3. **Coverage may not be continued for any of the following reasons:**
- you are disabled under the terms of the definition of disability, or upon recovery of such disability if the insured does not return to active full-time work with this employer;
 - you fail to pay any required premium;
 - you retire;
 - you are on an approved leave of absence;
 - you become covered under any other disability income plan,
 - the group policy terminates.

If you qualify for this portability privilege as described, then the same monthly benefit for total disability, elimination period, benefit period, plan provisions and premium rate as shown in your certificate as previously issued will apply.

LIMITATIONS AND EXCLUSIONS

Benefits will not be paid for disability due to:

- any act of war, declared or undeclared, or participation in an insurrection, rebellion or riot;
- an intentionally self-inflicted injury;
- a commission of, or attempt to commit an assault, battery, or felony, or engagement in any illegal occupation;
- travel in, jumping or descent from any aircraft, except when a fare-paying passenger in a licensed passenger aircraft;
- mental or emotional disorders without demonstrable organic disease;
- alcoholism or drug addiction.

PRE-EXISTING CONDITION LIMITATION

Pre-existing Condition means a sickness or physical condition which, within the 12 month period prior to the Effective Date of your certificate, resulted in your receiving medical advice or treatment.

If the employee has a pre-existing condition then we will not pay benefits for any claim (Period of Disability) starting within 12 months of the effective date of the employees' coverage which is due to such pre-existing condition. A claim for benefits (Period of Disability) starting after 12 months from the effective date of the employees' coverage will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

(This is a brief description of your coverage and is not a contract. Read your certificate for exact terms and conditions.)

If you have any questions regarding your Continental American Short Term Disability Plan, please call (800) 433-3036.

Class 1 Rates

(Teachers, Teacher Aides and Administration)

| Benefit Duration: 90 days | | Benefit Duration: 180 Days | | Benefit Duration: 365 days | |
|------------------------------|-----------------|-------------------------------|-----------------|-------------------------------|-----------------|
| Monthly Benefit | Monthly Premium | Monthly Benefit | Monthly Premium | Monthly Benefit | Monthly Premium |
| \$500 | \$14.15 | \$500 | \$16.10 | \$500 | \$20.60 |
| \$600 | \$16.98 | \$600 | \$19.32 | \$600 | \$24.72 |
| \$700 | \$19.81 | \$700 | \$22.54 | \$700 | \$28.84 |
| \$800 | \$22.64 | \$800 | \$25.76 | \$800 | \$32.96 |
| \$900 | \$25.47 | \$900 | \$28.98 | \$900 | \$37.08 |
| \$1,000 | \$28.30 | \$1,000 | \$32.20 | \$1,000 | \$41.20 |
| \$1,100 | \$31.13 | \$1,100 | \$35.42 | \$1,100 | \$45.32 |
| \$1,200 | \$33.96 | \$1,200 | \$38.64 | \$1,200 | \$49.44 |
| \$1,300 | \$36.79 | \$1,300 | \$41.86 | \$1,300 | \$53.56 |
| \$1,400 | \$39.62 | \$1,400 | \$45.08 | \$1,400 | \$57.68 |
| \$1,500 | \$42.45 | \$1,500 | \$48.30 | \$1,500 | \$61.80 |
| \$1,600 | \$45.28 | \$1,600 | \$51.52 | \$1,600 | \$65.92 |
| \$1,700 | \$48.11 | \$1,700 | \$54.74 | \$1,700 | \$70.04 |
| \$1,800 | \$50.94 | \$1,800 | \$57.96 | \$1,800 | \$74.16 |
| \$1,900 | \$53.77 | \$1,900 | \$61.18 | \$1,900 | \$78.28 |
| \$2,000 | \$56.60 | \$2,000 | \$64.40 | \$2,000 | \$82.40 |
| \$2,100 | \$59.43 | \$2,100 | \$67.62 | \$2,100 | \$86.52 |
| \$2,200 | \$62.26 | \$2,200 | \$70.84 | \$2,200 | \$90.64 |
| \$2,300 | \$65.09 | \$2,300 | \$74.06 | \$2,300 | \$94.76 |
| \$2,400 | \$67.92 | \$2,400 | \$77.28 | \$2,400 | \$98.88 |
| \$2,500 | \$70.75 | \$2,500 | \$80.50 | \$2,500 | \$103.00 |
| \$2,600 | \$73.58 | \$2,600 | \$83.72 | \$2,600 | \$107.12 |
| \$2,700 | \$76.41 | \$2,700 | \$86.94 | \$2,700 | \$111.24 |
| \$2,800 | \$79.24 | \$2,800 | \$90.16 | \$2,800 | \$115.36 |
| \$2,900 | \$82.07 | \$2,900 | \$93.38 | \$2,900 | \$119.48 |
| \$3,000 | \$84.90 | \$3,000 | \$96.60 | \$3,000 | \$123.60 |

Class 2 Rates

(Cafeteria Workers, Maintenance and Bus Drivers)

| Benefit Duration: 90 days | |
|------------------------------|-----------------|
| Monthly Benefit | Monthly Premium |
| \$500 | \$24.80 |
| \$600 | \$29.76 |
| \$700 | \$34.72 |
| \$800 | \$39.68 |
| \$900 | \$44.64 |
| \$1,000 | \$49.60 |
| \$1,100 | \$54.56 |
| \$1,200 | \$59.52 |
| \$1,300 | \$64.48 |
| \$1,400 | \$69.44 |
| \$1,500 | \$74.40 |
| \$1,600 | \$79.36 |
| \$1,700 | \$84.32 |
| \$1,800 | \$89.28 |
| \$1,900 | \$94.24 |
| \$2,000 | \$99.20 |
| \$2,100 | \$104.16 |
| \$2,200 | \$109.12 |
| \$2,300 | \$114.08 |
| \$2,400 | \$119.04 |
| \$2,500 | \$124.00 |
| \$2,600 | \$128.96 |
| \$2,700 | \$133.92 |
| \$2,800 | \$138.88 |
| \$2,900 | \$143.84 |
| \$3,000 | \$148.79 |

| Benefit Duration: 180 Days | |
|-------------------------------|-----------------|
| Monthly Benefit | Monthly Premium |
| \$500 | \$28.25 |
| \$600 | \$33.90 |
| \$700 | \$39.55 |
| \$800 | \$45.20 |
| \$900 | \$50.85 |
| \$1,000 | \$56.50 |
| \$1,100 | \$62.15 |
| \$1,200 | \$67.80 |
| \$1,300 | \$73.45 |
| \$1,400 | \$79.10 |
| \$1,500 | \$84.75 |
| \$1,600 | \$90.40 |
| \$1,700 | \$96.05 |
| \$1,800 | \$101.70 |
| \$1,900 | \$107.35 |
| \$2,000 | \$113.00 |
| \$2,100 | \$118.65 |
| \$2,200 | \$124.30 |
| \$2,300 | \$129.95 |
| \$2,400 | \$135.60 |
| \$2,500 | \$141.25 |
| \$2,600 | \$146.90 |
| \$2,700 | \$152.55 |
| \$2,800 | \$158.20 |
| \$2,900 | \$163.85 |
| \$3,000 | \$169.50 |

| Benefit Duration: 365 days | |
|-------------------------------|-----------------|
| Monthly Benefit | Monthly Premium |
| \$500 | \$36.05 |
| \$600 | \$43.26 |
| \$700 | \$50.47 |
| \$800 | \$57.68 |
| \$900 | \$64.89 |
| \$1,000 | \$72.09 |
| \$1,100 | \$79.31 |
| \$1,200 | \$86.52 |
| \$1,300 | \$93.73 |
| \$1,400 | \$100.94 |
| \$1,500 | \$108.15 |
| \$1,600 | \$115.36 |
| \$1,700 | \$122.57 |
| \$1,800 | \$129.78 |
| \$1,900 | \$136.99 |
| \$2,000 | \$144.20 |
| \$2,100 | \$151.41 |
| \$2,200 | \$158.62 |
| \$2,300 | \$165.83 |
| \$2,400 | \$173.04 |
| \$2,500 | \$180.25 |
| \$2,600 | \$187.46 |
| \$2,700 | \$194.67 |
| \$2,800 | \$201.88 |
| \$2,900 | \$209.09 |
| \$3,000 | \$216.30 |