



PROPOSAL FOR

LA VERNIA INDEPENDENT SCHOOL DISTRICT

Marketed by:



Underwritten and administered by:



American Fidelity Assurance Company

LONG-TERM DISABILITY INCOME INSURANCE



Plan Highlights

- Pre-Existing Condition Limitation of 12 months of continuous coverage, 3 month lookback period, 12 months treatment free; a limited 1 month benefit is payable for any Pre-Existing Conditions
- Benefits are provided for covered non-occupational Injuries and Sicknesses, including pregnancy
- Benefits are provided for Organ Donors
- Social Security Filing Assistance
- Worksite Accommodation Benefit Evaluation



Plan Features

Disability Benefit	Choice of monthly benefit amount in increments of \$100 — ranging from \$200 to \$10,000 not to exceed 66 2/3% of monthly compensation; Benefit will be reduced as outlined in the Deductible Sources of Income section
Minimum Disability Benefit	10% of monthly Disability Benefit or \$100, whichever is greater
Elimination Period	Choice of 7, 14, 30, 60, 90, or 150 days
Maximum Benefit Period	Social Security Normal Retirement Age (SSNRA)*
Own Occupation Period	24 months
Mental Illness Limitation	Up to 2 years, not to exceed the Maximum Benefit Period
Alcoholism and Drug Addiction Limitation	Up to 2 years for each period of Disability, not to exceed the Maximum Benefit Period
Special Conditions Limitation**	Up to 2 years, not to exceed the Maximum Benefit Period
Hospital Confinement Benefit	1 times the Disability Benefit, prorated daily up to 60 days, not reduced by Deductible Sources of Income; Payable first day of Hospital confinement; The remainder of elimination period will be waived
Survivor Benefit	Lump sum equal to 3 times the Disability payment if death occurs after 90 or more consecutive days of Disability
Disabled While Working Benefit	A portion of the Disability Benefit may be payable in addition to Disability earnings
Waiver of Premium	First of the month following 90 days of continuous Disability
Successive Disability Period	Considered one period of Disability if return to employment for 3 consecutive months or less

*Age at which entitled to unreduced Social Security benefits based on current Social Security amendments

**Special Conditions means chronic fatigue syndrome; fibromyalgia; any disease, disorder, accident or Injury of the neck or back not resulting in hemiplegia, paraplegia, or quadriplegia; environmental allergic illness including, but not limited to sick building syndrome and multiple chemical sensitivity; and Self-Reported Symptoms



Monthly Premiums (per \$100 of covered monthly benefit)

Elimination Period	Benefit Period	Premium
7 Days [†]	SSNRA	\$3.68
14 Days [†]	SSNRA	\$3.14
30 Days [†]	SSNRA	\$2.60
60 Days	SSNRA	\$1.62
90 Days	SSNRA	\$1.20
150 Days	SSNRA	\$0.78

[†]The Hospital Confinement Benefit will be payable on the first day the Insured is confined as a patient in a Hospital for the days of that confinement. The remainder of the Insured's Elimination Period will be waived. Available to plans with an elimination period of 30 days or less.



Optional Plan Riders (additional premium required)

- **Critical Illness Benefit Rider:** Provides a lump sum benefit for a covered Critical Illness.
- **Hospital Indemnity Limited Benefit Rider:** Pays a daily benefit amount for Hospital confinement, up to 90 days. Benefit reduces by 50% at age 70.
- **Spousal Accident Only Disability Income Benefit Rider:** Provides a monthly benefit if a spouse suffers a Disability as a result of a covered non-occupational Injury. Benefits begin on the 31st consecutive day of Disability and continue for up to two years.
- **COBRA Funding Rider:** Helps cover the cost of COBRA premiums if COBRA coverage is elected while receiving Disability benefits.

Exclusions

We will not pay benefits resulting from or caused by: (a) any intentionally self-inflicted injury, (b) war or act of war, (c) Injury sustained or Sickness contracted while in the service of the armed forces of any country, (d) committing a felony, (e) penal incarceration, (f) Injury or Sickness arising out of and in the course of any occupation for wage or profit or for which there is entitlement to Workers' Compensation.

Deductible Sources of Income

Benefits will be reduced by the following Deductible Sources of Income: (a) other group disability, (b) retirement, (c) Social Security, (d) State Disability, (e) unemployment, (f) Sick leave or other salary or wage continuance plans which extend beyond 365 calendar days of Disability.

For the first 12 months, Disability Payments will be the Disability Benefit. After 12 months, the Disability Payment will be the Disability Benefit, less any Deductible Sources of Income.

Hospital shall not include a place used by the Covered Person as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatrics ward; or as an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

Disclaimer

American Fidelity's Long-Term Group Disability Income policies contain certain exclusions, limitations, and terms for keeping the policy in force. The policy may be continued by timely payment of premium. The premium and benefit amounts vary dependent upon the plan selected at time of application; however, the insurer can increase rates. The employer or the company may terminate the policy on any premium due date upon 31 days written notice to the other party. Products described in this proposal may not be available in all states. Specific policy provisions may vary by states. The information provided is intended to be a brief description of coverage to help you choose the plans to best meet your employees' needs. A more detailed description of the benefits, limitations, and exclusions will be found in the brochure provided at enrollment. For additional information you may contact your American Fidelity representative.