

# Disability Income Protection Plan

A Plan Designed For CSEA



**AMERICAN FIDELITY**   
a different opinion

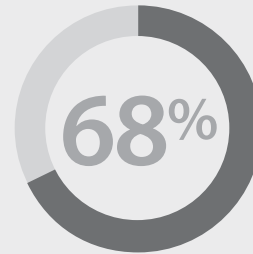
# Why Do You Need Disability Income Protection?

## Help Protect Your Income

Disability Income Insurance helps provide an income when you are disabled due to a covered accidental injury or sickness that keeps you away from work for an extended period of time.



40% of Americans say they are living paycheck to paycheck.<sup>1</sup>



### Did You Know?

68% of Americans would find it very difficult or somewhat difficult to meet their current financial obligations if their next paycheck were delayed for one week.<sup>2</sup>

<sup>1</sup>Nielsen: *Saving, Spending and Living Paycheck to Paycheck*; July 28, 2015.

<sup>2</sup>Council for Disability Awareness: *Chances of Disability*. Web. 19 Dec. 2016.

## Do You Depend On Your Paycheck?

### • Benefit Payments Made Directly to You

Your monthly benefit payments may be deposited directly into your bank account. This gives you the freedom to pay your living expenses and make other purchases as you see fit.

### • Social Security Filing Assistance

#### (Long-Term Disability Only)

If we determine you are a likely candidate for social security disability benefits, we can assist you with the application and appeal process.

### Three Great Benefits

- Accidental Death & Dismemberment
- Short Term Disability
- Long Term Disability



- Mortgage / Rent
- Utility Bills
- Groceries



- Car Payment(s)
- Gasoline



- Tuition
- Daily Living Expenses
- Credit Card Payments

# Disability Income Protection

## BENEFIT SCHEDULE

		Monthly Premiums		
Plan Amount Code	Annual Salary (Maximum Covered Salary)	10-month mode	11-month mode	12-month mode
1	\$1.00 - \$13,799.99	\$33.98	\$30.90	\$28.32
2	\$13,800.00 - \$17,999.99	\$35.18	\$32.00	\$29.32
3	\$18,000.00 - \$22,199.99	\$36.46	\$33.14	\$30.38
4	\$22,200.00 - \$25,899.99	\$37.70	\$34.28	\$31.42
5	\$25,900.00 - \$29,599.99	\$39.00	\$35.46	\$32.50
6	\$29,600.00 - \$33,299.99	\$40.28	\$36.62	\$33.56
7	\$33,300.00 - \$36,999.99	\$41.54	\$37.78	\$34.62
8	\$37,000.00 - \$40,699.99	\$42.84	\$38.96	\$35.70
9	\$40,700.00 - \$44,399.99	\$44.12	\$40.10	\$36.76
10	\$44,400.00 - \$48,099.99	\$45.42	\$41.28	\$37.84
11	\$48,100.00 - \$51,799.99	\$46.68	\$42.44	\$38.90
12	\$51,800.00 - \$55,499.99	\$47.96	\$43.60	\$39.96
13	\$55,500.00 - \$59,199.99	\$48.60	\$44.18	\$40.50
14	\$59,200.00 - \$62,899.99	\$50.48	\$45.88	\$42.06
15	\$62,900.00 - \$66,599.99	\$51.74	\$47.04	\$43.12
16	\$66,600.00 - \$70,299.99	\$53.62	\$48.74	\$44.68
17	\$70,300.00 - \$73,999.99	\$55.50	\$50.44	\$46.24
18	\$74,000.00 - \$77,699.99	\$57.36	\$52.16	\$47.80
19	\$77,700.00 - \$81,399.99	\$59.24	\$53.86	\$49.36
20	\$81,400.00 - \$85,099.99	\$61.10	\$55.56	\$50.92
21	\$85,100.00 - \$88,799.99	\$62.98	\$57.24	\$52.48
22	\$88,800.00 - \$92,499.99	\$64.84	\$58.94	\$54.04
23	\$92,500.00 - \$96,199.99	\$66.72	\$60.64	\$55.60
24	\$96,200.00 - \$99,899.99	\$68.58	\$62.36	\$57.16
25	\$99,900.00 - 103,599.99	\$70.46	\$64.06	\$58.72
26	\$103,600.00 - \$107,299.99	\$73.46	\$66.79	\$61.22
27	\$107,300.00 - \$110,999.99	\$76.46	\$69.51	\$63.72
28	\$111,000.00 - \$114,699.99	\$79.46	\$72.24	\$66.22
29	\$114,700.00 - \$118,399.99	\$82.46	\$74.97	\$68.72
30	\$118,400.00 - \$122,099.99	\$85.46	\$77.69	\$71.22
31	\$122,100.00 - \$125,799.99	\$88.46	\$80.42	\$73.72
32	\$125,800.00 - \$129,499.99	\$91.46	\$83.15	\$76.22
33	\$129,500.00 - \$133,199.99	\$94.46	\$85.88	\$78.72
34	\$133,200.00 - \$136,899.99	\$97.46	\$88.60	\$81.22
35	\$136,900.00 - \$140,599.99	\$100.46	\$91.33	\$83.72
36	\$140,600.00 - \$144,299.99	\$103.46	\$94.06	\$86.22
37	\$144,300.00 - \$147,999.99	\$106.46	\$96.79	\$88.72
38	\$148,000.00 - \$150,000.00	\$109.46	\$99.51	\$91.22

Under no circumstances will your benefit be calculated on an amount greater than the income bracket for which you have paid premium.

# Optional Benefits Additions

## Critical Illness Rider

We will pay a one-time lump sum benefit amount based on diagnosis of the following conditions: Heart Attack, Stroke, Kidney Failure, Paralysis, or Major Organ Failure.

Critical Illness Rider			
	10 Pay	11 Pay	12 Pay
\$10,000.00	\$11.76	\$10.70	\$9.80
\$15,000.00	\$15.82	\$14.38	\$13.18
\$20,000.00	\$19.88	\$18.08	\$16.56
\$25,000.00	\$23.94	\$21.76	\$19.94

In the case of Heart Attack, a physician must make the diagnosis and treatment must occur within 72 hours of the onset of symptoms.

## Spousal Accident Only Rider

We will pay a monthly indemnity amount to you for your spouse who is disabled as a result of a non-occupational accident. Benefits will begin on the 31st consecutive day after the Injury and will continue for up to 2 years.

Spousal Accident Only Rider				
Monthly Indemnity Amount	Annual Salary	10 Pay	11 Pay	12 Pay
\$500.00	up to \$10,000.00	\$4.80	\$4.36	\$4.00
\$1,000.00	\$10,001.00 - \$20,000.00	\$9.60	\$8.74	\$8.00
\$1,500.00	\$20,001.00 - \$30,000.00	\$14.40	\$13.10	\$12.00
\$2,000.00	\$30,001.00 and over.	\$19.20	\$17.46	\$16.00

## Hospital Indemnity Limited Benefit Rider

We will pay a daily benefit amount for an Inpatient Hospital confinement up to a maximum of 90 days. Inpatient means you are admitted as a resident patient to a Hospital for at least 18 continuous hours and are being charged for room and board facilities.

Hospital Indemnity Limited Benefit Rider			
Daily Benefit Amount	10 Pay	11 Pay	12 Pay
\$100.00	\$7.20	\$6.56	\$6.00
\$150.00	\$10.80	\$9.82	\$9.00

The Hospital Confinement Benefit will not be payable for an Injury or Sickness incurred in the first 12 months of coverage if the Injury or Sickness is caused by or resulting from a Pre-Existing Condition as defined in the Policy.

## COBRA Funding Rider

In order to receive benefits under this Rider, you must: Be receiving benefits under your Disability base plan; Elect medical COBRA coverage; and Be paying medical COBRA premiums. This Benefit will pay up to the end of the disability benefit period or to the end of your medical COBRA benefit period, whichever occurs first.

Cobra Funding Rider			
Monthly Benefit Amount	10 Pay	11 Pay	12 Pay
\$300.00	\$5.40	\$4.92	\$4.50
\$400.00	\$7.20	\$6.55	\$6.00
\$500.00	\$9.00	\$8.18	\$7.50
\$600.00	\$10.80	\$9.81	\$9.00

Proof of election of medical COBRA continuation must be provided to us. Proof of continued medical COBRA participation will be required before benefits are paid under this Rider. Your employment must have terminated for the benefit to be payable.

## Eligibility

All classified employees that are members of the CSEA with annual contract salary, who work 15 hours or more per week at a 50% contract or greater. We may require proof of good health in order for you to be eligible for disability coverage. We will rely on answers given on your application to determine if coverage can be issued. Regardless of your health at the time of application, if coverage is approved and issued, claims incurred while coverage is in force will be subject to all terms of the Policy including any pre-existing limitation.

### • Class 1 Insureds

On the date you become Disabled, you have 5 or more years of credited service under the California State Teachers Retirement System (STRS) or Public Employees Retirement System (PERS).

### • Class 2 Insureds

On the date you become Disabled, you participate in but have less than 5 years of credited service under the California State Teachers Retirement System (STRS) or Public Employees Retirement System (PERS).

## Effective Date Of Coverage

Certificates will become effective the first of the month following the date we approve the application, providing you are on Active Employment and first premium has been paid.

# Important Policy Provisions

## \$50,000 Accidental Death and Dismemberment Benefit

A lump sum of \$50,000 will be paid if you die as the direct result of an injury within 90 days after the injury. If you lose one or more members which include hands, feet, and eyes you will receive a percentage of the benefit amount.

## Short Term Disability Income Benefit

The following benefit amount for each period of Disability is payable during the first 2 benefit years for **Class 1 and Class 2** Insureds beginning on the 8th consecutive Regular Day of Required Attendance missed during Disability. Regular Days of Required Attendance means any day of teacher attendance required by regulations of the employing unit.

- **While eligible to receive Fully Paid Sick Leave**  
\$25.00 for each Regular Day of Required Attendance missed during Disability or \$35.00 while confined to a Hospital for at least 18 continuous hours in duration.
- **While eligible to receive Substitute Differential Pay or similar Pay**  
25% of the Regular Daily Contract Salary for each Regular Day of Required Attendance missed during Disability. We will assume you are eligible to receive Substitute Differential or similar pay. **If you are not eligible for or entitled to Substitute Differential or similar pay, benefits paid immediately following receipt of full sick pay will be paid at 25% of Regular Daily Contract Salary for 100 Scheduled work days of Disability.**
- **While not eligible to receive Fully Paid Sick Leave, Substitute Differential or similar Pay**  
75% of the Regular Daily Contract Salary less any Deductible Sources of Income, for each Regular Day of Required Attendance missed during Disability. The Minimum Disability Benefit will be the lesser of 75% of the Regular Daily Contract Salary or \$30.00.

## Long Term Disability Income Benefit

The following benefit amount for each period of Disability is payable after the expiration of the period for which Short Term Disability Income benefits are provided (after the second benefit year):

- **Class 1 Insureds**  
15% of the Regular Monthly Contract Salary up to a Maximum Covered Salary (see Benefit Schedule). The Disability Benefit, together with all Deductible Sources of Income, shall not exceed 80% of your Regular Monthly Contract Salary.
- **Class 2 Insureds**  
60% of the Regular Monthly Contract Salary up to a Maximum Covered Salary (see Benefit Schedule), less any Deductible Sources of Income.

## Return to Work Incentives: Disabled and Working (Long-Term Disability Benefits Only)

If you are disabled and working, you may be eligible to continue to receive a percentage of your disability payment in addition to your disability earnings. If your disability earnings exceed 80% of your regular monthly contract salary, payments will stop and your claim will end.

### • Worksite Accommodation

As a part of our claims evaluation process, if worksite modifications may assist your return to work, we will evaluate your claim for appropriate action.

## Benefits Are Payable

Up to the period of time shown in the table below, based on your age as of the date Disability begins.

Age	Maximum Benefit Period
59 or younger	to age 65
60 through 64	3 years
65 or older	to age 70, but not less than 1 year

In no event will your Minimum Disability Benefit amount be less than \$100.00 per month. Long Term Disability Income Benefits are not payable for Disability caused by mental illness, alcoholism or drug addiction, unless you are Hospital confined.

No disability payment will be provided for any period in which you are not under the regular and appropriate care of a physician.

## Disability

For the first 2 Benefit Years that disability benefits are paid means that you are unable to perform with reasonable continuity the material and substantial duties of your Regular Occupation in the usual and customary way. After that, Disability means you are unable to perform with reasonable continuity the material and substantial duties of any Gainful Occupation that you reasonably could be expected to perform satisfactorily in light of your age, education, training, experience, station in life; and physical and mental capacity.

## Accidental Injury

Means accidental bodily injuries sustained by you which are independent of disease or bodily infirmity or any other cause; and takes place while your coverage is in force.

## Sickness

Means a disease or illness (including pregnancy). Disability must begin while your coverage is in force.



# Important Policy Provisions

## 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 as an extended care facility for the care of convalescent, rehabilitative, or ambulatory patients.

## Regular Daily Contract Salary

Means the gross salary payable to you for the regular school year, divided by the number of Regular Days of Required Attendance specified by the District for the contract year during which disability begins up to the amount for which premium is paid. It may also include other equivalent compensation arrangements for the regular school year as mutually agreed upon by the Policyholder and us. It excludes any additional compensation, including but not limited to, overtime pay, weekend or summer school work compensation, bonuses or district-funded fringe benefits.

## Survivor Benefit (Short Term Disability Benefits Only)

A lump sum benefit equal to the dollar amount of the daily benefit will be paid to you if on the date of your death your disability had continued for 90 or more consecutive days and you were receiving or entitled to receive short term disability income benefits under this Policy. This benefit will be paid to the end of your maximum disability period of 66 required days of attendance, whichever is less. If you have no eligible survivors, no payment will be made.

## Waiver of Premium

No premium payments are required while you are receiving payments under the plan after disability payments have been received for 180 consecutive days. We will require proof annually that you remain disabled during that time.

## Summer Benefit

\$200.00 per month for Disability beginning and satisfying the Elimination Period prior to the end of the regular school year.

## Donor Benefit

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

## Pre-Existing Condition

Means a disease, Accidental Injury, Sickness, physical condition or mental illness for which you have experienced any of the following: (a) treatment; (b) incurred expense; (c) took medication; (d) received care or services including diagnostic testing or related measures; or (e) received a diagnosis or advice from a Physician; during the 12-month period immediately before your Effective Date of coverage. The term Pre Existing Condition will also include conditions which are related to such disease, Accidental Injury, Sickness, physical condition or mental illness.

## Pre-Existing Condition Limitation

If Disability is due to a Pre-Existing Condition and begins before you have been continuously covered under the Policy for 12 months, no Disability Benefit will be payable. 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 for such condition(s). Benefits will not be excluded for Disability due to a Pre-Existing Condition, which begins after you have been continuously covered under the Policy for 12 months. Any increase in benefits will be subject to this Pre-Existing Condition Limitation. A new Pre-Existing Condition period must be satisfied with respect to any increase applied for and approved by us.

## Mental Illness Limited Benefit

If you are Disabled due to a Mental Illness, regardless of the cause, Disability benefits will be provided for up to 6 months. After 6 months, benefits will be paid only if you are confined to a Hospital.

## Alcoholism And Drug Addiction Limited Benefit

If you are Disabled due to alcoholism or drug addiction, a limited benefit of up to 14 days for each Disability will be paid. In no event will benefits be paid for more than 14 days of Disability in any 12-month period. If drug addiction is sustained at the hands of, or while under the Regular and Appropriate Care of a Physician in the course of treatment for Accidental Injury or Sickness, it will be covered the same as any other illness.

## Deductible Sources Of Income Will Include

Income which you are eligible to receive from your employer; Disability benefits you receive or which you are eligible to receive under any other group disability insurance plan including those required under any employer's liability law; Disability, pension or retirement benefits, including the Public Employees Retirement System; any governmental plan, including social security benefits or negotiated alternative social security benefit plans payable to you and your dependents, which you are eligible to receive, regardless of whether application has been made for such benefits, except that: Military disability allowances and/or military service retirement benefits received due to prior service connected disabilities, are excluded, unless you apply for these after you become disabled; Disability allowances and service retirement benefits received under the California State Teachers Retirement System, or the Public Employees Retirement System are excluded during the first 6 months of disability.

# Important Policy Provisions

## Exclusions

The Policy does not cover any loss, fatal or non-fatal, which results from: A disability which starts while you are not working on a regularly scheduled basis due to lay-off, labor disputes or any Leave of Absence; intentionally self-inflicted injury while sane or insane; War: 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 Accidental 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 dependent(s) are not covered. Accidental 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 for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer; or Accidental 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. Your coverage may be continued for up to 1 year during a leave of absence approved in writing by your employer. Coverage will continue as long as the group policy remains in force, the premiums are paid, and you remain eligible for the coverage under the policy. Your coverage will end when you no longer qualify as an insured, you retire, you are not on active employment, or your employment terminates. Your coverage can be terminated or premiums may be increased on any premium due date with 31 days advance notice.

## Rider Limitations and Exclusions

### Critical Illness Rider

In addition to the Exclusions listed in the Base Plan to which this Rider is attached, no benefits will be paid for any loss caused by or resulting from: (a) a Critical Illness when the Date of Diagnosis occurs during the Waiting Period; (b) a Critical Illness diagnosed outside of the United States; or (c) a Sickness or Injury not specifically defined in this Rider. No Critical Illness Benefit will be payable for a Critical Illness which is caused by or resulting from a Pre-Existing Condition when the Critical Illness Date of Diagnosis occurs before you have been continuously covered under this Rider for 12 consecutive months. Following 12 consecutive months this exclusion does not apply. Pre-Existing Condition means a disease, Injury, Sickness, physical condition or mental illness for which you have experienced any of the following: (a) treatment; (b) incurred expense; (c) took

medication; (d) received care or services including diagnostic testing or related measures; or (e) received a diagnosis or advice from a Physician, during the 12-month period immediately before the Effective Date of this Rider. The term Pre-Existing Condition will also include conditions which are related to such disease, Injury, Sickness, physical condition or mental illness. Benefits reduce by 50% at age 70. No benefits will be paid for a Critical Illness when the Date of Diagnosis occurs during the Critical Illness Waiting Period. The waiting period is 30 days from the Effective Date of this Rider.

### Spousal Accident Only Rider

This Rider does not provide benefits for your Spouse for any Disability, fatal or non-fatal, which results from any of the following: (a) Intentionally self-inflicted Injury while sane or insane; (b) An act of war, declared or undeclared; (c) Injury sustained or contracted while in the service of the armed forces of any country; (d) Committing a felony; (e) Penal incarceration. We will not pay benefits during any period for which your Spouse is incarcerated in a penal or correctional institution or for any Injury that occurs while your Spouse is incarcerated in a penal or correctional institution; (f) Injury arising out of and in the course of any occupation for wage or profit or for which your Spouse is entitled to Workers' Compensation. The term "entitled to Workers' Compensation" shall also include Workers' Compensation claim settlements which occur via compromise and release. Further, no benefits will be paid under this Policy for any period during which your Spouse is entitled to Workers' Compensation benefits; (g) Participation in any sport for wage or profit; (h) Participation in any contest of speed in a power driven vehicle for wage or profit.

Spouse means the person you are lawfully married to who is less than age 70. No benefits are payable for your Spouse under this Rider for a Disability from an Injury that occurred outside of the United States or its territories. No benefit will be provided for any period in which your Spouse is not under the Regular and Appropriate Care of a Physician. No benefits will be paid for any Injury to your Spouse which is caused by or resulting from spousal abuse.

### Hospital Indemnity Limited Benefit Rider

In addition to the Exclusions listed in the Policy, no benefits will be payable under this Rider for any Hospital Confinement that is caused by or resulting from Mental Illness or Drug or Alcohol Abuse. Benefits are reduced by 50% at age 70. Successive Hospital stays will be considered as one confinement if they are separated by less than 90 days of confinement to a Hospital.

# Disability Timeline; How the Plan Works

## WAITING PERIOD - 7 CONSECUTIVE WORK DAYS



## DURING SICK PAY PERIOD

\$25 per scheduled work day, in addition to fully paid sick leave. \$35 for each day in the hospital (in lieu of other benefits payable during sick leave).



## DURING DIFFERENTIAL PAY PERIOD

25% of regular daily contract salary in addition to differential or similar pay\*\* or 100 scheduled work days if not eligible.



## AFTER DIFFERENTIAL PAY ENDS THROUGH THE SECOND BENEFIT YEAR

Up to 75% of each regular day of required attendance (reduced by deductible sources of income). The minimum disability benefit will be \$30 per regular day of required attendance.



## AFTER SECOND BENEFIT YEAR

Employees with more than 5 years strs/pers credit receive 15% of regular monthly contract salary (subject to plan provisions) to age 65\*. Employees with less than 5 years strs/pers credit receive 60% of regular monthly contract salary (reduced by deductible sources of income). Total benefits from all sources shall not exceed 80% of regular monthly contract salary.\*\*\* (Applicable to class i insureds).

*\*Please refer to STRS/PERS Booklet for an explanation of this benefit.*

*\*\*Differential pay or similar pay may vary in some school districts.*

*\*\*\* After the second benefit year, the minimum benefit will be no less than \$100.*



Northern California Branch  
9355 E. Stockton Blvd. #110  
Elk Grove, CA 95624  
1-800-365-8306  
916-683-8306

Central California Branch  
3649 W. Beechwood Ave. #103  
Fresno, CA 93711  
1-866-504-0010  
559-230-2107

Southern California Branch  
36310 Inland Valley Drive, Suite #100  
Wildomar, CA 92595  
1-800-365-9180  
951-600-0122

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