Why Do You Need Disability Income Protection?

No One Plans To Be Disabled. But Are You Prepared If It Were To Happen?

IT’S A FACT:
Disability causes nearly 50% of all mortgage foreclosures each year.¹ A Disability plan is a great source for providing the income protection you need. It basically works as insurance on your income: when you are unable to work due to a disability, you would receive benefits to help pay for life’s necessities.

American Fidelity’s Long Term Disability Income Insurance may help you avoid becoming another disability statistic:

■ 70% of workers can only cover normal living expenses for six months or less if they lose their income.²

■ Disabling injuries led to economic losses and lost quality of life valued at about $13,199 per person in 2007.³

But, My Chances Of Becoming Disabled Aren’t That Great.

Statistics beg to differ. On average, a disabling injury occurs every 1.2 seconds⁴ and currently, the average long-term disability absence lasts 2.5 years.⁵ But, the good news is that with a Long Term Disability Plan from American Fidelity, you can maintain the same quality of life you had before your disability. Plan benefits are paid directly to you and can be used however you’d like!

Don’t Wait Any Longer—Protect Your Paycheck Today with American Fidelity’s Disability Income Insurance!

¹ Council for Disability Awareness, Worker Disability Planning & Preparedness Study, 2008
² The Council for Disability Awareness, Facts about the “2008 Disability Awareness Survey”
⁵ Council for Disability Awareness, Worker Disability Planning & Preparedness Study, 2008
Plan Highlights

- Benefits are paid directly to you, not to a doctor or your employer.
- Benefits Payable Year-Round
- Convenient payroll deduction.
- Post-tax benefit payments.
- Supplemental pension benefits paid directly to your account.
- Benefit payments may be directly deposited into your bank account.
- Benefits paid due to a covered Injury or Sickness.

**IMPORTANT BENEFITS INCLUDE:**

- Donor Benefit
- Worksite Accommodation Evaluation
- Social Security Filing Assistance
- Waiver of Premium
- Portability Conversion
- Return To Work Benefit: Disabled While Working
- Family Care Benefit
- Supplemental Pension Benefits
- Accidental Death Benefit (Plan I only)

How Your Disability Plan Works

**BENEFITS BEGIN**

- On the 181st day of Disability due to a covered Injury or Sickness.

**YOUR PLAN PAYS A MONTHLY DISABILITY BENEFIT**

**PLAN I**

50% of your Monthly Pay not to exceed:

1. the amount for which premium is being paid;
2. a maximum Monthly Disability Benefit of $6,000.00; and
3. a maximum covered Monthly Pay of $12,000.00.

**PLAN II**

60% of your Monthly Pay not to exceed:

1. the amount for which premium is being paid;
2. a maximum Monthly Disability Benefit of $6,000.00; and
3. a maximum covered Monthly Pay of $10,000.00.

**BENEFITS ARE PAYABLE**

Up to the period of time shown in the table below, based on your age as of the date Disability due to a covered Injury or Sickness begins.

<table>
<thead>
<tr>
<th>Age</th>
<th>Maximum Benefit Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than age 60</td>
<td>To age 65, but not less than 5 years</td>
</tr>
<tr>
<td>Age 60</td>
<td>60 months</td>
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<tr>
<td>Age 61</td>
<td>48 months</td>
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<tr>
<td>Age 62</td>
<td>42 months</td>
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<tr>
<td>Age 63</td>
<td>36 months</td>
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<tr>
<td>Age 64</td>
<td>30 months</td>
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<td>Age 65</td>
<td>24 months</td>
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<tr>
<td>Age 66</td>
<td>21 months</td>
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<tr>
<td>Age 67</td>
<td>18 months</td>
</tr>
<tr>
<td>Age 68</td>
<td>15 months</td>
</tr>
<tr>
<td>Age 69 or older</td>
<td>12 months</td>
</tr>
<tr>
<td>Annual Salary</td>
<td>Monthly Salary</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
</tr>
<tr>
<td>$25,000.00</td>
<td>$2,083.33</td>
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<tr>
<td>$40,000.00</td>
<td>$3,333.33</td>
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<tr>
<td>$50,000.00</td>
<td>$4,166.67</td>
</tr>
<tr>
<td>$60,000.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>$75,000.00</td>
<td>$6,250.00</td>
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</table>

**MONTHLY PREMIUM (PLAN I ONLY)**

$0.26 per $100 of covered Monthly Salary

**Example 1:**
If your Annual Salary is $25,000 with the 12-pay period option, your premium per pay period would be determined as follows:

\[ \$25,000 \times 0.0026 = 65.00 \div 12 = 5.42 \]

<table>
<thead>
<tr>
<th>Annual Salary</th>
<th>Monthly Salary</th>
<th>Monthly Disability Benefit</th>
<th>Accidental Death Benefit</th>
<th>Monthly Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000.00</td>
<td>$2,083.33</td>
<td>$1,041.67</td>
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<tr>
<td>$75,000.00</td>
<td>$6,250.00</td>
<td>$3,125.00</td>
<td>$50,000.00</td>
<td>$16.25</td>
</tr>
</tbody>
</table>

**MONTHLY PREMIUM (PLAN II ONLY)**

$0.62 per $100 of covered Monthly Salary

**Example 2:**
If your Annual Salary is $25,000 with the 12-pay period option, your premium per pay period would be determined as follows:

\[ \$25,000 \times 0.0062 = 155.00 \div 12 = 12.92 \]
Plan Benefits

RETURN TO WORK INCENTIVE BENEFIT: DISABLED WHILE WORKING
We will provide a Disability Payment if you are Disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Pay due to the same Disability.

If you are Disabled and your Disability Earnings are greater than 20% of your Monthly Pay due to the same Disability, we will figure your payment as follows:

During the first 24 months of payments while Disabled and Working:

- Your Disability Payment will not be reduced as long as the Disability Earnings plus the gross Disability Benefit does not exceed 80% of your Monthly Pay.
- If the Disability Earnings plus the gross Disability Benefit exceeds 80% of your Monthly Pay, the Disability Payment will be reduced by the amount exceeding 80% of your Monthly Pay.

After 24 months of payments, while Disabled and Working, you will receive payments based on the percentage of Monthly Pay you are losing due to Lost Earnings based on your Disability.

We will stop payments and your claim will end, if at any time you are no longer Disabled or if your Disability Earnings exceed 80% of your Monthly Pay. The Elimination Period cannot be satisfied with days you are Disabled and Working.

FAMILY CARE BENEFIT
If you are Disabled and Working, qualify to receive a Disability Payment from us, and have one or more eligible family members, you may be eligible to receive a Family Care Benefit. This may include payment for the care of an eligible family member by a licensed childcare provider or licensed caregiver who is not related to you by blood or marriage. We will provide a Family Care Benefit for expenses incurred of up to 25% of your monthly Disability Benefit provided the total of your Disability Earnings, the gross Disability Benefit, and the Family Care Benefit do not exceed 100% of your Monthly Pay. Payment of the Family Care Benefit will end on the earlier of the following: the date you no longer incur Family Member expenses; or the date you no longer qualify as Disabled and Working; or the date Disabled and Working benefits have been paid for a total of 24 months.

ACCIDENTAL DEATH BENEFIT (PLAN I ONLY)
An Accidental Death Benefit of $50,000.00 will be paid if you die as a direct result of an Injury and death occurs within 90 days after the date of the Injury. If you die and the Accidental Death Benefit applies, such benefit will be increased 1% for each full month that your Certificate was continuously in force just prior to death. The increase shall not be more than 60%.

SUPPLEMENTAL PENSION BENEFITS
In the event you are employed by Oklahoma State University and are participating in or would otherwise meet the eligibility criteria of retirement from your employer’s plan on the date Disability begins and you receive a regular Monthly Disability Benefit payable under the Policy for 1 year following satisfaction of the Elimination Period, we shall establish and contribute to an individual account with the Teachers Insurance and Annuity Association and College Retirement Equities Fund on your behalf a monthly contribution equal to 7% of your monthly base pay.

MENTAL ILLNESS, ALCOHOLISM AND DRUG ADDICTION LIMITED BENEFIT
Benefits for Disability due to mental illness, alcoholism or drug addiction, will not exceed 2 years unless you meet one of these situations.

- You are in a Hospital at the end of the 2 year period. The Disability Payment will be paid during the confinement.

If you are still Disabled when discharged from the Hospital, the Disability Payment will be paid for a recovery period of up to 90 days.

If you become reconfined during the recovery period for at least 14 days in a row, benefits will be paid for the Hospital confinement and another recovery period up to 90 more days.

- You continue to be Disabled and become Hospital confined:
  - after the 2 year period; and
  - at least 14 days in a row.

The Disability Payment will be payable during the Hospital confinement. The Disability Payment will not be payable beyond the Maximum Disability Period.

DONOR BENEFIT
If you are disabled as a result of being an organ or tissue donor, we will pay your benefit as any other illness under the terms of your plan.

WORKSITE ACCOMMODATION
If worksite modifications may assist your return to work, we will evaluate your claim for appropriate action.

DIRECT DEPOSIT DISABILITY BENEFITS
In the event you choose the direct deposit option on an approved claim, we will deposit your benefits directly into your bank account at no additional cost. This can accelerate access to your benefits by several days. We also have a toll-free fax that allows you instant transmission of your claim forms to our benefits department.

SOCIAL SECURITY FILING ASSISTANCE
If we determine a Disabled Insured is a likely candidate for Social Security Disability benefits, we can assist you with the application and appeal process.

WAIVER OF PREMIUM
If you become Disabled due to a covered Injury or Sickness and are eligible to receive a Disability Payment, your insurance will be continued without payment of premium beginning the first of the month following satisfaction of the Elimination Period, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins.

Waiver of Premium will continue until:

- the end of your Disability;
- the end of the Maximum Benefit Period;
- the date you are no longer eligible to receive a Disability Payment;
- the date the Policy terminates; or
- the date your employment with the Policyholder or subscribing Employer unit ends, whichever occurs first.

We will require proof on an annual basis that you remain Disabled during said period.

SUCCESSIVE DISABILITIES
Disabilities which result from the same or related causes will be considered one period of Disability unless the Disabilities are separated by your return to Active Employment or any other gainful occupation for at least 3 consecutive months.

SPECIAL CONDITIONS LIMITED BENEFIT
The Special Conditions Limited Benefit provides a benefit up to 2 years, due to Special Conditions if you are disabled and under the regular and appropriate care of your physician. Benefits will be paid for only one disability when more than one disability exists at the same time or a disability results from two or more causes. Special Conditions means: Chronic Fatigue Syndrome; Fibromyalgia; Environmental allergic illness including, but not limited to sick building syndrome and multiple chemical sensitivity; and Self-reported symptoms. Self-reported symptoms are symptoms that the insured tells their physician that are not verifiable using tests, procedures or clinical examinations. Examples include: headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness, or loss of energy.

PORTABILITY CONVERSION
The Conversion Plan will be a separate group plan with a 30 day elimination period and 2 year benefit period. Certain other qualifications may apply. A brochure is available for this plan upon request after termination.
Important Policy Provisions

ELIGIBILITY
All full time regular employees of OSU or one of its institutions, and on Active Employment. Evidence of insurability acceptable by us may be required.

EFFECTIVE DATE OF COVERAGE
Your coverage will take effect on the requested Effective Date if you apply in writing within the first 30 days of eligibility; meet our underwriting rules; and are on Active Employment.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING
Your Disability Payment will be the Disability Benefit described in the Benefit Schedule less any Deductible Sources of Income you receive or are entitled to receive.

OFFSETS WITH OTHER SOURCES OF INCOME
Deductible Sources of Income include:
• Other group disability income.
• Governmental or other retirement system, whether due to Disability, normal retirement or voluntary election of retirement benefits.
• United States Social Security Act or similar plan or act, including any amounts due your dependent(s) on account of your Disability.
• State Disability.
• Unemployment compensation.
• Sick leave or other salary or wage continuance plans provided by the Employer.

We reserve the right to estimate these Deductible Sources of Income that you may receive as defined in your Certificate.

MINIMUM DISABILITY BENEFIT
The Disability Payment payable will be no less than $100.00.

INCREASE OF INCOME DUE TO COST OF LIVING ADJUSTMENTS
The Disability Payment will not be reduced due to a cost of living increase if the increase from a Deductible Source of Income takes effect after the onset of Disability and while benefits are payable under the Policy.

PRE EXISTING CONDITION LIMITATION
No Disability Benefit will be payable if Disability is caused by or resulting from a Pre-Existing Condition and begins before you have been continuously covered under the Policy for 12 months. This provision will not apply if you have:
• gone treatment-free;
• incurred no expense;
• taken no medication; and
• received no diagnosis or advice from a Physician for 12 consecutive months.

This limitation will not apply to a Disability resulting from a Pre-Existing Condition that begins after you have been continuously covered under the Policy for 12 months.

EXCLUSIONS
The Policy does not cover any loss, fatal or non-fatal, which results from:
• Intentionally self-inflicted injury while sane or insane.
• War or acts of war when serving as a member of any military, air force, naval organization, or an auxiliary unit thereto. This exclusion includes Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war or act of war. We will refund the pro rata unearned premium for any such period you or your dependents are not covered.
• Injury sustained or Sickness contracted while in the service of the armed forces of any country.
• Committing a felony.
• Penal incarceration. We will not pay benefits for Disability or any other loss during any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.
• Injury or Sickness arising out of and in the course of any occupation for wage or profit or for which you are entitled to Workers’ Compensation*.
*The term “entitled to Workers’ Compensation” shall also include Workers’ Compensation claim settlements that occur via compromise and release. Further, no benefits will be paid under this Policy for any period during which you are entitled to Workers’ Compensation benefits.

APPROVED LEAVE
If you go on Sabbatical Leave, Workers’ Compensation, or other approved Leave with a temporary reduction in hours of work and/or pay, coverage may continue during such Leave. Continuation of coverage during Leave or temporary reduction in hours of work is limited to a maximum of 12 months.

If you receive partial pay while on approved Leave:
• the amount of your coverage will not change;
• benefits payable for Disability which occurs while on Leave will be based on the eligible coverage prior to the Leave;
• the premium due for benefits payable for Disability which occurs while on Leave will be deducted from your benefit, during the time coverage is being continued in accordance with this provision.

Benefits for a covered Disability which began while on Leave of Absence are payable and will begin on the first day following the applicable Elimination Period which began while you were on Leave of Absence.

TERMINATION OF INSURANCE
Your insurance coverage will end on the earliest of these dates:
• the date you do not meet the Eligibility requirements as defined in the Eligibility paragraph in this brochure;
• the date you retire;
• the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision;
• the end of the last period for which premium has been paid;
• the date the Policy is discontinued; or
• the date your employment terminates.

If:
• your coverage ends as a result of your termination of Active Employment;
• such termination is caused by an Injury or Sickness for which Disability Benefits would be payable; and
• Disability is established prior to the termination of Active Employment, then:
Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no affect on Disability Payments which began before termination. We may end your coverage if you submit a fraudulent claim.
**DEFINITIONS**

**ACTIVE EMPLOYMENT:** Means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Employment on a day which is not a scheduled work day only if you are not Disabled and would be able to perform in the usual manner all of the regular duties of your employment if it were a scheduled work day.

**DISABILITY:** Disability (or Disabled) for the first 12 months of Disability means that you are unable to perform the material and substantial duties of your regular occupation. After that, Disability means you are unable to perform the material and substantial duties of any Gainful Occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

**DISABILITY EARNINGS:** Means the gross monthly earnings you receive while Disabled and Working.

**DISABILITY PAYMENT:** Means your Disability Benefit minus Deductible Sources of Income.

**ELIGIBLE FAMILY MEMBERS:** With regards to the Family Care Benefit, this means your child (natural, step, or adopted) living in your household and under age 13; or your family member who is:
- living in your household;
- dependent upon you for support; and
- in need of supervision or assistance due to physical or mental incapacity.

**HOSPITAL:** The term “Hospital” shall not include an institution used by you 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 an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

**LEAVE:** Means an approved Leave of Absence granted in writing by and according to the guidelines of the employer. If you do not have a continuing assignment or approved leave, coverage will be terminated at the end of the last approved assignment.

**LOST EARNINGS:** Means the percentage of Monthly Pay you are losing due to your Disability while Disabled and Working. This is computed as follows:
- subtract your Disability Earnings from your Monthly Pay;
- divide this answer by your Monthly Pay. This will be your percentage of lost earnings.
- multiply your Disability payment by your percentage of lost earnings.

**MONTHLY PAY:** Means for contracted employees, one-twelfth (1/12) of your contract salary through your Employer; or for non-contracted employees, one-twelfth (1/12) of your annual salary through your Employer, in effect on the date Disability began. It excludes any additional pay including but not limited to, overtime pay, weekend or summer work pay, bus or other allowances, bonuses or district-funded fringe benefits. If you become Disabled while on an approved leave of absence, we will use your gross Monthly Pay from your Employer in effect just prior to the date your absence began.

**PRE-EXISTING CONDITION:** The term “Pre-Existing Condition” means a disease, Injury, Sickness, physical condition, or mental illness for which you:
- had treatment;
- incurred expense;
- took medication;
- received care or services including diagnostic testing or related measures; or
- received a diagnosis or advice from a Physician, during the 12-month period immediately before the Effective Date of your coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Injury, Sickness, physical condition, or mental illness.