



Lincoln Mutual
Life & Casualty Insurance Company

Small Group LTD

*For Groups with
2-9 Employees*



LONG TERM DISABILITY
FOR SMALL GROUPS

For the small employer, the impact of a disability can be devastating, especially when the loss is compounded by the financial hardships of continuing the disabled employee's salary, or the ethical problems of discontinuing salary. Since an employee's single greatest asset is the ability to earn a living, long-term disability is one of the most underinsured risks today's wage earners face. Unfortunately, it's the small employer - one who carries as few as two people on the payroll - who can least afford to lose a key employee due to disability.



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General Information

Employer Eligibility Guidelines

Employer group must be in business 2 or more years.

Employees must participate in Social Security and Workers Compensation.

Group is not eligible if over 70% of its employees are over age 50.

Maximums family member content of up to 50% is allowed. Note that family members who have worked continuously, full-time with the policyholder for 2 years excluded.

Eligible Employees

Full-time employees working 30 or more hours per week.

Employee Eligibility Waiting Period

An employee is eligible for insurance on the effective date of the employer's participation under the group policy if the employee is a member on that date. Otherwise, an employee becomes eligible for insurance once he/she has served the eligibility waiting period selected by the employer.

Active Work Requirement

If the employee is disabled on the day before the scheduled effective date of his/her insurance, the effective date will be delayed until the first day after the employee completes one full day of active work.

Active work and actively at work mean performing the material duties of the employee's job at the employer's usual place of business.

Standard Provisions

- ✓ 2-year "own occupation"
- ✓ Guarantee issue at 6+ lives
- ✓ 6 months - recurrent disabilities
- ✓ 12/6/24 pre-existing condition exclusion
- ✓ Prior insurance credit
- ✓ 7-day accumulation of elimination period for 90 day elimination
- ✓ \$100 minimum monthly benefit
- ✓ Family integration
- ✓ 3-month survivor benefit
- ✓ 24 month mental, nervous substance abuse limitation
- ✓ 30-day accumulation of elimination period for 180-day elimination period

Benefit Options

Benefit Durations Options

- ✓ To age 65/RBD
- ✓ 5 Year/RBD
- ✓ 3 Year/RBD
- ✓ 2 Year/RBD

Benefit Limitations

- ✓ 2 Year Mental Nervous
- ✓ 1 Year Mental Nervous
- ✓ 2 Year Mental Nervous and Self-Reported Symptoms
- ✓ 1 Year Mental Nervous and Self-Reported Symptoms

Maximum Monthly Benefit Percentage

- ✓ 50%
- ✓ 60%

Elimination Periods

- ✓ 30 days
- ✓ 60 days
- ✓ 90 days
- ✓ 180 days

Other Sources Of Integration

Worker's Compensation Law	Yes
State Disability Plan	Yes
Employer Sponsored Disability Plan	Yes
Retirement Benefits	Yes
Canada & Quebec Pension Plans	Yes
Formal Salary Continuation	Yes
Individual Policies	No
Profit Sharing Plans	No
Thrift Plans	No
Individual Retirement Accounts	No
Tax Sheltered Annuities	No
Stock Ownership Plans	No
Informal Salary Continuation	No

Exclusions

- ✓ War
- ✓ Self-inflicted injury
- ✓ Riot
- ✓ Committing a felony

Participation Requirements

Eligible Employees	Participation
0-5	100%
6-7	5 lives
8	6 lives
9	7 lives
If Non-Contributory Plan	100%

Determining Basic Monthly Earnings or Pre-Disability Earnings*

For Partners

Insured partner's average earnings figured:

1. From the line which shows "net earnings (loss) from self-employment" from schedule K-1 of the partnership federal income tax return for the three calendar (or tax or fiscal) years just prior to the date disability begins; or
2. If the insured was not a partner during the three years for which the most recent partnership federal income tax return was filed, then the insured's monthly income will be figured for the period of actual employment that the insured has been a partner.

For All Others

The insured's average monthly earning as determined from the W-2 form received from the employer for the prior calendar year. If an employee has been employed less than one year, the basic monthly earnings will be determined as an average rate or earnings from the date of employment to the date disability begins.

**Lincoln Mutual reserves the right to verify reported earnings on either the K-1 or the W-2 prior to and at any time during the benefit payment process.*

Definitions

2-Year Own Occupation

Payments will continue beyond 24 months if due to the same sickness or injury the insured is unable to perform the material and substantial duties or any gainful occupation. An insured is also considered disabled if he/she meets the definition of disability with respect to his/her regular occupation, but is working in any occupation and has 20% loss in pre-disability earnings.

12/6/24 Pre-existing conditions

This plan will cover a disability if it is caused by, contributed to by, or results from a pre-existing condition and the disability begins: after the insured has gone at least 6 consecutive months from his/her effective date of coverage without treatment for the pre-existing condition, or after being insured for 24 consecutive months from his/her effective date of coverage. Pre-existing coverage means a sickness or injury for which the insured received treatment or where symptoms were present to the degree that an ordinarily prudent person would seek treatment within 12 months prior to his/her effective date of coverage.

Family Integration

The monthly payment will be directly reduced by primary and family Social Security benefits. Primary benefits are those Social Security benefits which the insured receives or is eligible to receive because of disability and/or retirement. Family benefits are those Social Security benefits which the insured's spouse, child or children receive or are eligible to receive as the result of the insured's eligibility for Social Security benefits.

Three-Month Survivor Benefit

A lump sum benefit equal to three times an insured's gross monthly benefit is payable to an eligible survivor or estate, provided the insured was disabled for a minimum of six months and was receiving a monthly benefit at the time of death.

Effective Date of Insurance

Insurance becomes effective on the date the employee becomes eligible, provided they meet the Active Work requirement on that date.

Elimination Period: 90 or 180 days

Selecting an elimination period requires a balance between providing adequate protection and staying within your budget.

The elimination period should also be coordinated with any short term disability plans—and since many short term plans provide 13 or 26 weeks of coverage, 90- and 180-day LTD plans are most popular.

Shorter elimination periods can be more expensive due to increased frequency of claims.

Information Needed To Quote

- ✓ Full name and complete address of group
- ✓ Specific nature of business (4 digit SIC code)
- ✓ Definition of eligibility:
 - Number of employees eligible for LTD
 - Clearly defined classes, if multiple classes are requested
- ✓ For each eligible employee:
 - Gender
 - Age or birth date
 - Monthly salary
 - Occupation

We encourage you to have a copy of the current plan and the current carrier's policy or certificate to assist in matching or enhancing the in-force plan.

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