

## Product Specifications — Disability Income Insurance

**Marketing Name: Disability Income Advantage**

*Disability Income Advantage is Kanawha Insurance Company Policy Form 80315 8/05.*

### Coverage Type: Voluntary Benefits

Disability Income Advantage is a voluntary, individual guaranteed renewable Disability Income product. Benefits will be comprised of a base disability income benefit with multiple optional riders.

### General Information

- › Guaranteed renewable to age 70
- › Issue ages: 18-67 (may vary by state)
- › Rate Bands: 18-45; 46-60; 61-67
- › Non-occupational; Voluntary
- › Pre-existing Conditions: 12 months prior/12 months after, as of Effective Date
- › Effective Date: The date of application, provided Kanawha issues the policy. Date of application to initial premium due date is not to exceed 60 days. If 60 days is exceeded, the effective date of the coverage will be the initial premium due date.
- › Waiting Period: There is a 30-day waiting period for any sickness that first makes itself known from the effective date of coverage in the policy.
- › Termination Date: The Termination Date is the earliest of the following:
  - At the end of the Grace Period, for non-payment of premium or
  - On the date of death of the insured or
  - The policy anniversary following the Primary Insured's 70th birthday

### Base Plan and Requirements

- › Non-occupational policy providing benefits for covered disabilities occurring off the job [Form 80315 8/05]
- › Definition of Disability:
  - Total Disability means that the insured, due to a covered sickness or injury, is:
    - Unable to perform the substantial and material duties of his or her Regular Occupation for 80% of regular work hours and
    - Under the regular care of a Physician
- › Minimum benefit of \$200 and maximum benefit of \$5,000 per month, not to exceed 67% of base monthly income. Employees with commission income will use an averaged prior monthly income to be determined by Risk Management.
- › Elimination Periods: 0/7, 7/7, 0/14, 14/14, 30/30, 60/60, 90/90, 180/180, 365/365 (note: 365/365 only available with 2 year and longer benefit periods)
- › Benefit Periods: 3 months, 6 months, 1 year, 2 years, 3 years
- › Maternity: Treated the same as an illness. There is a 270-day wait before benefit eligibility begins (varies by state), beginning from the effective date of the policy.
- › Imbedded Benefits in Base Coverage:
  - Waiver of Premium: Begins after 90 consecutive days of Total Disability or the end of the Elimination Period, if longer. Premiums paid after qualifying for Waiver of Premium will be refunded.
  - Terminal Illness: Provides a lump sum benefit for up to 12x the monthly benefit amount for diagnosis of a terminal illness made before, or within 60 days of, the onset of the disability. This benefit will provide a lump-sum benefit instead of monthly benefits for up to 12 months [or less, depending on the length of the base policy].
  - Survivorship Benefit: Provides a lump sum benefit equal to 3x the base monthly disability income benefit if the insured dies while totally disabled and receiving benefits as a result of or from complications stemming from the disabling impairment. Payable after the Elimination Period is satisfied and in addition to the Terminal Illness Benefit.
  - Catastrophic Disability: 150% of the monthly benefit when the insured loses sight in both eyes, loss of use of a hand and a foot, both hands, both feet or the use of any two limbs.
  - Partial Disability: Minimum \$100/month; Maximum \$2,500/month benefit for a maximum of 6 consecutive months. The insured must be Totally Disabled prior to the start of Partial Disability. The sum of the Partial Disability benefit plus the salary earned while receiving the benefit cannot exceed 100% of the pre-disability salary.
  - Recurrent Disabilities: Waives new EP for disabilities recurring [within 180 days] due to original qualifying impairment after insured returns to work and is still eligible for disability benefits.

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## Optional Riders

### Hospital Confinement

Provides a lump sum benefit up to 2x the monthly disability income benefit or a maximum of 4 days if the insured is confined as a resident bed patient, in a licensed Hospital due to a qualifying disability. The Hospital stay must commence after the onset of Total Disability.

### Limited Benefit Mental Health or Emotional Disease or Disorder Coverage Rider

Provides benefits for Mental Health Disabilities subject to EP and BP of both the base plan and the AMI. This Rider will remove the Mental Health exclusions [including emotional disorders] from the Base Plan and any other Riders. [This benefit is Employer Selectable.]

### COBRA

Benefit amount of \$200 - \$1,500 in \$50 increments [as chosen by the insured] to pay for COBRA premiums when terminated and receiving disability income benefits from the inforce coverage. This benefit is not available with the 90-day Benefit Period. [Note: This benefit is identical to the COBRA Rider sold with Kanawha's existing disability income products.]

### Additional Monthly Income [AMI]

Provides an additional disability benefit to fill additional gaps in an insured's disability coverage. Minimum \$200/month; Maximum \$5,000/month, not to exceed 67% of base income. The AMI Rider has its own separate and distinct Elimination and Benefit Periods. The AMI Rider will be the shorter of the benefit periods contained within the policy. In other words, the amount is stacked on top of the Base Plan. Please see Training Manual for important details and examples.

### 24-Hour Coverage [Employer-sponsored Plans only]

Converts policy to on- and off-the-job coverage; coordinates benefits with Workers' Compensation and any applicable local, state and/or federal benefits and any Employer-sponsored Disability income benefit plans, not to exceed 100% of the insured's income at the time of disability, except for catastrophic disabilities. [This benefit is Employer Selectable and if selected, is required on all policies.]

### Takeover Benefit

No-cost optional Rider, providing pre-ex credit when replacing similar coverage. If applicant qualifies, pre-ex will be reduced by the number of months equal to the number of months the replaced coverage was in force and prior benefit amount will be accepted on a Guarantee Issue basis.

## Underwriting Class

### Guarantee Issue [GI] — Only available for Industry Classes 1, 2 and 3. Requires prior Risk Management approval.

Eligible Lives	Required Participation	Maximum Monthly Benefit
Less than 250	Not eligible	Not eligible
250+	20% with a minimum of 65 participants	*60% to \$3,000

### Contingent Guarantee Issue

Eligible Lives	Required Participation	Maximum Monthly Benefit*
Less than 100	25 participants	60% to \$2,500
100 - 249	25% with a minimum of 25 participants	60% to \$3,000
250 - 499	20% with a minimum of 65 participants	60% to \$3,000
500+	15% with a minimum of 100 participants	60% to \$3,000

### Simplified Issue

Eligible Lives	Required Participation	Maximum Monthly Benefit
Less than 10	Not eligible	Not eligible
10 +	10 participants	67% to \$5,000

Benefit amounts in excess of \$3,000 will be available on a SI basis only.

\* California employers requesting benefit amounts in excess of 30% income replacement refer to Risk Management.

\* Hawaii, New Jersey and Rhode Island employers refer to Risk Management.

All employers requesting the Takeover Benefit will require prior Risk Management approval. If approved, the takeover/replacement policies will be underwritten on a Guarantee Issue basis. The 30-day waiting period for sickness will also be waived.

## Underwriting Guidelines

Application version and edition may vary by state; please use latest approved 1502 edition for your state.

### Guarantee Issue Questions:

- Q1. Are you currently actively at work?
- Q2. How many hours per week do you work?
- Q3. Are you a citizen of the United States of America or resident legal alien?
- Q4. a.) Do you have any other disability income coverage in force or an application for disability insurance pending with this or any other company?  
b.) Will this policy replace any disability coverage currently in force?

### Contingent Guarantee Issue Questions (Complete questions 1-7):

- Q5. Have you missed 5 or more consecutive days of work in the past 12 months for any injury or illness other than cold, flu or maternity?
- Q6. Have you ever been treated for or diagnosed by a member of the medical profession as having Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)?
- Q7. In the past 12 months, have you received medical advice, sought treatment, taken medication or been hospitalized for Cancer (except basal cell skin cancer), Insulin Dependent Diabetes or Cirrhosis?

### Simplified Issue Questions (Complete questions 1-6, 8 and 9; complete 10 if applying for the Mental Health Rider):

- Q8. In the past 5 years have you received medical advice, sought treatment or taken medication for any of the following: Heart Attack/Heart Surgery/Heart Disease, Emphysema/Lung Disease, High Blood Pressure reading of 140/90 or above, Liver Disease/Hepatitis/Cirrhosis, Stroke/Transient Ischemic Attack (TIA), Neurological Disorder/Multiple Sclerosis, Cancer (except basal cell skin cancer), Chronic Fatigue Syndrome/Fibromyalgia, End Stage Renal/Kidney Disease, Digestive/Intestinal Disease, Muscle/Back/Joint Disorders, Alcohol or Drug Usage, Diabetes
- Q9. Height (Ft-In)/Weight

If applying for the Limited Benefit Mental or Emotional Disease or Disorder Coverage Rider:

- Q10. In the past 5 years, have you been treated for a mental or emotional disease or disorder at a hospital or mental facility?

### Product Restrictions

- › All Employers requesting the Takeover Benefit will require prior Risk Management approval. If approved, the takeover/replacement policies will be underwritten on a Guarantee Issue basis. The 30-day waiting period for sickness will also be waived.
- › If the Accident Plus Accident Disability Income Benefit/Rider is in force with Kanawha, the benefit will be reduced to a combined maximum of 67% of income.
- › The Limited Benefit Mental or Emotional Disease or Disorder Coverage Rider is an Employer-level decision where all qualifying applicants will have the Rider.
- › The 24-Hour Coverage Disability Benefit Rider is an Employer-level decision by which all applicants will have the Rider.
- › All Riders may only be purchased at issue, not at subsequent renewals:
  - 24-Hour Coverage Disability Benefit Rider [Form 80316 8/05]
  - Additional Monthly Income [AMI] Benefit Rider [Form 80318 8/05]
  - Hospital Confinement Benefit Rider [Form 80314 8/05]
  - Limited Benefit Mental or Emotional Disease or Disorder Coverage Rider [Form 80319 8/05]
  - COBRA Rider [Form 90859 3/03]
  - Takeover Rider [Form 80308 8/05]
- › The following restrictions correspond to the Industry Class List [Please see the Disability Income Advantage Manual for a listing]

Industry Class	Minimum EP	Maximum BP	Maximum Benefit
1	0/7	3 Years	\$5,000
2	0/7	3 Years	\$5,000
3	14/14	2 Years	\$3,500
4	14/14	1 Year	\$3,500

- › All Employers in Industry Class 4 require prior Risk Management approval.

# Product Specifications — Disability Income Insurance

## Product Restrictions – continued

The following must be submitted to Risk Management for prior approval:

- › Employers requesting GI underwriting
- › Takeover accounts
- › Employers in Industry Class 4 and groups not referenced in the industry classification list
- › California groups requesting benefit amounts in excess of 30%
- › Employers in HI, NJ and RI

Rollout of Disability Income Advantage / Withdrawal of Income Protector

- › When Disability Income Advantage is approved and launched in a particular state, Income Protector will remain available for new accounts for 60 days. For existing accounts, Income Protector will remain available subject to Risk Management approval.

## Individual Eligibility

Full-time benefit-eligible employees working at least 30 hours per week.

## Employer Eligibility

Available only through payroll deduction. Minimum size is 10 participants.

## Rates

- › Unisex
- › Three age bands
- › Entry age
- › Policy Fee: \$25

## Portability

The policy is individually owned by the policyholder. Coverage can be continued on a direct pay basis after policyholder terminates their employment.

## Application

1502 or latest version

## Policy Form

80315 8/05