

GROUP INSURANCE BENEFITS
for D.C., Maryland, Delaware and Virginia
firms with 2 to 9 employees

BASIC BENEFITS:

Group Life
Accidental Death and Dismemberment
Long and Short Term Disability
and
Dependent Life Insurance

Underwritten by:
Medical Life Insurance Company
Cleveland, Ohio



MLI'S BASIC LIFE AND DISABILITY PROGRAMS

Term Life Insurance

- Payable upon death - regardless of cause.
- **Waiver of Premium:** If an insured becomes totally disabled prior to age 60, and remains totally disabled without interruption for at least 6 months, he may apply for a waiver of premium.
- **Conversion** to individual whole life insurance available without evidence of insurability upon termination of employment.
- **Reduction:** Life insurance amounts reduce by 35% at age 65 and further reduce to 50% of the original amount at 70.
- **Guarantee Issue:** \$35,000. Evidence of insurability* satisfactory to Medical Life will be required on amounts in excess of \$35,000.
- **Accelerated Death Benefit:** The life insurance benefit for classes with \$15,000 or more will include an Accelerated Death Benefit at no additional cost. Ask your group rep for details about this benefit.

Accidental Death & Dismemberment

- 24-hour coverage for accidental death or dismemberment - on and off the job.
- **Principal Sum:** equal to the term life insurance benefit.
- **The Benefit:** The full principal sum is payable for loss of life or any two members (hands, feet or eyesight.) One half the principal sum payable for loss of any one member.
- **Exclusions:** Acts of war; suicide or self-inflicted injury; bodily or mental infirmity or disease; ptomaines or bacterial infection; air travel, except as a passenger on a commercial flight; narcotics, including alcohol, (except those prescribed by a physician) voluntarily taken or inhaled; voluntary poisoning.
- **Reduction and Guarantee Issue:** Same as life insurance.

Dependent Life Insurance

- Available only with group term life and AD&D insurance.
- **The Benefit:** Provides term life insurance for an employee's spouse and eligible children. Once elected, additional dependents are automatically covered.
- **Eligible Dependents** include an employee's spouse and unmarried children between the ages

of live birth and 21 years (23 years if full-time students and dependent upon the insured employee for support).

- **Conversion** available upon termination of employee's insurance or when dependent reaches the limiting age.
- **Limitations:** If a dependent spouse or child is hospital confined on his effective date of coverage, coverage will become effective when the dependent is no longer hospital confined.

Insureds may not be covered as employees and also as dependents.

Short Term Disability Insurance

- Available only with group term life and AD&D insurance.
- **Benefits Begin** on the 1st day for accidents and the 8th day for sickness or pregnancy. Benefits are payable for non-occupational disabilities only.
- **Benefit Duration:** Choose either 13 or 26 weeks.
- **Maximum Weekly Benefit:** Choose your own benefit plan. The weekly benefit amount is subject to a maximum of 66 2/3% of weekly income (excluding bonuses, overtime or extra pay) and may not exceed \$500.

Long Term Disability

- Available only with group term life and AD&D insurance.
- **Maximum Monthly Benefit:** 60% of basic monthly earnings to \$6,000 a month; insured earnings to \$120,000 a year. Basic monthly earnings does not include bonuses, overtime or extra compensation other than commissions. Commissions will be averaged over the 12-month period prior to the date disability began.
- **Progressive Partial Disability Benefit:** Provides an opportunity through a combination of earnings and benefits to receive up to 100% of pre-disability income. The monthly benefit is limited to the plan's maximum. To be eligible for progressive partial disability benefits, a claimant must be earning less than 80% of his pre-disability earnings.
- **Elimination Period:** 90 or 180 Days
- **Maximum Benefit Duration** depends on group size: 5 years (2 to 4 covered employees) or to age 65 (5 to 9 covered employees) with Reducing Benefit Duration in compliance with ADEA.

***Evidence of Insurability** means the applicant will be required to complete a health questionnaire. Medical Life reserves the right to deny coverage based on the answers in this questionnaire. Amounts of insurance for which Evidence of Insurability is required will become effective on the date the Company determines that the evidence is satisfactory.

- **Definition of Disability:** Totally disabled means the insured employee's inability to perform the material and substantial duties of his own occupation for the elimination period and the first 24 months of benefit payments. After benefits have been paid for 24 months, he must be unable to engage in any occupation for which he is reasonably qualified by education, training, or experience.
- **Full Family Integration:** LTD Benefits will be reduced by disability benefits received from Workers' Comp., Social Security, other group disability income plans, and any other income benefits as defined in the master policy.
- **Other Features**
 - Full Maternity Coverage
 - 3-Month Survivor Benefit
 - Minimum Monthly Benefit – \$100
 - Cost of Living Freeze
 - Continuity of Coverage

LTD Limitations & Exclusions

- **12/6/24 Pre-Existing Condition Exclusion (12/12 in Maryland):** Benefits will not be paid for disabilities resulting from conditions for which an insured received treatment 12 months prior to his effective date. This exclusion no longer applies to a disability which begins more than 24 months (12 months in MD) after the insured's effective date or if an insured has been treatment free for 6 months after his effective date. (The *treatment free* provision does not apply in Maryland.)
- **24-Month Mental Illness and/or Substance Abuse Limitation:** Benefits for a disability resulting from mental illness or substance abuse are payable as any sickness for 24 months, and beyond the 24 months if institutionalized.
- **General Exclusions:** No benefits are payable for disabilities resulting from war or acts of war, intentionally self-inflicted injuries, or active participation in a riot.

Eligibility

- Maryland, Virginia, Delaware and Washington D.C. employer groups who employ at least 2 but less than 10 individuals may elect to participate in the program.

- Full-time employees (including sole proprietors or partners) who work at least 30 hours a week are eligible. Employees hired after the effective date of the plan will become eligible on the day following the end of the waiting period, if any.
- Groups with more than 50% of the insureds over age 50 are not eligible for the LTD program.
- Groups which have been engaged in business less than 2 years are not eligible for the LTD program.
- Groups in which more than 50% of the employees are members of the same immediate family are not eligible for the LTD program unless the family members have been actively at work for 2 years prior to the effective date.

Underwriting Guidelines

- Late applications for contributory coverage are subject to satisfactory Evidence of Insurability*.
- All coverage is subject to the Actively at Work and Evidence of Insurability* requirements of the Policy. Employees who are not Actively at Work on their effective date of coverage will not be insured until the day they return to work. Amounts of insurance for which Evidence of Insurability* is required will become effective on the date the Company determines that the evidence is satisfactory.
- At least 75% of the eligible employees must enroll in the plan if employees contribute to the cost of coverage. All employees must enroll if the employer pays the entire cost.
- Minimum employer contribution: 25%
- If life and AD&D benefits are selected by occupational class, there must be at least one eligible employee in each class; and no class may have a benefit greater than 2 1/2 times the amount for the next lower class.
- All benefits terminate at retirement.

Certain industries are not eligible for the LTD program - refer to the list of ineligible industries on the back cover.

The following Voluntary Insurance Products are also available:

**Voluntary Life and AD&D
Voluntary Short Term Disability
Voluntary Long Term Disability
Voluntary Dental
Voluntary Critical Illness**

Please contact your Marketing Representative for details.

BENEFIT SELECTION WORKSHEET

GROUP LIFE AND AD&D

(Minimum benefit \$10,000; Maximum benefit \$100,000)

	Description	Amount
A. Flat amount for all employees.	All Eligible Employees	\$ _____
B. Benefits by job titles, with at least one person in each class.	1. _____	\$ _____
	2. _____	\$ _____
	3. _____	\$ _____
C. Benefits by annual income (excluding bonuses, overtime or extra pay) rounded up to the next higher multiple of \$1,000	All Eligible Employees	<input type="checkbox"/> 1 times annual income <input type="checkbox"/> 2 times annual income to a maximum of \$ _____

THE FOLLOWING BENEFITS ARE ONLY AVAILABLE WITH LIFE AND AD&D

DEPENDENT LIFE INSURANCE

Two Plans Available (✓ one)

	<input type="checkbox"/> Plan I	<input type="checkbox"/> Plan II
Spouse	\$5,000	\$2,000
Child (from live birth to 6 months)	100	100
Child (6 months to age 21*)	2,000	1,000

**to 23 years for full-time students.*

SHORT-TERM DISABILITY

Benefit Duration: (✓ one) 13 weeks 26 weeks

Benefit Amount: (✓ one)

- 60% of weekly income to a maximum of \$ _____
- 66 2/3% of weekly income to a maximum of \$ _____
- Flat amount of \$ _____ per week for each employee
- Benefits by class (see definitions above):
 - 1 - \$ _____
 - 2 - \$ _____
 - 3 - \$ _____

LONG-TERM DISABILITY

Elimination Period: (✓ one)

- 90 Days 180 Days

Benefit

60% of basic monthly earnings to a maximum of \$6,000 (less other income benefits explained in the policy & including Primary and Family Social Security Benefits)

LTD Maximum Benefit Period:

<u>Age at Disability</u>	<u>Benefit Duration</u>
Less than 60	5 years (2 to 4 covered employees)
Less than 60	To age 65 (5 to 9 covered employees)
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and Older	12 Months

Policy Features

- Progressive Partial Disability Benefit
- 3-Month Survivor Benefit
- 24-Month Mental Illness & Substance Abuse Limitation
- \$100 Minimum Monthly Benefit
- 24-Month "Own Occ" Period
- Elimination Period: 90 or 180 Days
- Full Family Social Security Integration
- Full Maternity Benefit
- Continuity of Coverage
- 12/6/24 Pre-Existing Condition Exclusion (12/12 in MD)

THIS BROCHURE SHOWS ONLY A SUMMARY OF THE BENEFITS PROVIDED BY THE GROUP LIFE AND DISABILITY INSURANCE PLAN UNDERWRITTEN BY MEDICAL LIFE INSURANCE COMPANY. REFER TO THE MASTER POLICY(IES) OR CERTIFICATE FOR SPECIFIC DETAILS ABOUT COVERAGE AND LIMITATIONS. (POLICY SERIES ML8400 AND METP-LTD-86)

PREMIUM CALCULATION AND RATE SHEET

1. Fill in employee's name
2. Fill in employee's age
3. Indicate amount of Life/AD&D Insurance
4. Choose proper Life/AD&D rate from rate table
5. Multiply (3) by (4) = Life/AD&D cost (5)
6. Indicate the STD benefit amount
7. Choose proper STD rate from rate table
8. Multiply (6) by (7) and ÷ by 10 = STD cost (8)
9. Determine insured employee's Basic Monthly Earnings (up to \$10,000)
10. Calculate adjusted LTD rates and choose proper adjusted rate from rate table
11. Multiply (9) by (10) and ÷ by 100 = LTD Cost (11)
12. Indicate Dependent Life cost
13. Add columns (5) (8) (11) and (12) = Total Monthly Cost

(1) Name	(2) Age	(3) Life/ AD&D Volume (omit 000's)	(4) Life/ AD&D Rate	(5) Life/ AD&D Cost	(6) STD Weekly Benefit Amt.	(7) STD Rate	(8) STD Cost	(9) LTD Basic Monthly Earnings	(10) LTD Adjusted Rate	(11) LTD Cost	(12) Dep Life Cost	Total Monthly Cost
1												
2												
3												
4												
5												
6												
7												
8												
9												
Grand Total												

Schedule of Initial Monthly Premiums

Life/AD&D Rates (per \$1,000 of benefit)

Age	Rate
Under 20	.22
20 - 29	.23
30 - 34	.27
35 - 39	.28
40 - 44	.46
45 - 49	.73
50 - 54	1.16
55 - 59	1.80
60 - 64	2.54
65 - 69	3.66
70 +	5.67

Dependent Life Rate (per family unit)

Plan I	\$3.10
Plan II	\$1.00

Short Term Disability Rates (per \$10.00 of benefit)

Age	Rate	
	1-8-13	1-8-26
Under 20	.38	.45
20 - 29	.38	.45
30 - 34	.42	.50
35 - 39	.49	.58
40 - 44	.62	.74
45 - 49	.72	.86
50 - 54	.90	1.07
55 - 59	1.08	1.29
60 - 64	1.27	1.51
65 - 69	1.82	2.17
70 +	3.14	3.77

LTD Rates (per \$100 of covered payroll)

Age	Base Rate 90 Day Elim	Adjusted* Rate	Base Rate 180 Day Elim	Adjusted* Rate	SIC Code*	Adjustment Factor
0 - 24	\$.38	_____	\$.29	_____	0100 - 1999	1.20
25 - 29	.48	_____	.35	_____	2000 - 2999	1.00
30 - 34	.62	_____	.46	_____	3000 - 3999	1.00
35 - 39	.91	_____	.67	_____	4000 - 4999	1.15
40 - 44	1.02	_____	.75	_____	5000 - 5999	1.00
45 - 49	1.76	_____	1.30	_____	6000 - 6999	.90
50 - 54	2.48	_____	1.86	_____	7000 - 7999	1.00
55 - 59	3.68	_____	2.74	_____	8000 - 8399	1.40
60 - 64	3.49	_____	2.59	_____	8400 - 8999	.95
65 - 69	2.30	_____	1.71	_____	9000 - 9999	1.00
70 +	1.62	_____	1.22	_____		

*multiply Base Rate by Adjustment Factor & round each rate to the nearest \$.01

*Be sure you check the list of ineligible industries on the back cover before rating an LTD benefit. (see inside back cover for explanation of SIC codes)

SIC Code Descriptions

0100-1999	Agriculture, Mining, Construction
2000-2999	Manufacturing
3000-3999	Manufacturing
4000-4999	Transportation, Communications, Utilities
5000-5999	Wholesale, Retail
6000-6999	Finance, Insurance, Real Estate
7000-7999	Services
8000-8399	Health, Legal, Educational and Social Services
8400-8999	Engineering, Architecture & Other Professional Services Organizations
9000-9999	Public Administration

Please refer to back cover of this brochure for a complete list of ineligible industries sorted by SIC code.

FIRMS IN THE FOLLOWING INDUSTRIES ARE NOT ELIGIBLE FOR THE LTD PROGRAM

SIC	INDUSTRY DESCRIPTION
011-076	Agriculture
081-085	Forestry
091-097	Fishing, Hunting, and Trapping
101-149	Mining
152-153	General Building Contractors-Residential
161-1622	Heavy Construction (Highway, Bridge)
1794	Excavation Work
1795	Wrecking and Demolition
201	Meat Products (Packing and Slaughter)
241-249	Lumber and Wood Products Manufacturing
261-263	Paper and Pulp Mills
2892	Explosives Manufacturing
3292	Asbestos Products Manufacturing
331-339	Primary Metal Industries (Blast Furnace, Foundries)
348	Ordinance and Accessories (Guns and Ammunition)
401	Railroad
411-417	Passenger Transit
4213	Long Haul Trucking
441-449	Transportation - Water
451-458	Transportation - Air
4953, 4959	Sanitary Services, Refuse Systems
5093	Scrap and Waste Materials
533	Variety Stores
551-553	Automotive Dealers (new and used cars), Auto Supply Dealers
554	Gasoline Stations
557-559	Automotive Dealers, Motorcycle Dealers
581	Eating and Drinking Places
592	Liquor Stores
701-704	Hotels and Lodging Places
721	Personal Services, Laundry and Cleaning
723-724	Barber, Beauty Shops
725	Shoe Repair
734	Building Services, Maintenance and Pest Control
736	Personnel Services-Employment Agencies
7381	Detective and Armored Car Services
7382	Security Systems
752-754	Auto Parking, Repair and Services
781-783	Motion Picture Production and Services
791-799	Amusement and Recreation Services
801-804	Doctors Offices-Physicians
811	Legal Services-Lawyers
8666	Religious Organizations
881	Private Households
922	Police, Fire Safety and Corrections
9511	Environmental-Air, Water, Waste Management
9512	Environmental-Land, Mineral, Wildlife Conservation
971-972	National Security, International Affairs

FIRMS ENGAGED IN SIMILAR BUSINESSES OR INDUSTRIES AS THOSE NOTED ABOVE BUT NOT SPECIFICALLY MENTIONED WILL BE CONSIDERED ON AN INDIVIDUAL BASIS.