

## Life and Disability Insurance Options for Small Companies

*SBAM has partnered with Lincoln Financial Group to develop an enhanced life and disability program that is unique for our members.*

- *All products are available to groups with 1 to 99 eligible employees.*
- *Groups are not asked to provide SIC codes or job titles.*
- *Basic life, short term disability and long term disability can be written as stand-alone.*
- *Basic life is required in order to purchase dependent and voluntary life.*
- *Basic life, short term disability and long term disability are non-contributory (employer pays for 100% of premium for all eligible employees).*
- *100% participation is required.*
- *Definition of full time employment can be as high as 40 per week or as low as 20 hours per week.*

### Term Life Insurance and Accidental Death & Dismemberment

Term life insurance helps provide financially for loved ones in the event of a loss. By including Accidental Death & Dismemberment (AD&D) the plan also covers severe accidental injuries.

#### **Basic Life and AD&D Amounts**

\$15,000

\$25,000

\$50,000

1x BAE to \$100,000

All options are guaranteed issue to full amount elected.

**Basic Life and AD&D Rate** is \$0.37 per \$1,000 combined.

#### **Dependent Life Amounts\***

Spouse \$5,000

Child(ren) \$2,000 – ages 6 months to 19 years or 23 for students

Child(ren) \$500 – birth to age 6 months

**Dependent Life Rate** (per family unit) is \$1.61

*\*Can only be purchased in conjunction with the base life and AD&D.*

#### **Age Reduction Schedule**

**Employee benefits** will be reduced to:

65% at age 65

40% of original amount at age 70; and

25% of original amount at age 75

Benefits terminate at retirement. Spouse benefits will terminate at age 70

**A variety of plan options:** Term life benefits can be a flat dollar amount or a percentage of salary with flexible Guarantee Issue amounts. Couple this with a variety of enrollment options and a wide range of plan designs are possible.

**Waiver of premium if disabled:** If an insured is totally disabled for more than six months in a row from any occupation for which the insured is qualified (as set forth in the policy), premiums for the life insurance are waived.

**AD&D can double or triple the life benefit:** With AD&D, a benefit is paid for loss of limb or eyesight due to a covered accident. If the insured loses his or her life as the result of the accident, the value of the life insurance is doubled. In addition, a common carrier provision is included that triples the life benefit if an accidental death occurs while a passenger on a common carrier (train, plane, etc).

**TravelConnect travel assistance services:** These services are included with all life insurance policies at no additional cost. The travel assistance program is available to all insured employees and their dependents traveling more than 100 miles from home, whether for business or leisure. Services include everything from weather forecasts to help locating lost luggage or passports to emergency medical evacuation halfway around the world.

**BeneficiaryConnect assistance program:** This service provides free grief, legal or financial counseling, memorial planning services, child/elder care referrals, and relocation services to beneficiaries after a loss.



## Voluntary Life and Accidental Death & Dismemberment\*

Employee Elections	Minimum \$10,000 / Maximum \$500,000*
Spouse Elections	Minimum \$5,000 / Maximum \$20,000
Dependent child(ren)	\$10,000 after 6 months of age

\*Maximum amount not to exceed 5x annual salary

### **Guarantee Issue Limitations**

Employee	the lesser of \$300,000 or 3 times annual salary
Spouse	\$20,000
Child(ren)	\$10,000

Employees age 70-74 receive \$20,000 of coverage on a guaranteed acceptance basis. Employees age 75 and over are not eligible for coverage on a guaranteed acceptance basis.

- Spousal Voluntary Life benefits not to exceed 50% of the employee elected amount.
- Voluntary life is both portable and convertible.
- Voluntary Life / AD&D can only be purchased in conjunction with the group Basic Term Life / AD&D.
- Voluntary life / AD&D must be written with a policy effective date of not more than 60 days after the effective date of the group Basic Term Life / AD&D.
- Any Voluntary Life / AD&D plan with an effective date of more than 60 days after the group Basic Life / AD&D plan effective date will require evidence of insurability.
- 25% employee participation is required for Voluntary Life.

### **Voluntary Life and AD&D Rates per \$1,000**

EE / Spouse - *Spouse rate is based upon employee age.*

< 30	\$0.115
30-34	\$0.135
35-39	\$0.155
40-44	\$0.225
45-49	\$0.345
50-54	\$0.635
55-59	\$1.005
60-64	\$1.225
65-69	\$2.085
70-74	\$4.865
75-79	\$18.385

Dependent Child(ren)      \$2.00

### **Age Reduction Schedule**

**Employee benefits** will be reduced to:

- 65% at age 65
- 40% of original amount at age 70; and
- 25% of original amount at age 75

Benefits terminate at age 80 or retirement, whichever occurs first

**Spouse benefits** will be reduced to:

- 65% at employee age 65

Benefits terminate at employee age 70 or retirement, whichever occurs first

## Short-Term Disability Insurance

The ability to earn income is sometimes the only financial security an employee has. If so, a disabling injury or illness can be devastating. That's why having short-term disability (STD) insurance from Lincoln Financial Group is an important employee benefit.

This product is available for 13- to 26-week benefit durations with a variety of standard and optional benefits.

There are no exclusions for pre-existing conditions.

### **Elimination Period Options**

1<sup>st</sup> day accident / 8<sup>th</sup> day illness

15<sup>th</sup> day accident / 15<sup>th</sup> day illness

### **Benefit Duration Options**

13 weeks

26 weeks

### **Percentage of Salary**

66.67%

### **Weekly Benefit Maximum**

\$1,000

### **STD Rates per \$10 of weekly benefit**

1<sup>st</sup> day accident / 8<sup>th</sup> day illness / 13 weeks of coverage = \$.45

1<sup>st</sup> day accident / 8<sup>th</sup> day illness / 26 weeks of coverage = \$.57

15<sup>th</sup> day accident / 15<sup>th</sup> day illness / 13 weeks of coverage = \$.32

15<sup>th</sup> day accident / 15<sup>th</sup> day illness / 26 weeks of coverage = \$.46

**A lenient zero-day residual for the elimination period:** This allows the insured to satisfy the elimination period with either total or partial workdays, so that an employee can work part time without starting a new elimination period.

**An aggressive work incentive benefit for part time work:** Encourages the insured to return to work part time by allowing them to earn up to 99% of their pre-disability income.

### **Enhanced disability benefits:**

*Family Income Benefit:* The loss of a loved one is difficult. If a family's primary income provider should die while disabled, the family may have no income to help pay for unexpected medical and care expenses. Lincoln's Family Income Benefit provides an additional benefit payment upon death to help fill the gap.

*Rehabilitation Assistance Benefit:* Employees want to get back to work as soon as possible, and we're here to help. The Rehabilitation Assistance Benefit is designed to encourage disabled employees to take part in valuable rehabilitation programs. Lincoln will pay an increased benefit amount to employees who participate in an approved rehab program. Plus, vocational rehab programs can be tailored to individual needs to help the employee return to work in less time. This benefit can also help the employer.

*Enhanced C-Section Benefit:* More and more mothers are undergoing C-sections rather than a traditional birth. Lincoln recognizes this fact and also the important time mother and baby need after the procedure. The enhanced C-Section Benefit recognizes this shift with an expanded benefit period to accommodate a longer eight-week recovery time. The C-Section Benefit is one more example of Lincoln's commitment to provide benefits customers really need.



## Long-Term Disability Insurance

Long-term disability (LTD) insurance helps protect an employee's income for a disability lasting longer than the elimination period defined as the policy (typically 13 to 26 weeks).

**Lenient zero-day residual for the elimination period:** The insured is able to satisfy the elimination period with either total or partial workdays. Therefore, employees can work part time without starting a new elimination period.

**Generous partial disability calculation:** This allows a claimant to receive up to 100% of pre-disability employment combined with the LTD benefit payment for the duration of the claim.

**Progressive income benefit:** The core benefit is automatically increased by 10% when an insured suffers a temporary or permanent loss resulting in serious cognitive impairment or the inability to perform two or more Activities of Daily Living.

Recovery benefit for commissioned employees: Provides a six-month supplemental benefit for commissioned employees while ramping up their pre-disability commissioned-based income.

A value-added employee assistance program (EAP) at no additional cost: Lincoln EmployeeConnect is the standard EAP included with all Lincoln Financial LTD contracts and is available to all insured employees.

### **Elimination Period Options**

90 Day or 180 Day

### **Benefit Maximum**

\$6,000

### **Benefit percentage**

60%

### **Own Occupation Period**

24 Months

### **Benefit Duration Options**

5 years or to age 70, whichever occurs first  
Social Security Normal Retirement Age

### **Pre-existing Conditions**

If diagnosed with a specific condition within the last 12 months, and/or treated for that same condition within the last 6 months, individual may be ineligible for benefits for 24 months.

### **LTD Rates per \$100 of monthly covered payroll**

90 day		180 day	
5 year	\$.42	5 year	\$.35
SSNRA	\$.65	SSNRA	\$.55

*For more information, please call your independent insurance agent or contact SBAM at (800) 362-5461 or [www.sbam.org/lincoln](http://www.sbam.org/lincoln).*



The necessary enrollment paperwork for enrolling a new SBAM / Lincoln Financial Group includes the following:

1. SBAM Membership Application with first year dues payment **or** proof of membership in good standing.
2. Lincoln Group Application / Agreement
3. Employee application for each participant
4. First month Lincoln premium check made payable to "The SBAM Plan"

Please call the Small Business Association of Michigan at (800) 362-5461 for more information.