



Voluntary Long Term Disability (LTD) Insurance

Long Term Disability insurance is designed to pay a monthly benefit to you in the event you cannot work because of a covered illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need. Buy-up LTD insurance offers you the opportunity to choose one of two levels of LTD coverage.

The base LTD plan is fully paid by Los Angeles County Metropolitan Transportation Authority and provides a basic level of LTD coverage. The buy-up option is paid for by you and provides a higher level of LTD coverage. If the policy becomes effective and you do not elect the buy-up option, you will automatically be enrolled in the base LTD plan. Standard Insurance Company (The Standard) has developed this document to provide you with information about the optional coverage you may select through Los Angeles County Metropolitan Transportation Authority.

Eligibility Requirements

Employee

- A regular non represented employee of Los Angeles County Metropolitan Transportation Authority **OR** a regular employee of Los Angeles County Metropolitan Transportation Authority who is represented by AFSCME **OR** a security guard represented by the International Brotherhood of Teamsters
- Actively working at least 40 hours each week
- A citizen or resident of the United States or Canada
- Temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible

Premium

- Options 1 & 2: Your employer pays the entire cost of the coverage
- Options 3, 4, 5 & 6: You and your employer share the cost of the coverage

Benefit Amount

Your monthly LTD benefit is a percentage of your insured monthly predisability earnings reduced by deductible income.

| | Percentage of monthly predisability earnings | Plan Maximum Monthly Benefit | Plan Minimum Monthly Benefit | Benefit Waiting Period |
|----------------------------|--|------------------------------|----------------------------------|------------------------|
| Option 1 (Buy-down) | 50% | \$5,000 | \$100 or 10 percent ¹ | 180 days ² |
| Option 2 (Core) | 60% | \$6,000 | \$100 or 10 percent ¹ | 180 days ² |
| Option 3 (Buy-up) | 70% | \$7,000 | \$100 or 10 percent ¹ | 180 days ² |
| Option 4 (Buy-up) | 50% | \$5,000 | \$100 or 10 percent ¹ | 90 days ² |
| Option 5 (Buy-up) | 60% | \$6,000 | \$100 or 10 percent ¹ | 90 days ² |
| Option 6 (Buy-up) | 70% | \$7,000 | \$100 or 10 percent ¹ | 90 days ² |

¹ whichever is greater

² If your claim for LTD benefits is approved by The Standard, benefits become payable after the benefit waiting period. This is a specified number of days during which you must remain continuously disabled. Benefits are not payable during the benefit waiting period.

Note:

- If you chose Option 6 it will require medical underwriting approval. To submit a medical history statement online, visit: http://www.standard.com/mybenefits/mhs_ho.html.
- Security Guards are only eligible for Option 2.
- All late applications (applying 31 days after becoming eligible), requests for coverage increases and reinstatements are subject to medical underwriting approval. Employees eligible but not insured under the prior LTD insurance plan are also subject to medical underwriting approval.

To compare the amount of your LTD benefit under both plans, fill in the blanks below:

| | <u>Base LTD Plan</u> | <u>Buy-up LTD Plan</u> |
|--|--|--|
| 1. Enter your monthly predisability earnings | \$ _____ <small>(If your monthly predisability earnings exceed \$10,000, enter \$10,000 above.)</small> | \$ _____ <small>(If your monthly predisability earnings exceed \$10,000, enter \$10,000 above.)</small> |
| 2. Percentage of predisability earnings | _____ % | _____ % |
| 3. Multiply amount on line 1 by percentage on line 2 and enter total here. This is your monthly LTD benefit amount before reduction for deductible income. | \$ _____ | \$ _____ |

Disability Needs Calculator

Your family has a unique set of circumstances and financial demands. To help you figure out the amount of Disability insurance you may need if you become unable to work, The Standard has created a Disability Needs Calculator found at: <http://www.standard.com/calculators/dineeds.html>

Employee Coverage Effective Date

To become insured, you must satisfy the eligibility requirements listed above, serve an eligibility waiting period, receive medical underwriting approval (if applicable), and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance. If you are not actively at work on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of active work as an eligible employee.

Please contact your human resources representative for more information regarding the requirements that must be satisfied for your insurance to become effective.

Understanding Your Plan Design

| Own Occupation Definition of Disability | For the benefit waiting period and the first 36 months for which LTD benefits are paid, you are considered disabled when you are unable as a result of physical disease, injury, pregnancy or mental disorder to perform with reasonable continuity the substantial and material acts necessary to pursue your own occupation and you are not working in your own occupation OR as a result of physical disease, injury, pregnancy or mental disorder you are unable to earn 80 percent or more of your indexed predisability earnings while working in your own occupation. You are not disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license. | | | | | | | | | | | | | | | | | | |
|--|--|------------|-------------------------------|----|--|----|---|----|--|----|---------|----|-----------------|----|-----------------|----|-----------------|-----|--------|
| Any Occupation Definition of Disability | After the own occupation period of disability, you will be considered disabled if you are unable as a result of physical disease, injury, pregnancy or mental disorder to engage with reasonable continuity in any occupation, OR are working in an occupation but as a result of physical disease, injury, pregnancy or mental disorder you are unable to engage with reasonable continuity in that occupation or any occupation. | | | | | | | | | | | | | | | | | | |
| Maximum Benefit Period | If you become disabled before age 62, LTD benefits may continue during disability until age 65 or to the Social Security Normal Retirement Age (SSNRA) or 3 years 6 months, whichever is longer. If you become disabled at age 62 or older, the benefit duration is determined by the age when disability begins: | | | | | | | | | | | | | | | | | | |
| | <table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>Maximum Benefit Period</u></th> </tr> </thead> <tbody> <tr> <td>62</td> <td>To SSNRA, or 3 years 6 months, whichever is longer</td> </tr> <tr> <td>63</td> <td>To SSNRA, or 3 years, whichever is longer</td> </tr> <tr> <td>64</td> <td>To SSNRA, or 2 years 6 months, whichever is longer</td> </tr> <tr> <td>65</td> <td>2 years</td> </tr> <tr> <td>66</td> <td>1 year 9 months</td> </tr> <tr> <td>67</td> <td>1 year 6 months</td> </tr> <tr> <td>68</td> <td>1 year 3 months</td> </tr> <tr> <td>69+</td> <td>1 year</td> </tr> </tbody> </table> | <u>Age</u> | <u>Maximum Benefit Period</u> | 62 | To SSNRA, or 3 years 6 months, whichever is longer | 63 | To SSNRA, or 3 years, whichever is longer | 64 | To SSNRA, or 2 years 6 months, whichever is longer | 65 | 2 years | 66 | 1 year 9 months | 67 | 1 year 6 months | 68 | 1 year 3 months | 69+ | 1 year |
| <u>Age</u> | <u>Maximum Benefit Period</u> | | | | | | | | | | | | | | | | | | |
| 62 | To SSNRA, or 3 years 6 months, whichever is longer | | | | | | | | | | | | | | | | | | |
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| 64 | To SSNRA, or 2 years 6 months, whichever is longer | | | | | | | | | | | | | | | | | | |
| 65 | 2 years | | | | | | | | | | | | | | | | | | |
| 66 | 1 year 9 months | | | | | | | | | | | | | | | | | | |
| 67 | 1 year 6 months | | | | | | | | | | | | | | | | | | |
| 68 | 1 year 3 months | | | | | | | | | | | | | | | | | | |
| 69+ | 1 year | | | | | | | | | | | | | | | | | | |

Understanding Your Plan Design (Continued)

Deductible Income

Deductible income includes, but is not limited to:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation, including donated amounts (but not vacation pay) paid to your by your employer
- Benefits you receive or are entitled to receive under any workers' compensation law (other than California Workers' Compensation benefits for permanent total and permanent partial disability) or similar law
- Amounts received under any unemployment compensation law
- Social Security disability or retirement benefits received or entitled to receive, including benefits for your spouse and children
- Any amount you receive or are eligible to receive because of your disability under another group insurance coverage
- Any disability benefits received or disability benefits you are entitled to receive from your employer's retirement plan
- Benefits you receive or are entitled to receive under any state disability income benefit law or similar law
- Earnings or compensation included in predisability earnings which you receive or have the right to receive while LTD benefits are payable
- Earnings from work activity while you are disabled
- Amounts due from or on behalf of a third party because of your disability, whether by judgment, settlement or other method
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

Benefit Calculation

Example

The LTD benefit amount is determined by multiplying your insured predisability earnings by the specified benefit percentage. This amount is then reduced by deductible income. In the example below, the LTD benefit amount is 60 percent of insured predisability earnings. If your monthly earnings before becoming disabled were \$4,500, and you now receive a monthly Social Security disability benefit of \$1,200 and a monthly retirement benefit of \$900, your monthly LTD benefit would be calculated as follows:

| | |
|---|----------------------|
| Insured predisability earnings | \$4,500 |
| LTD benefit percentage | X 60% |
| | <hr/> \$2,700 |
| Less Social Security disability benefit | -\$1,200 |
| Less retirement benefit | -\$900 |
| Amount of LTD benefit | <hr/> \$ 600* |

* Please note your LTD benefit amount may vary based on your own circumstances including earnings, whether your employer has a retirement plan and the amount of their contribution.

Additional Features

Please see your human resources representative for additional information about the features and benefits below.

- 24 Hour Coverage** 24-hour LTD plans provide coverage for disabilities occurring on or off the job.
- Rehabilitation Plan** If you are participating in an approved Rehabilitation Plan, The Standard may include payment of some of the expenses you incur in connection with the plan including but not limited to: training and education expenses, family (child and elder) care expenses, job related expenses and job search expenses.
- Reasonable Accommodation Expense Benefit** If your employer makes an approved work-site modification that enables you to return to work while disabled, The Standard will reimburse your employer up to a pre-approved amount for some or all of the cost of the modification.
- Employee Assistance Program** Includes an Employee Assistance Program and WorkLife Services, provided and administered by Horizon Health, to offer support, guidance and resources to help you and your household members resolve personal issues.¹
- Survivors Benefit** If you die while LTD benefits are payable, and on the date you die you have been continuously disabled for at least 180 days, a survivors benefit equal to six time your unreduced LTD benefit may be payable (any survivors benefit payable will first be applied to any overpayment of your claim due to The Standard).

¹ EAP services are provided through an arrangement with Horizon Behavioral Service, LLC, which are not affiliated with The Standard. EAP is not an insurance product.

Exclusions

You are not covered for a disability caused or contributed to by any of the following:

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot
- An intentionally self-inflicted injury, while sane or insane
- War or any act of war (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- A preexisting condition or the medical or surgical treatment of a preexisting condition unless on the date you become disabled, you have been continuously insured under the group policy for a specified period of time, and you have been actively at work for at least one full day after the end of the exclusion period. This periods is the same under both the base LTD plan and buy-up LTD plan, however the periods may not run concurrently, depending upon the effective date of your coverage under the buy-up LTD plan

Preexisting Condition Provision

A preexisting condition is a diagnosed mental or physical condition for which you received medical treatment, care or services or have taken prescribed medication at any time during the preexisting period, or if medical underwriting approval was required for coverage, a mental or physical condition, whether diagnosed or undiagnosed:

- For which you have received medical treatment, care or services or have taken prescribed medication at any time during the preexisting period, or
- That caused symptoms during the preexisting period for which a prudent person would usually seek medical treatment, care or services and
- Which was misrepresented or not disclosed in your application for coverage

Preexisting Condition Period The 90-day period just before your insurance becomes effective

Exclusion Period 12 months

Limitations

LTD benefits are not payable for any period when you are:

- Not receiving appropriate care from a physician until your maximum point of recovery
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your disability prevents you from participating
- Confined for any reason in a penal or correctional institution

In addition, payment of LTD benefits is limited in duration:

- If you reside outside the United States or Canada
- If your disability is caused or contributed to by mental disorders, alcohol use, alcoholism or drug use, musculoskeletal and connective disorders, chronic fatigue conditions or chemical and environmental sensitivities.

When Benefits End

LTD benefits end automatically on the earliest of:

- The date you are no longer disabled
- The date your maximum benefit period ends
- The date you die
- The date benefits become payable under any other LTD disability insurance plan under which you become insured through employment during a period of temporary recovery
- The date your work earnings equal or exceed 80 percent of your indexed predisability earnings
- The date you fail to provide proof of continued disability and entitlement to benefits

When Insurance Ends

Insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium was paid (except if premiums are waived while disabled)
- The date your employment terminates
- The date the group policy terminates
- The date you cease to be a member (insurance may continue for limited periods under certain circumstances)
- If applicable, the date your employer ceases to participate under the group policy

Group Insurance Certificate

If coverage becomes effective, and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy. Neither the information presented in this summary nor the certificate modifies the group policy or the insurance coverage in any way.



Standard Insurance Company

For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 24,800 groups, covering over 8 million employees nationwide.* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about products from The Standard, Contact your human resources department or visit us at **www.standard.com**.

* As of June 30, 2013, based on internal data developed by Standard Insurance Company.

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