



GUARDIAN®

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## DI Product and Information Manual

*F O R I N T E R N A L U S E O N L Y*

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Policy Forms 1400, 1500, 1600, 3100, 3200, 4100 and 4200 are underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, NY.

Policy Forms AH55-A and NC56-A are underwritten and issued by The Guardian Life Insurance Company of America, New York, NY.

Berkshire Life Insurance Company of America, Pittsfield, MA is a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, NY.

**PRODUCTS NOT AVAILABLE IN ALL STATES. PRODUCT PROVISIONS AND FEATURES MAY VARY BY STATE.**

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This manual provides you with the information you need to work with Berkshire Life Insurance Company of America's personal and business disability products. It contains summaries of product features, underwriting guidelines, administrative requirements and special marketing programs.

*Refer to "State Product Variations" Section for product variations.*

### **Individual Products**

Individual disability insurance provides an income replacement benefit to help protect against the financial impact of a disability.

#### ***ProVider Plus 2011*** (Forms 1400, 1500, 1600)

The ProVider Plus individual disability insurance policy was engineered with features that deliver benefits sooner and continue paying benefits for a longer duration than other policies. ProVider Plus is non-cancellable and guaranteed renewable, so it stays on the books.

#### ***ProVider Plus Limited*** (Forms 1400, 1500, 1600)

ProVider Plus Limited begins with our premium ProVider Plus base policy and adds package-exclusive policy configurations and optional riders to help you create a quality disability insurance solution at a more affordable price. ProVider Plus Limited the following package-exclusive riders: Basic Residual Disability Benefit, 3% Maximum Cost of Living Adjustment and Benefit Purchase.

Coverage is available under the ProVider Plus Limited package with the selection of either the Basic Residual Disability Benefit and/or the 3% Maximum Cost of Living Adjustment Riders.

### **ProVider Plus 2011 & ProVider Plus Limited**

- Policy Form 1400 is used for individual disability sales, including policies sold under the Retirement Protection Plus, Association, Student and Resident Discount and Professional Group Discount programs.

Policies sold under an approved Association, Student and Resident Discount Program or Professional Group Discount Program may qualify for a 10% policy level discount. See appropriate program section for details.

Premiums are level or graded and are gender distinct.

*\*Montana unisex premiums only using Form 1600 for individual disability sales, the Student and Resident Discount Program and the Professional Group Discount Program.*

- Policy Form 1500 is used for employer-sponsored Qualified Sick Pay Plan (QSPP) sales, including employer-sponsored policies sold under the Retirement Protection Plus program. These policies may qualify for a 10% policy-level discount.

Premiums are level or graded and are unisex.

- Policy Form 1600 is used for employer-sponsored Voluntary Income Protection (VIP) sales, including employer-sponsored policies sold under the Retirement Protection Plus program. These policies may qualify for a 10% policy-level discount.

Premiums are level or graded and are unisex.

#### **Income ProVider (Form 1200)**

- Policy Form 1200 is used for Multi-Life Guaranteed Standard Issue (GSI) sales, including policies sold under the Retirement Protection Plus program.

Premiums are level and are unisex.

#### **PayGuard Reducing Term (Form NC56-A)**

- Policy form NC56-A is provided by Guardian and is used for personal individual coverage.

Premiums are level and are gender-distinct.

#### **Business Products**

##### **Overhead Expense (Form 4200 or 4100, *see state availability chart for details*)**

- Policy Form 4200 and 4100 are used for providing benefits to reimburse normal, necessary, and customary monthly overhead business expenses incurred during the disability of an owner. They are designed specifically for individuals in a professional practice, as well as owners of small businesses where the business is not likely to generate any income in the owner's absence.

Premiums are level and are gender-distinct\*

*\*Montana unisex premiums only using Form 4200*

**Disability Buy-Out** (Form 3200 or 3100, *see state availability chart for details*)

- Policy Form 3200 and 3100 are used for providing cash to assist in the purchase of a disabled partner's or shareholder's business interest by the remaining "non-disabled" owners.

Premiums are level and are gender-distinct for Form 3200\*

Premiums are level or step rate and are gender distinct for Form 3100.

*\*Montana unisex premiums only using Form 3200*

**Business Reducing Term** (Form AH55-A)

- Policy Form AH55-A is provided by Guardian and is used for funding specific financial obligations (i.e. student loans, business loans and notes, salary contract guarantees, and purchase agreements), which will continue during the disability of an individual, business owner or key employee.

Premiums are level and are gender-distinct.

# Individual Market Portfolio

## ProVider Plus

Form	PROVIDER PLUS 2011 1400, 1500 & 1600 (06/10)	PROVIDER PLUS LIMITED 1400, 1500 & 1600 (06/10)	PROVIDER PLUS 2010 1400, 1500 & 1600 (06/10)	PROVIDER PLUS 2008 1400 & 1500 (03/07)
<b>USE</b>	Individual Disability Income insurance protection	Individual Disability Income insurance protection	Individual Disability Income insurance protection	Individual Disability Income insurance protection
<b>STATE AVAILABILITY</b>	All states except CA, CT, FL, MD, ND, RI, VT	All states except CA, CT, FL, MD, ND, RI, VT	CT, MD, ND, RI	CA, FL, VT
<b>PREMIUM RATES</b>	1400 - Gender Distinct 1500 - Unisex 1600 - Unisex	1400 - Gender Distinct 1500 - Unisex 1600 - Unisex	1400 - Gender Distinct 1500 - Unisex 1600 - Unisex	1400 - Gender Distinct 1500 - Unisex
<b>UNDERWRITING</b>	Full underwriting or Guaranteed Standard Issue through the Group Conversion Program	Full underwriting	Full underwriting or Guaranteed Standard Issue through the Group Conversion Program	Full underwriting
<b>ISSUE AGES</b>	18-60*	18-60*	18-60*	18-60*
<b>OCCUPATION CLASSIFICATIONS</b>	6/6M – 1/1M	6/6M – 3/3M	6/6M – 1/1M	6/6M – 1/1M
<b>ELIMINATION PERIODS</b>	30, 60, 90, 180, 360, 720 days	90, 180, 360 days	30, 60, 90, 180, 360, 720 days	30, 60, 90, 180, 360, 720 days
<b>BENEFIT PERIODS</b>	2, 5, 10 years, To Age 65, To Age 67	2, 5, 10 years, To Age 65, To Age 67	2, 5, 10 years, To Age 65, To Age 67	2, 5, 10 years, To Age 65, To Age 67
<b>RENEWABILITY</b>	Non-Cancellable and Guaranteed Renewable	Non-Cancellable and Guaranteed Renewable	Non-Cancellable and Guaranteed Renewable	Non-Cancellable and Guaranteed Renewable
<b>DEFINITION OF TOTAL DISABILITY</b>	True Own-Occupation or Modified Own-Occupation	True Own-Occupation or Modified Own-Occupation	True Own-Occupation	True Own-Occupation
<b>DISCOUNTS</b>	10% Employer-Sponsored (QSPP or VIP); 10% Student & Resident; 10% Professional Group; 10% Association; and Mental and/or Substance-Related Discount (see below)	10% Employer-Sponsored (QSPP or VIP); 10% Student & Resident; 10% Professional Group; 10% Association; and Mental and/or Substance-Related Discount (see below)	10% Employer-Sponsored (QSPP or VIP); 10% Student & Resident; 10% Professional Group; and 10% Association	10% Employer-Sponsored (QSPP or VIP); and 10% Association Discount
<b>AVAILABLE RIDERS</b>	Residual Disability Benefit, Two-Year Residual Disability Benefit***, Graded Lifetime for Total Disability, Lump Sum Disability Benefit, Retirement Protection Plus Disability Benefit, Future Increase Option, Automatic Benefit Enhancement, Catastrophic Disability Benefit, Cost of Living Adjustment (3% Compound, 6% Maximum, Four-Year Delayed), Social Insurance Substitute, Unemployment Waiver of Premium, Partial Disability Benefit, and Additional Monthly Benefit.#	Basic Residual Disability Benefit, Retirement Protection Plus Disability Benefit, Benefit Purchase, Automatic Benefit Enhancement, Catastrophic Disability Benefit, Cost of Living Adjustment (3% Maximum), Social Insurance Substitute, and Unemployment Waiver of Premium.	Residual Disability Benefit, Two-Year Residual Disability Benefit***, Graded Lifetime for Total Disability, Retirement Protection Plus Disability Benefit, Future Increase Option, Automatic Benefit Enhancement, Catastrophic Disability Benefit, Cost of Living Adjustment (3% Compound, 6% Maximum, Four-Year Delayed), Social Insurance Substitute, Unemployment Waiver of Premium, Partial Disability Benefit, and Additional Monthly Benefit.#	Residual Disability Benefit, Two-Year Residual Disability Benefit***, Graded Lifetime for Total Disability, Retirement Protection Plus Disability Benefit, Future Increase Option, Automatic Benefit Enhancement, Catastrophic Disability Benefit, Cost of Living Adjustment (3% Compound, 6% Maximum, Four-Year Delayed), Social Insurance Substitute, Unemployment Waiver of Premium, Partial Disability Benefit, and Additional Monthly Benefit.#
<b>OTHER NOTABLE FEATURES</b>	24 month Mental and/or Substance-Related Disorders Limitation^ and Discount applied to all policies issued to anesthesiologists/anesthetists (MD, DO, or CRNA), emergency room physicians, pain management physicians, and nurse anesthetists (discount % based on benefit period). Limitation also applied to all policies issued in CA, FL, and on GSI Group Conversions, no discount is applied.	Mental and/or Substance-Related Disorders Limitation Discount will be applied to all policies except VT, CA and FL. A 24 Month Limitation^ will be applied to all policies except VT, discount % based on benefit period).  Basic Residual Disability Benefit or Cost of Living Adjustment (3% Maximum) required on all policies.	24 Month Mental and/or Substance Related Limitation^ applied to all policies issued in CA and FL as well as policies issued to Emergency Room Physicians, Anesthesiologists/Anesthetists (MD or DO), Pain Management physicians, and nurse anesthetists. No discount is applied.	24 Month Mental and/or Substance Related Limitation^ applied to all policies issued in CA and FL as well as policies issued to Emergency Room Physicians, Anesthesiologists/Anesthetists (MD or DO), Pain Management physicians, and nurse anesthetists. No discount is applied. This limitation is not applicable in VT.

# Individual Market Portfolio (Continued)

## Income ProVider & PayGuard

Form	INCOME PROVIDER 1200 (01/11)	PAYGUARD NC56-A
<b>USE</b>	Guaranteed Standard Issue Individual Disability Income insurance for employees on an employer-sponsored basis	Personal reducing term coverage for a specified period to indemnify personal payments such as mortgage payments
<b>STATE AVAILABILITY</b>	All states except CA, CO, and VT (those states can sell 1200 (09/04))	All states except MT, VA
<b>PREMIUM RATES</b>	Unisex	Gender Distinct
<b>UNDERWRITING</b>	Guaranteed Standard Issue	Full underwriting
<b>ISSUE AGES</b>	18-70**	18-55
<b>OCCUPATION CLASSIFICATIONS</b>	6/6M – 1/1M	5A, 4A, 3A, 2A
<b>ELIMINATION PERIODS</b>	90, 180, 360, 720 days	30, 60, 90, 180, 360 days
<b>BENEFIT PERIODS</b>	2, 5 years, To Age 65, To Age 67	A range of term periods, 5-30 years. Not to exceed insured's age 60.
<b>RENEWABILITY</b>	Non-Cancellable and Guaranteed Renewable	Non-Cancellable and Guaranteed Renewable to the specified termination date of the policy.
<b>DEFINITION OF TOTAL DISABILITY</b>	Two Years Modified Own-Occupation thereafter Any Occupation (Can be enhanced through riders)	Modified Own-Occupation
<b>DISCOUNTS</b>	Non-Tobacco User; 10-35% permanent discount depending on whether EE/ER pay and case demographics	N/A
<b>AVAILABLE RIDERS</b>	Extended Own Occupation, True Own Occupation, Basic Residual Disability Benefit, Enhanced Residual Disability Benefit, Cost of Living Adjustment (3% Maximum Compound, 6% Compound Maximum), Catastrophic Disability Benefit, Retirement Protection Plus Disability Benefit, and Additional Monthly Benefit. ##	N/A
<b>OTHER NOTABLE FEATURES</b>	Enhanced Portability Feature; 12 month Return-to-Work Benefit built in to base policy; Mental and/or Substance Related Limitation is 24 months but can be extended to full BP in certain situations; individuals can buy-up fully underwritten coverage above the GSI amount if eligible	PayGuard does not require an obligation or loan to be in place to be issued.



# Business Market Portfolio

## OE, DBO, and BRT

Form	OVERHEAD EXPENSE 4200	DISABILITY BUY-OUT 3200	BUSINESS REDUCING TERM AH55-A
<b>USE</b>	Covers tax-deductible normal, necessary and customary expenses incurred to run the business	To fund the purchase of the totally disabled owner's interest in the business	Coverage for fixed-term business payments, including business loans, purchase agreements, lease agreements, employment contracts
<b>STATE AVAILABILITY</b>	All states except CA, FL, VT. Overhead Expense 4100 available in those states.	All states except CA, FL, VT. Disability Buy-Out 3100 available in those states.	All states except FL, MT, NC, SC, VA
<b>PREMIUM RATES</b>	Gender-Distinct	Gender-Distinct	Gender-Distinct, not guaranteed
<b>UNDERWRITING</b>	Full underwriting	Full underwriting	Full underwriting
<b>ISSUE AGES</b>	18-60	18-60	18-55
<b>OCCUPATION CLASSIFICATIONS</b>	6/6M – 3/3M	6/6M - 3/3M	5A, 4A, 3A, 2A
<b>ELIMINATION PERIODS</b>	30, 60, 90 days	360, 540, 720 days	1, 2, 3, 6, 12 months
<b>BENEFIT PERIODS</b>	12, 18, 24 months†	<ul style="list-style-type: none"> <li>• Lump Sum</li> <li>• Installment: 12, 24, 36, 48, 60 months</li> <li>• Down Payment: Combination of Lump Sum and Installment</li> </ul>	A range of term periods, 5-30 years. Not to exceed insured's age 60.
<b>RENEWABILITY</b>	Non-Cancellable and Guaranteed Renewable	Refer to Business Product Sections for list of renewal conditions	Conditionally Renewable
<b>DEFINITION OF TOTAL DISABILITY</b>	True Own-Occupation	Own-Occupation, and not gainfully employed by the Business	Modified Own-Occupation
<b>DISCOUNTS</b>	10% Association	10% Multi-Client	N/A
<b>AVAILABLE RIDERS</b>	Future Increase Option, Automatic Benefit Enhancement, Supplemental Overhead Expense Benefit, and Additional Monthly Benefit****	Future Increase Option and Additional Monthly Benefit****	N/A
<b>OTHER NOTABLE FEATURES</b>	Residual Disability is built into the base policy; Accelerated Benefits Endorsement; Professional Replacement Endorsement. In CA and FL and for Anesthesiologists, Anesthetists, Emergency Room Physicians, Nurse Anesthetists, and pain management physicians in all other states a Mental and/or Substance-Related Disorders Endorsement^ will be attached to the policy.	Business Valuation formula defined in the contract	Benefits are paid to a loss payee other than the insured

\*Maximum Issue Age for 10-year benefit period is 55. Maximum issue age for Employer-Sponsored VIP is age 65. Maximum issue age for Employer-Sponsored QSP is age 74. For plans with applicants over age 60, 50% of the applicants must be under age 60 and in occupation classes 6/6M – 3/3M.

\*\*Maximum issue age for age 65 benefit period is 64. Maximum issue age for age 67 benefit period is 66. Issue Ages 71-75 available on an exception basis only.

\*\*\*Only available when exercising a Future Increase Option when the originating policy has this rider; not available to new issue.

#Added to base policy for FIO exercises instead of a separate policy. Refer to In-Force and FIO/FPO/GDR Exercise Section.

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## **DI PRODUCT AND INFORMATION MANUAL**

### ***General Product Information – Product Portfolio***

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##When added to the base policy, this rider allows regular MI increases on Income ProVider.

† Overhead Expense Maximum Issue Limits

\$50,000 per month for 12-month benefit period

\$40,000 per month for 18-month benefit period

\$30,000 per month for 24-month benefit period

^The limitation/endorsement does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation. The limitation/endorsement and discount does not apply to any policies issued in the state of Vermont, regardless of occupation.

## State Exceptions – Product Variations by State

<b>Product</b>	<b>Policy Form</b>	<b>States</b>
ProVider Plus 2011	1400, 1500 & 1600 (06/10)	AK, AL, AR, AZ, CO, DC, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY
ProVider Plus Limited	1400, 1500 & 1600 (06/10)	AK, AL, AR, AZ, CO, DC, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY
ProVider Plus 2010	1400, 1500 & 1600 (06/10)	CT, MD, ND, RI
ProVider Plus 2008	1400 and 1500 (03/07)	CA, FL, VT
Income ProVider	1200 (01/11)	AK, AL, AR, AZ, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY
Income ProVider	1200 (09/04)	CA, CO, VT
Overhead Expense	4200	AK, AL, AR, AZ, CO, CT, DC, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY
Overhead Expense	4100	CA, FL, VT
Disability Buy-Out	3200	AK, AL, AR, AZ, CO, CT, DC, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY
Disability Buy-Out	3100	CA, FL, VT



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**General Product Information – State Product Variations**

Product availability restrictions by state are shown below. State/product combinations not listed do not have any availability restrictions. For information on language variations, contact Product Support at 1-866-590-8845, Option 1, Option 3.

State	Product	Policy Form	Product, Program and Feature Variations
Arkansas	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	
	Business Reducing Term	AH55-A	<ul style="list-style-type: none"> <li>• Maximum issue age is 49, minimum benefit period is 11 years</li> </ul>
California	ProVider Plus 2008	1400 & 1500 (03/07)	<ul style="list-style-type: none"> <li>• Premiums 20% higher</li> <li>• Catastrophic Disability Benefit Rider unavailable</li> <li>• Lump Sum Disability Benefit Rider unavailable to General Dentists and Dental Specialists</li> <li>• Managerial Duties Endorsement unavailable</li> <li>• Partial Disability Benefit Rider (<i>referred to as Residual Disability Benefit Rider in all states except California</i>)</li> <li>• Residual Disability Benefit Rider (<i>referred to as Partial Disability Benefit Rider in all states except California</i>)</li> <li>• Graded Lifetime Indemnity for Total Disability Rider only available with successful exercises of FIO/FPO/GDR options when graded lifetime is on the original policy.</li> <li>• 24-month Mental and/or Substance-Related Disorders Limitation included on all policies</li> </ul>
	Income ProVider	1200 (09/04)	<ul style="list-style-type: none"> <li>• Premiums 20% higher</li> <li>• Catastrophic Disability Benefit Rider unavailable</li> <li>• Basic Partial Disability Benefit Rider (<i>referred to as Basic Residual Disability Benefit Rider in all states except California</i>)</li> <li>• Enhanced Partial Disability Benefit Rider (<i>referred to as Enhanced Residual Disability Benefit Rider in all states except California</i>)</li> </ul>
Connecticut	ProVider Plus 2010	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• Catastrophic Disability Benefit Rider unavailable</li> <li>• Unemployment Waiver of Premium Rider unavailable</li> </ul>



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Connecticut	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• Catastrophic Disability Benefit Rider unavailable</li> </ul>
Delaware	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	
Florida	ProVider Plus 2008	1400 & 1500 (03/07)	<ul style="list-style-type: none"> <li>• Premiums 10% higher</li> <li>• 24-month Mental and/or Substance-Related Disorders Limitation on all policies</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>• Premiums 10% higher</li> </ul>
	Business Reducing Term	AH55-A	<ul style="list-style-type: none"> <li>• Unavailable</li> </ul>
Idaho	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	
Iowa	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> </ul>
Maryland	ProVider Plus 2010	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• Unemployment Waiver of Premium Rider unavailable</li> </ul>
Minnesota	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• Unemployment Waiver of Premium Rider unavailable</li> </ul>
Montana	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• ProVider Plus policy form 1400 unavailable, form 1600 available for individual sales</li> <li>• Student and Resident Discount Program available on policy form 1600</li> <li>• Professional Group Discount Program available on policy form 1600</li> <li>• Association Discount available on policy form 1600</li> </ul>
	PayGuard	NC56-A	<ul style="list-style-type: none"> <li>• Unavailable</li> </ul>
	Overhead Expense	4200	<ul style="list-style-type: none"> <li>• Unisex Rates</li> </ul>
	Disability Buy-Out	3200	<ul style="list-style-type: none"> <li>• Unisex Rates</li> </ul>



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**General Product Information – State Product Variations**

Montana	Business Reducing Term	AH55-A	<ul style="list-style-type: none"> <li>• Unavailable</li> </ul>
Nevada	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• Premiums 20% higher</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>• Pre-Existing Condition Limitation Endorsement unavailable (PREX-12)</li> </ul>
	Overhead Expense	4200	<ul style="list-style-type: none"> <li>• Premiums 20% higher</li> </ul>
	Disability Buy-Out	3200	<ul style="list-style-type: none"> <li>• Premiums 20% higher</li> </ul>
New Jersey	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• Retirement Protection Plus Rider unavailable</li> <li>• Managerial Duties Endorsement unavailable</li> <li>• Maximum issue age is 62 with the To Age 67 benefit period and level premiums</li> <li>• Maximum issue age is 60 with the To Age 65, 10-year, 5-year and 2-year benefit periods and level premiums</li> <li>• Catastrophic Disability Benefit Rider cannot exceed the total of base + SIS</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• Retirement Protection Plus Rider unavailable</li> <li>• Maximum issue age is 62 with the To Age 67 benefit period</li> <li>• Maximum issue age is 60 with the To Age 65, 5 year and 2-year benefit periods</li> <li>• Catastrophic Disability Benefit Rider cannot exceed the total of base</li> </ul>
	Overhead Expense	4200	<ul style="list-style-type: none"> <li>• Managerial Duties Endorsement unavailable</li> </ul>
New Hampshire	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• Indexing Lifetime Indemnity for Total Disability Rider (<i>referred to as Graded Lifetime Indemnity for Total Disability Rider in all states except New Hampshire</i>)</li> <li>• Catastrophic Limitation Benefit Rider (<i>referred to as Catastrophic Disability Benefit Rider in all states except New Hampshire</i>)</li> </ul>



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**General Product Information – State Product Variations**

New Hampshire	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>Catastrophic Limitation Benefit Rider (<i>referred to as Catastrophic Disability Benefit Rider in all states except New Hampshire</i>)</li> </ul>
New Mexico	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>Pre-Existing Condition Limitation Endorsement unavailable (PREX-12)</li> </ul>
New York	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>Unemployment Waiver of Premium Rider unavailable</li> </ul>
North Carolina	Business Reducing Term	AH55-A	<ul style="list-style-type: none"> <li>Unavailable</li> </ul>
Pennsylvania	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>720-day elimination period unavailable</li> <li>360-day elimination period unavailable with 2-year benefit period</li> <li>360-day elimination period unavailable with a To Age 67 benefit period</li> <li>If policy is conditionally renewed, only the 30 day, 60 day or 90 day elimination periods are available.</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>720-day elimination period unavailable</li> <li>360-day elimination period unavailable with 2-year benefit period</li> <li>360-day EP unavailable with a To Age 67 benefit period</li> <li>Only 90-day EP is available when policy is conditionally renewed.</li> </ul>
South Carolina	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>720-day elimination period unavailable</li> <li>360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>720-day elimination period unavailable</li> <li>360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Business Reducing Term	AH55-A	<ul style="list-style-type: none"> <li>Unavailable</li> </ul>
Tennessee	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>Unemployment Waiver of Premium unavailable</li> </ul>
Texas	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>720-day elimination period unavailable</li> <li>360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	<ul style="list-style-type: none"> <li>Catastrophic Disability Benefit Rider unavailable</li> </ul>



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**General Product Information – State Product Variations**

Utah	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	
Vermont	ProVider Plus 2008	1400 & 1500 (03/07)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• 24-month Mental and/or Substance-Related Disorders Limitation and Discount not applicable</li> </ul>
	Income ProVider	1200 (01/11)	
Virginia	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> <li>• Managerial Duties Endorsement unavailable</li> </ul>
	Income ProVider	1200 (01/11)	
	PayGuard	NC56-A	
	Business Reducing Term	AH55-A	
Washington	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	
West Virginia	ProVider Plus 2011	1400, 1500 & 1600 (06/10)	<ul style="list-style-type: none"> <li>• 720-day elimination period unavailable</li> <li>• 360-day elimination period unavailable with 2-year benefit period</li> </ul>
	Income ProVider	1200 (01/11)	





## **Applications and Forms**

Berkshire Life Tools has all forms that you need to do business with us and the site is available 24 hours a day, 7 days a week. You can download, print or e-mail application packages at your convenience.

Berkshire Life Tools can be accessed using <http://www.berkshirelifetools.com>. There are also links from Guardian Online directly to Berkshire's product lines: Disability Income, and Multi-Life DI.

Producers and brokers can obtain access to the site through their agency's security administrator.

If requesting forms through our Supply Department, use the form number for each item needed.

**Premiums/Billing Information**

Premiums are based on the applicant's gender, occupation class, age and contract state. They can be paid annually, semiannually, quarterly or monthly\*.

*\*Monthly mode is only available with automatic payment plan or a list billing.*

**Guard-O-Matic Arrangement**

An automated monthly withdrawal payment option from savings, checking, Park Avenue Portfolio and Guardian Cash Management accounts via our automatic payment plan method. A Request for Guard-O-Matic Arrangement form is required along with a copy of a void check or savings deposit slip. The company will draw from the account designated on or about the 15<sup>th</sup> of each month for all policies due during that month. The policyowner will not receive a premium notice or premium receipt. The withdrawal from the account will serve as a receipt.

This payment plan is unavailable with list billed contracts receiving a batch billed discount.

**Check by Phone**

Client provides one-time bank account withdrawal authorization over the phone. Available with all payment modes\* for payments up to \$10,000.

*\*Excluding automatic payment plan/monthly with Guardian policy forms.*

**Initial Premium Draft**

Drafting from saving or checking account via electronic draft. A Request for Guard-O-Matic Arrangement form is required along with a copy of a void check or savings deposit slip. The company will draw from the account designated at time of policy placement the initial premium needed to place the policy in force. The policy owner will not receive a premium notice or premium receipt. The withdrawal from the account will serve as receipt.

**List Bills**

A "list billing" is one billing consisting of at least three (3) individual lives (or two (2) lives if an Employer-Sponsored Plan) and is available with any billing mode except Guard-O-Matic. The policies will be billed to the same payor, usually a business, and have the same mode of payment and billing day. To request list billing, complete the appropriate questions on the application.

Temporarily, in those situations where a list billing will be generated at both Berkshire and Guardian for one payor, we will inform the payor by letter that the payor will receive two bills: one from Berkshire and one from Guardian. All applicable discounts will continue to be applied as though the policies were included on one bill.

**Batch-Billed Discount**

A 10% batch-billed discount is available with the following products with a minimum of three (3) lives on the billing:

- Overhead Expense (4100); and
- Disability Buy-Out (3100) in all states.

Any combination of the above plans may be list billed and receive the 10% batch-billed discount as long as the three lives minimum requirement is met.



### **Appointment and Licensing Requirements**

Approved state appointments are required prior to the solicitation of an application in the following states: Florida, Indiana, Pennsylvania and Utah. This means that Berkshire will not be able to process applications solicited in these states by a producer not yet appointed with Berkshire. In other words, the agent must be licensed and appointed with Guardian for the above mentioned pre-appointment states prior to solicitation in the state where the application is signed.

Berkshire is unable to accept or process any applications solicited by producers not licensed in the state the solicitation occurred. For example, if the solicitation occurred in Florida, then the producer must be licensed and appointed in Florida prior to submitting the application to Berkshire for processing. These appointment and solicitation procedures apply to all disability products, including exercises of Future Purchase Options, Future Increase Options or Group Disability Replacement Options.

*For details of agent licensing requirements for applications, please refer to 'Applications Solicited via Internet, Mail or Phone' later in this section.*

### **Determining Contract State and Required Forms**

The residence of the insured generally determines the contract state unless the applicant has a connection with another state. That connection could be a workplace or a secondary residence (generally defined as the state where the insured resides for at least four months a year). The application and other new business forms should be the state forms as determined by the contracting state.

For Future Increase Option/Future Purchase Option/Group Disability Replacement rider exercises, follow the same rules. However, if the policy owner has moved since the original policy was issued, the client can request that the contract state be either the original contract state or the new state of residence.

Note: The New York Department of Insurance Regulation 194, Compensation Disclosure Transparency, affects all DI policies issued in the state of New York. Everyone directly involved in the insurance sale must comply, but Guardian will only be supervising compliance for its career agents, Agency Heads, registered brokers, and special agents. For purposes of regulation 194, the words, 'direct involvement' mean any of the following, but not limited to: face-to-face contact, email contact, phone contact, fax or texting forms of communication, as it relates to the sale.

Any producer, manager or wholesaler directly involved in the sales process must disclose general information about his or her compensation to the client using an initial prompt form. Guardian Agency Heads, Supervisors, career agents, and PAS-registered brokers must use Guardian's forms and process to comply. The Guardian Initial Prompt form varies by producer type or role and can be found on [www.berkshirelifetools.com](http://www.berkshirelifetools.com). Guardian's initial prompt form contains a section at the bottom of the page for the client's signature and date. The client's signature is his or her acknowledgement of receipt of the form and should be obtained no later than the date of the application. The initial prompt

must be submitted with the application. When the client requests more compensation information, a Guardian secondary disclosure document must be provided no later than the delivery of the policy or contract. The regulation also requires that producers retain a copy of these documents in their files for three (3) years.

### **Age Calculation**

Two different methods are currently being used to calculate the age of the insured as defined below:

- Age nearest – the age nearest the applicant's birthday  
**Example:** Client's Date of Birth is 11/01/1970  
Today's date is 05/10/2009  
Client's age (nearest) is 39
- Age last birthday – current age as of last birthday  
**Example:** Client's Date of Birth is 11/01/1970  
Today's date is 05/10/2009  
Client's age (actual) is 38

Each product description outlines which method is used for that particular product.

### **Saving Age**

- To save age 38 using the age nearest scenario described above, the policy should be dated 04/25/2009.
- To save age for an age last birthday product, the contract should be dated one day prior to the insured's birthday.

### **Conditional Receipt**

The Conditional Receipt sets the date and conditions under which the insurance being applied for may go into effect. All of the conditions must be met or no insurance will become effective under the terms of the Conditional Receipt. A fully completed Conditional Receipt is required whenever a prepayment is collected. We will return the prepayment to the client within 5 days of receipt of the prepayment if:

- a prepaid application is submitted without a properly completed Conditional Receipt;
- the date of the Conditional Receipt and the prepayment check are not the same;
- the prepayment and Conditional Receipt are dated prior to the Application.

Prepayments and Conditional Receipts will not be accepted after the Part 2 Medical has been completed. Additional premiums will not be accepted until after the policy is issued.

The agency new business contact will be notified no later than five days prior to our mailing the check to the client. The agency will receive a copy of the client letter.

If the policy is issued as applied for within 60 days of the Conditional Receipt, then the policy is dated according to the terms of paragraph 1 of the Conditional Receipt. Otherwise, the Conditional Receipt is void and the prepayment may be returned. The policy will then be dated with a current date unless a specific date is requested within the

**DI PRODUCT AND INFORMATION MANUAL****General Product Information – Additional Information**

application. The chart below outlines the impact of each underwriting outcome on the status of the receipt, prepayment and policy date:

<b>Activity</b>	<b>Status of Conditional Receipt</b>	<b>Status of Prepayment</b>	<b>Home Office Action</b>	<b>Policy Date*</b>
Policy approved as applied for within 60 days of the date of the Conditional Receipt	In Effect	Retained	Policy Issued in routine.	According to the terms of paragraph one in the Conditional Receipt.
Policy benefits offered by the company on a more favorable basis then applied for and policy approved within 60 days of the date of the Conditional Receipt	In Effect	Retained	At agency direction policy issued for either the originally applied for benefits offered or for the more favorable benefits offered by the Company	According to the terms of paragraph one in the Conditional Receipt.
Policy benefits modified or restricted by company and policy issued within 60 days of the date of the Conditional Receipt	Void	Retained	Agency is advised 5 days in advance via e-mail; the letter is mailed directly to the applicant.	Policy dated with a current date unless otherwise requested. Policies issued on the 25 <sup>th</sup> of the month or later will be dated the first of the following month.
Information required by the Company to determine insurability is not received within 60 days of the date of the Conditional Receipt	Void	Returned to Applicant	Agency is advised 5 days in advance via e-mail; the letter and refund is mailed directly to the applicant.	Assuming all requirements for issuance are met, the policy is dated with a current date unless otherwise requested. Policies issued on the 25 <sup>th</sup> of the month or later will be dated the first of the following month.
Policy benefits modified or restricted by company more than 60 days after the date of the Conditional Receipt	Void	Returned to Applicant	Agency is advised 5 days in advance via e-mail; the check and letter are mailed directly to the applicant.	Policy dated with a current date unless otherwise requested. Policies issued on the 25 <sup>th</sup> of the month or later will be dated the first of the following month.
Application modified by client via agent/agency after the date of the application, but prior to the date of the Conditional Receipt	Void	Returned to Applicant	Letter is mailed directly to the applicant advising nullification of Conditional Receipt.	Policy dated with a current date unless otherwise requested. Policies issued on the 25 <sup>th</sup> of the month or later will be dated the first of the following month.



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Application Declined	Void	Returned to Applicant	Agency is advised 5 days in advance via email; the check and letter are mailed directly to the applicant.	N/A
Questions 7f, 7g, 7h or 7i are left blank or answered “Yes” no prepayment should be taken and no Conditional Receipt can be issued.  Question 7u, 7v, 7w or 7x is answered “Yes” no prepayment should be taken and no Conditional Receipt can be issued.  Note: With respect to question 7g, if the proposed insured’s only medical advice, counseling, or treatment was a routine physical examination resulting in no diagnosis being made or treatment rendered, or for the common cold with a complete recovery, then a prepayment can be taken and a Conditional Receipt can be issued. In these circumstances, a “Yes” response must still be recorded.	Void	Returned to Applicant	Agency is advised 5 days in advance via e-mail; the check and letter are mailed directly to the applicant.	Policy dated with a current date unless otherwise requested. Policies issued on the 25 <sup>th</sup> of the month or later will be dated the first of the following month.

*\*A policy date may be requested by the applicant in the Application; otherwise, dating rules will be applied. This also assumes that all requirements for issuance are met.*

**Conditions Under Which Insurance May Become Effective Prior to Policy Delivery**

If all of the following conditions are fulfilled exactly, the insurance in the amount and on the plan applied for will, subject to the maximum amount shown below, become effective as of the effective date:

- The applicant has made an initial premium payment, acknowledged in the Conditional Receipt, and if payment was made by check, check by phone or draft, it was made payable to Berkshire Life Insurance Company of America or The Guardian Life Insurance Company of America, whichever is applicable.

- On the effective date, the proposed insured must be, in the opinion of the company's authorized officers at its home office, a risk insurable and acceptable under the rules and practices of the company for the proposed insurance exactly as applied for without modification.
- On the date of the receipt, all answers and statements in any part of the application having an earlier date are complete and true as though given on the date of this receipt.

If all of the above conditions are fulfilled, then the effective date is the latter of:

- The date of the application for insurance (Part I);
- The date of the application for insurance (Part II) or the date of the second Part II if more than one is required;
- The date of the Conditional Receipt;
- The date of the latest completion of any medical examinations, tests, x-rays, electrocardiograms which we require; or
- The policy date, if any, requested in the application.

### **Policy Dating**

Non-conditionally receipted policies will automatically be post-dated 15 days from the date the policy is issued unless:

- A request is made to date to save the age of the proposed insured (ProVider Plus, Disability Buy-Out 3200 and Overhead Expense 4200 may be dated back no more than 30 days prior to date the application is signed. Disability Buy-Out 3100 and Overhead Expense 4100 may be dated as much as six months prior to the date when the application is signed.) or;
- the age of the proposed insured can be saved (ProVider Plus, Disability Buy-Out 3200 and Overhead Expense 4200 may be dated back no more than 30 days prior to date the application is signed. Disability Buy-Out 3100 and Overhead Expense 4100 may be dated as much as six months prior to the date when the application is signed.) or;
- there is a request on the application to date the policy ahead to a specific date. (The policy will be issued no more than 15 days prior to the date requested and a Declaration of Insurability may be required upon delivery of the policy.)

Policies with a pre-payment and a valid Conditional Receipt will be dated according to the terms of the Conditional Receipt.

Except as provided in the Conditional Receipt, coverage does not take effect unless and until the policy is delivered and the first premium is paid, absent any change in the applicant's insurability (health, income level, status of employment and/or occupation as stated in the application).

Policies cannot be dated the 29th, 30th or 31st.

If the policy is part of a list billing, the policy "day" will be the same as the list billing day.



### **Refund of Initial Premiums**

#### **Incomplete Policies**

Policy is not issued due to incomplete underwriting information. Any initial premium is refunded to the client. A copy of the incomplete letter is sent to the Agency.

#### **Not Taken Policies**

- Policy is issued as applied for but delivery not met: The initial premium is refunded to the client immediately.
- Policy was issued with amendments and delivery not met: Any initial premium is refunded to the client immediately.

#### **Declined Policies**

The underwriter contacts the agency at the time of the decline. Any initial premium is refunded to the applicant after waiting five days to give the agent time to contact the applicant.

#### **Issued Policy Goes In Force with an Overpayment**

If the policy is on the Guard-O-Matic (GOM) or Automatic Payment Plan (APP) or is billed annually, all refunds are mailed to the policy owner. If the policy is on quarterly or semiannual billing mode and the amount of the overpayment is under \$25, the refund is used as a credit on the next billing notice. If the amount of the overpayment is over \$25, the refund is mailed to the policyowner.

#### **Alternate and Additional Policies**

An alternate policy may be requested when there is some doubt as to which of two policy plans or amounts will be acceptable to the applicant. An *additional* policy may be requested when there is a possibility both policies might be placed.

It is important that a definite distinction be made when applying for either alternate or additional policies. Requests for alternate policies are underwritten with the possibility that the policy with the larger initial risk will be placed, whereas requests for additional policies are underwritten with the possibility that the *total* amount will be placed.

When requesting either an alternate or additional, be sure to describe fully the details of the alternate or additional policy requested (plan, amount, additional benefits or lack of same, and method of premium payment) in remarks and special requests section of the application. If a feature of the basic policy is not available on the alternate or additional, be sure to specify the exception.

If the owner is to be different for the two policies (for example, Disability Buy-Out or Overhead Expense contracts), then separate applications must be completed.

If an alternate or additional is requested, prepayment applies only to the basic policy and not to the alternate or additional policy.

### **Replacements**

When Berkshire issues a contract with the understanding that the existing DI coverage with another company will be terminated, the new contract will be issued with a health replacement exclusion requiring the policyowner's signature. The exclusion language specifies that the amount of insurance issued will be limited by the amount of in-force monthly indemnity that the Berkshire coverage is replacing. It further specifies that it is understood that the in-force coverage will be terminated as a result of the issuance of the Berkshire contract.

Berkshire is required by law to notify the other insurer in Utah and Florida. However, in these and all other states, it is the client's responsibility to terminate the existing coverage.

Some states also require additional replacement forms. Please refer to Berkshire Life Tools for a current and complete listing of forms by state.

Please remember, replacements should only take place when it is in the best interests of the policyholder to replace existing disability insurance coverage.

### **Policy Delivery**

Part I of the application provides "Any policy or policies issued shall not be effective unless and until the full first premium has been paid and the policy or policies have been delivered to the owner while the health and other conditions affecting the applicant remain as described in this application."

It is exceedingly important that this provision be strictly adhered to when delivering a policy that is not prepaid, even when the policy may have been applied for and delivered to an owner other than the applicant. If there has been any change in the health or status of the applicant between the date of application and the date of policy delivery, the company should be notified immediately and no policy should be delivered.

### **Delivery Requirements**

A delivery requirement is any requirement that is communicated at issue and must be received by New Business Services to place the policy in force and pay commissions. Such requirements may be an amendment(s), exclusion(s) or a Declaration of Insurability. These requirements must be signed and dated and *should never be altered*.

**If an applicant responds positively to any question(s) that are part of the Declaration of Insurability, no policy should be delivered or initial premium accepted and the company should be notified immediately.**

## Reissues

Reissue requests can be submitted up to six months after the policy is issued. Thereafter, an in-force policy change request must be submitted.

## Applications Solicited via Internet, Mail or Phone

All applications solicited via internet, mail or phone, will require:

- Producer must be licensed (and appointed if required) in both the producer's resident state and the state in which the application is signed.
- The contract state will be the state in which the applicant lives or works – the application and all relevant forms must reflect the contract state.
- An individual present at the time the application is completed must witness all forms. (The agent *cannot* witness the application.)
- The Agent Statement must be completed and signed by the agent.
- The agent may not accept money and may not issue a Conditional Receipt.
- Cases will be underwritten following all normal guidelines. In addition, all cases will require an Inspection, Part 2 Medical and Declaration of Insurability.

For further details contact your agency's Disability Income Specialist.



**ProVider Plus (1400, 1500, 1600)** Non-Cancellable and Guaranteed Renewable Disability Income policies used for personal, single-life scenarios to provide a Monthly Indemnity when, due to Injury or Sickness, the insured is unable to perform the material and substantial duties of his or her Occupation (*excluding CA*) or with reasonable continuity the substantial and material act necessary to pursue his or her Usual Occupation in the usual and customary way (*CA only*).

Full Time employment (a minimum of 30 hours per week) is required.

Generally unavailable for clients whose net worth exceeds \$10 million.

Policy Form 1400 is available for individual sales, Associations, Student & Resident Discount Programs, and Professional Group Discount Programs.

Policy Form 1500 is available for Employer-Sponsored Qualified Sick Pay Plans (QSPP) only.

Policy Form 1600 is available for Employer-Sponsored Voluntary Insurance Programs (VIP) only.

## **PRODUCT SPECIFICATIONS**

Definition of Total Disability: True Own Occupation  
Modified Own Occupation

Issue Ages: Level Premium Structure: 18 – 60\*  
Graded Premium Structure: 18 – 50

*Age is determined by age last birthday.*

*\*Maximum issue age for 10-year Benefit Period is 55. Maximum issue age for Employer-Sponsored VIP is age 65. Maximum Issue Age for Employer-Sponsored QSPP is age 74. For plans with applicants over age 60, 50% of the applicants must be under age 60 and in occupation classes 6/6M – 3/3M.*

Classes of Risk: Preferred, Select, Standard

The Preferred risk class is 95% of the premiums of the Select Risk Class.  
The Standard risk class is 130% of the premiums of the Select Risk Class.

Please refer to the Preferred Premium Risk Class Underwriting Criteria chart located in the “Underwriting Guidelines” Section to see if your

client meets the qualifications for the preferred Class of Risk. If you are uncertain if your client meets these guidelines please contact the Underwriting Department for clarification or quote him/her as a Select Class of Risk.

*Preferred available to Issue Ages 18 – 60 and unavailable to Occupation Classes 2/2M and 1/1M or with substandard risks.*

Occupation Classes: 6, 5, 4, 3, 2, 1 (Non-medical occupations)

6M, 5M, 4M, 3M, 2M, 1M (Medical occupations)

*Classes 2/2M and 1/1M are only available in employer-sponsored situations with a mix of other Occupation Classes (at least 50% of participants must be classes 6/6M through 3/3M), level premium structure only. Classes 2/2M and 1/1M may have a 2-year or 5-year Benefit Period.*

*Classes 2 and 2M are also available for business owners who have owned the business for at least five years and whose Income is at least \$50,000.*

*For Classes 2/2M and 1/1M, SIS is required (where available) after the first \$500 of base Monthly Indemnity issued. The next \$1,500 will be composed of Coverage issued under the SIS rider (offset by any other in-force SIS or GLTD coverage). Any additional Coverage thereafter will be issued as base Monthly Indemnity to the stated maximum.*

Elimination Periods: 30, 60, 90, 180, 360, 720 days

An Elimination Period is the number of days that must elapse following the onset of Disability before benefits become payable. The shorter the Elimination Period chosen, the higher the premium will be. With ProVider Plus, different periods of Disability from the same – or a different – cause count toward the Elimination Period provided they occur within a specific Accumulation Period. See below chart for details:

Elimination Period	Accumulation Period
30 Days	90 Days
60 Days	150 Days
90 Days	210 Days
180 Days	360 Days
360 Days	540 Days
720 Days	900 Days

Any eligible benefits are paid monthly and in arrears. We pay 1/30 of the monthly benefit payable under the policy for each day your client is eligible for benefits for less than a full month.

*720-day Elimination Period unavailable with 2-year and 5-year Benefit Periods.*

*720-day Elimination Period unavailable in some states regardless of Benefit Period.*

*360-day Elimination Period is unavailable with a 2-year Benefit Period in some states.*

Benefit Periods: To age 67, to age 65, 10 years\*, 5 years, 2 years, L60\*\* (graded lifetime extension), X55\*\*\* (graded lifetime extension)

A Benefit Period refers to the maximum length of time your Policy will pay benefits for a continuous Disability from the same cause.

*Graded premium structure unavailable with a 2-year or 5-year Benefit Period.*

*L60, X55, to age 67, to age 65 and 10-year Benefit Periods unavailable with Occupation Classes 2/2M and 1/1M.*

*To age 67 and to age 65 Benefit Periods are unavailable for clients whose net worth exceeds \$6 million.*

*\*Maximum Issue Age for 10-year Benefit Period is 55.*

*\*\*Only available for FIO exercises that were a part of the Levine lawsuit. Unavailable with the Modified Own Occupation definition, Policy Form 1500 or on the graded premium structure.*

Benefit Periods must meet the federal guidelines for nondiscrimination in employment because of age. Depending on the Benefit Period selected, one of the following tables will appear on the Policy schedule page:

For a 2-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 75	24 Months
At or after age 75	12 Months

For a 5-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a 10-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 55	120 Months
At or after age 55, but before age 60	To Age 65
At or after age 60, but before age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a 'To Age 65', 'X55' or 'L60' Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 65
At or after age 60, but before age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a ‘To Age 67’ Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 67
At or after age 60, but before age 61	84 Months
At or after age 61, but before age 62	72 Months
At or after age 62, but before age 63	60 Months
At or after age 63, but before age 64	48 Months
At or after age 64, but before age 65	36 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

Minimum Issue Limits: \$500\*  
 \$200 for Future Increase/Purchase Option exercises.

The following are included in calculating minimum issue limit:

- Monthly Indemnity of the base Policy (minimum \$200) plus
- Monthly Indemnity of Social Insurance Substitute rider (if applicable) (minimum \$200)

*The minimum Policy size can be achieved with a combination of base and Social Insurance Substitute rider.*

*For Classes 2/2M and 1/1M, SIS is required (where available) after the first \$500 of base Monthly Indemnity issued. The next \$1,500 will be composed of Coverage issued under the SIS rider (offset by any other in-force SIS or GLTD coverage). Any additional Coverage thereafter will be issued as base Monthly Indemnity to the stated maximum.*

*\*Amount applied for must always be a multiple of \$10.*

Maximum Issue Limits: Refer to the “Underwriting Guidelines” Section – Issue and Participation Limits chart.

Riders Available: Residual Disability Benefit Rider  
 Two-Year Residual Disability Benefit Rider\*  
 Lump Sum Disability Benefit Rider\*\*  
 Graded Lifetime Indemnity for Total Disability Rider  
 Retirement Protection Plus Disability Benefit Rider  
 Future Increase Option Rider  
 Automatic Benefit Enhancement Rider (a no-charge rider available only at underwriter discretion)  
 Catastrophic Disability Benefit Rider  
 Cost of Living Adjustment Rider (3% Compound, 6% Maximum, Four-Year Delayed)



Social Insurance Substitute Rider  
Unemployment Waiver of Premium Rider  
Partial Disability Benefit Rider  
Additional Monthly Benefit Rider\*\*\*

*\*Only available when exercising a Future Increase Option when the originating Policy has this rider; not available to new issue.*

\*\* The Lump Sum Disability Benefit Rider is only available with the ProVider Plus 2011 policy and is not available in California to dentists, dental specialists or oral surgeons.

*\*\*\*Available for an FIO exercise that is added to the existing base policy. Refer to In-Force and FIO/FPO/GDR Exercise Section.*

*Not all riders available together with all Benefit or Elimination Periods, or Issue Ages. Not all riders are available in every state. Refer to “ProVider Plus Optional Benefits” Section for complete benefit descriptions.*

Discounts: **Association Discount** – A permanent, 10%, policy-level discount for pre-approved associations. Available to all Policy Form 1400\* business; and to Policy Form 1600 for FIO exercises when the original Policy was issued unisex.

**Employer-Sponsored Discount** – A permanent, 10%, policy-level discount for qualifying VIPs and QSPPs. Available to Policy Form 1400 for FIO exercises when the original Policy was issued gender-distinct and insured is still part of an active employer-sponsored plan, all QSPP business (1500) and all VIP business (1600)

**Professional Group Discount** – A permanent, 10% policy-level discount available to groups of 3 or more employees with no employer sponsorship requirement. Available to Policy Form 1400 only.\*

**Student and Resident Discount** – A permanent, 10%, policy-level discount for qualifying pre-approved endorsed groups. Available to Policy Form 1400 only.\*

**Mental and/or Substance-Related Disorders Limitation Discount\*\*** – A 24-month Mental and/or Substance-Related Disorders Limitation Discount is applied to ProVider Plus Policy Forms 1400, 1500 and 1600 when the 24-month Mental and/or Substance-Related Disorders Limitation applies. Refer to Mental and/or Substance-Related Disorders Limitation under the Base Policy Features for more information.

The discount percentages vary by Benefit Period as follows:

Benefit Period	Discount
To Age 65/67	10%
10 year	8%
5 Year	6%
2 Year	No discount

*Only one of the following discounts can be issued per Policy: Employer Sponsored, Association, Student and Resident Discount Program or Professional Group Discount Program. The above discounts can be added to the Mental and/or Substance-Related Disorders Limitation discount. The maximum discount that can be applied to a Policy is 20%.*

*\*Policy Form 1600 in Montana*

*\*\*Not available in VT, CA, and FL or on policies issued on a Guaranteed Standard Issue basis under the Group Conversion Program for New Professionals. This discount is only available with the ProVider Plus 2011 policy*

Premiums: Policy Form 1400 - Gender-distinct rates  
Policy Form 1500 - Unisex rates  
Policy Form 1600 - Unisex rates

Premium Structures: Level, or Graded

Level – guaranteed level to age 65 or 67, whichever applies

Graded\* – increases annually at guaranteed amounts until the Policy Anniversary following age 60.

The Graded Premium structure is the perfect solution for your budget-conscious clients who may be starting off their career. Graded premiums start low and increase each year according to a guaranteed pre-determined schedule as your client's Income increases.

Available to applicants up to issue age 50 with Benefit Period to age 67, to age 65, or 10 years. Applicants have the right to convert from a graded to level premium structure on any Policy Anniversary through age 50 at attained-age premiums.

\*Not available to Occupation Classes 2, 1, 2M and 1M.

Annual Policy Fees:	\$1,000 and up	\$30
	\$500 - \$999	\$75
	FIO/FPO/GDR exercises	\$15

Modal Premiums:	<u>Premium Term</u>	<u>Guaranteed Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly (list billed)	0.085833
	GOM	0.083333

Substandard Premiums: Applied on a Policy level basis to all Coverage, before Policy fee, to the Class of Risk premium rates. Increments are 25%, 50%, 75% or 100%.

**BASE POLICY FEATURES** *Refer to Specimen Contract for full details.*

Total Disability or Totally Disabled – True Own Occupation: (for occupation Classes 6/6M-1/1M *excluding CA*) “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation. You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able to work in Your Occupation. Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

*Your Occupation (excluding CA)* “Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.”

The definition of Your Occupation is further defined for medical and dental occupations in Occupation Classes 6M – 3M. See Specialty Language included for Occupation Classes 6M-3M below.

This definition may be appealing to high Income earning professionals whose Occupations require a significant investment of time, money and education to achieve. Regardless of their ability to find Gainful Employment in any other occupation and earn an Income, these professionals place a high level of importance in protecting their investment with Own Occupation Disability Insurance. Our True Own Occupation Definition makes it possible for your client to work in another Occupation and still be eligible for his or her Total Disability Benefits.

Specialty Language included for occupation Classes 6M-3M (*excluding CA*): “If You have limited Your Occupation to the performance of the material and substantial duties of a single medical specialty or to a single dental specialty, We will deem that specialty to be Your Occupation.”

Total Disability or Totally Disabled – True Own Occupation: (for occupation Classes 6/6M-1/1M - *CA only*) “Total Disability or Totally Disabled means that, as a result of Sickness or Injury, You are unable to perform with reasonable continuity the substantial and material acts necessary to pursue Your Usual Occupation in the usual and customary way.

*Your Usual Occupation (CA Only)* “Your Usual Occupation means the occupation (or occupations, if more than one) in which You are actively engaged and regularly performing when Your Disability begins.”

Specialty Language included for occupation classes 6M – 3M (*CA only*) “If You have limited Your Usual Occupation to the performance of the substantial and material duties of a single medical specialty or to a single dental specialty, We will deem that specialty to be Your Usual Occupation.”

Total Disability or Totally Disabled – Modified Own Occupation: (for occupation Classes 6/6M-1/1M) “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed. Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

*Your Occupation* “Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.”

While some prospects may be interested in a True Own Occupation Definition of Total Disability to protect the investment they have made in their career, others want disability income protection solely to protect their ability to earn an Income. With a Modified Own Occupation Definition of Disability, if an insured *chooses* to find Gainful Employment in another Occupation, he or she would not be eligible for Total Disability Benefits, however he or she could be considered for benefits under any Residual Disability Benefit Rider attached to the Policy.

**Presumptive Total Disability Benefit:** We will consider your client Totally Disabled, waive any unexpired part of the Elimination Period and start to accrue benefits based on the date they became Totally Disabled – even if they are Gainfully Employed – if a Sickness or Injury causes the total and complete loss of the sight in both eyes, hearing in both ears, speech, or the use of both hands, both feet, or one hand and one foot, in their entirety. With this benefit the Disability need not be irrecoverable. Monthly Indemnity will be paid for as long as your client’s Total Disability continues, but not longer than the Benefit Period

**Recurrent Disability:** If, after your client has recovered from a Disability, he or she becomes Disabled again resulting entirely or in part from the same cause as the previous Disability, the later period of Disability will be considered a continuation of the prior period, so long as we paid benefits for the first claim and he/she has been working Full Time for no more than 12 months since the prior Disability ended. Their prior claim will resume and no new Elimination Period will be required.

**Concurrent Disability:** We will pay benefits for a Concurrent Disability as if there were only one Injury or Sickness. The amount and duration of benefits will not be more than that for any one cause, regardless of whether your client is Disabled from more than one cause.

**Capital Sum Benefit:** Our Capital Sum Benefit is paid in addition to any other benefits payable if, because of Sickness or Injury, your client has suffered the total loss of sight in one eye with no possibility of recovery or the complete loss of a hand or foot severed through or above the wrist or ankle. Your client must survive such a loss for 30 days. The benefit is equal to 12 times the Monthly Indemnity. No more than two Capital Sum Benefits are payable during the insured’s lifetime.

**Waiver of Elimination Period:** If the insured suffers a Disability that lasts more than six months and we pay benefits for that Disability, our unique Waiver of Elimination period policy feature allows the Elimination Period to be waived for any subsequent Disability that occurs within five years of the end of the previous Disability – regardless of the cause.

**Transplant and Cosmetic Surgery:** As an added built-in benefit, we also consider the insured to be Totally Disabled as a result of Sickness if, more than six months after the Effective Date, the insured is Totally Disabled due to cosmetic or transplant surgery.

**Waiver of Premium Benefit:** The last thing your client should have to worry about during a Disability is paying a Policy premium. So once the Elimination Period is satisfied we waive premiums during a period of Disability and continue waiving for six

months after the claim ends. What's more, we also reimburse for premiums the client may have paid that apply to the period of Disability – even if paid prior to the Disability. We'll continue to waive premiums for six months following his/her recovery, which makes getting back to work and restoring financial health the top priority.

- Occupational Rehabilitation Benefit:** If the insured is Disabled, he or she may be eligible for Occupational Rehabilitation Benefits if he or she participates in a formal occupational rehabilitation program approved in advance by us to help him or her return to Gainful Employment in his or her Occupation. We will pay costs that are not otherwise covered by insurance, workers' compensation, or any public fund or program.
- Modification and Access Benefit:** While the insured is Disabled, he or she may also be eligible for the Modification and Access Benefit if a modification is appropriate and reasonable to help enable the insured to perform his or her job. We will reimburse your client for the cost incurred for such a modification contingent on a signed written agreement with us.
- Renewability:** Renewability provisions are among the most critical features of any disability income Policy because they define your rights for keeping your Coverage in force. ProVider Plus is both Non-cancellable and Guaranteed Renewable to age 65 (or age 67 if this benefit period is selected), which offers the strongest premium and Coverage guarantees available, which means as long as the premiums are paid on time, the Policy cannot be cancelled, premiums cannot be increased and Policy provisions cannot be changed. Personal ownership of a Non-cancellable and Guaranteed Renewable Policy means it is portable, so insureds can take it with them even if they change employers. Policies that are only Guaranteed Renewable cannot be cancelled, but premiums can be increased.

ProVider Plus is also Conditionally Renewable for life after the Expiration Date as long as the insured is Gainfully Employed Full Time for at least 10 months each year and the premium is paid on time. The premium for the Conditionally Renewed Policy will be at our attained age rates.

The maximum Benefit Period after the Expiration Date is 24 months if the Disability begins after age 65, but before age 75; and, 12 months if the Disability begins at or after age 75.

The only Coverage that continues after the Expiration Date is Coverage for Total Disability (AMB continues during the conditional period). All other Coverages terminate.

Any Exclusions or Limitations applied to the base Policy contract prior to the Expiration Date will be applicable to the Policy during the period of Conditional Renewability after the Expiration Date.

**Exclusions and Limitations:**      *Refer to Specimen Contract for complete details.*

- Exclusions:      “We will not pay benefits for any Disability:
- caused by, contributed to, or which results from military training, military action, military conflict or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
  - during any period of time in which You are incarcerated;
  - caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
  - caused by, contributed to, or which results from Your being engaged in an illegal occupation;
  - caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
  - caused by, contributed to, or which results from an intentionally self-inflicted injury;
  - during the first three months of Disability or the Elimination Period, if longer, that is caused by, contributed to, or which results from normal pregnancy or childbirth; or
  - due to any loss We have excluded by name or specific description.”

Limitation While Outside the United States or Canada:      The insured must be living full time in the 50 United States of America, the District of Columbia or Canada in order to receive benefits under the Policy. This does not include incidental travel or vacation that lasts less than 60 days in a 12-month period. If benefits were not being paid due to this limitation and your client returns to the above-mentioned locations he or she may become eligible, if he or she satisfies all the terms and conditions of the Policy, to resume receiving benefits under the Policy.

Pre-existing Condition Limitation:      Benefits will not be paid for any loss that begins in the first two years after the Effective Date from a Pre-existing Condition. As a producer it is very important to understand your clients’ medical history in order to set underwriting, issue and Policy expectations.

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**DI PRODUCT AND INFORMATION MANUAL*****Individual Products – ProVider Plus (1400, 1500, 1600)***

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Mental and/or Substance-Related Disorders Limitation: *(excluding VT)* For policies issued in California, Florida or to Emergency Room Physicians, Anesthesiologists, Anesthetists, Nurse Anesthetists or Pain Management Physicians benefits for Mental and/or Substance-Related Disorders are limited to 24 months over the lifetime of the Policy.

After the 24 months, benefits will be paid if the insured is continuously confined in a Hospital for treatment of a Disability due to the Mental and/or Substance-Related Disorder and is under the regular medical care of a Physician. We will not pay benefits for any Disability due to a Mental and/or Substance-Related Disorder that has been excluded by name or specific description on the policy.

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

**State Product Variations:** *Product not available in all states; refer to “State Product Variations” Section to determine appropriate product series and product variations.*



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Residual Disability Benefit Rider**

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**Residual Disability Benefit Rider (Rider Forms – 1402, 1502, 1602) (Titled Partial Disability Benefit Rider in CA)** Sometimes a Sickness or Injury doesn't cause a Total Disability but limits your client's ability to work, which can result in decreased Income. Or, your client might suffer a Total Disability and return to work, but not at pre-disability earnings. The benefits paid under the Residual Disability Benefit Rider can help offset an insured's Disability-related lost earnings.

This rider will help cover the Income loss resulting when the insured is at work and not Totally Disabled, but, because of Injury or Sickness, Loss of Income is at least 15% of the Prior Income.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected).

Available on Base Policies: Form 1402 sold with base Policy Form 1400 (gender-distinct)  
Form 1502 sold with base Policy Form 1500 (unisex)  
Form 1602 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Residually disability or Residual Disabled: "Residual Disability or Residually Disabled means that You are Gainfully Employed and are not Totally Disabled under the terms of the Policy but, solely because of Injury or Sickness, Your Loss of Income is at least 15% of Your Prior Income"

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Residual Disability Benefit Rider**

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Residual Disability Benefit – Loss of Income Indemnity: Our Residual Disability Benefit Rider provides benefits when, due to Injury or Sickness, the insured suffers a Loss of Income of 15% or more. For each of the first 12 months the insured is eligible for a Residual Disability Benefit, we will pay a Loss of Income Indemnity. The Loss of Income Indemnity benefit (LOII) pays up to 100% of the Loss of Income up to the maximum monthly benefit.\*

Loss of Income Indemnity = [Loss of Income\*\*]

Loss of Income = [Prior Income] – [Current Income]

**Loss of Income Indemnity Scenario:**

ProVider Plus Policy with \$10,000 of Monthly Indemnity and the Residual Disability Benefit Rider is included.

Prior Income of \$300,000 per year (\$25,000 per month)

Month of Claim	Loss of Income Percentage	Loss of Income	Loss of Income Indemnity*
1	40%	\$10,000	\$10,000
2	40%	\$10,000	\$10,000
3	35%	\$8,750	\$8,750
4	30%	\$7,500	\$7,500
5	25%	\$6,250	\$6,250
6	25%	\$6,250	\$6,250
7	20%	\$5,000	\$5,000
8	20%	\$5,000	\$5,000
9	20%	\$5,000	\$5,000
10	20%	\$5,000	\$5,000
11	15%	\$3,750	\$3,750
12	15%	\$3,750	\$3,750

*Chart Assumptions – The insured has no other individual DI Coverage in force. Insured is determined to be Residually Disabled, he/she has satisfied the Elimination Period, continues to suffer a Loss of Income due to Injury or Sickness as illustrated, and the income loss is due solely to the Injury or Sickness that caused the Disability.*

\*In no event will the Loss of Income Indemnity exceed the Monthly Indemnity.

\*\*The Loss of Income Indemnity is equal to your clients' Loss of Income less any individual disability insurance benefits they are receiving, or that they are eligible to receive, from us and all other insurance companies, on policies that are in force on or before the

Effective Date of this rider. Individual disability insurance benefits are not taken into consideration for the Loss of Income Indemnity in New Jersey.

Residual Disability Benefit – Residual Indemnity Starting with the 13<sup>th</sup> month that the insured is eligible for a Residual Disability Benefit, benefits are payable in proportion to the Loss of Income and are payable for up to the Policy Benefit Period.

The insured would continue to collect a proportional benefit until the Benefit Period ends; the insured is no longer Residually Disabled, or the first month in which their Loss of Income is less than 15% of their Prior Income. We will also consider any Loss of Income of more than 75% of Prior Income to be 100%.

**Residual Indemnity Scenario:**

ProVider Plus Policy with \$10,000 of Monthly Indemnity and the Residual Disability Benefit Rider is included.

Prior Income of \$300,000 per year (\$25,000 per month)

Residual Indemnity = [Loss of Income]/[Prior Income]X[Monthly Indemnity]

Month of Claim	Loss of Income Percentage	Actual Loss of Income in Month	Residual Indemnity
13	20%	\$5,000	\$2,000
14	15%	\$3,750	\$1,500

*Chart Assumptions – The insured has no other individual DI Coverage in force. Insured is determined to be Residually Disabled, he/she has satisfied the Elimination Period, continues to suffer a Loss of Income due to Injury or Sickness as illustrated, and the income loss is due solely to the Injury or Sickness that caused the Disability.*

Adjustment of Prior Income and Prior Business Expenses Due to Inflation for Computing Your Loss of Income: On the first anniversary of Disability, and each anniversary thereafter while the insured remains Disabled, we will adjust Prior Income and Prior Business Expenses to reflect any changes in the cost of living since the claim began. This allows your client’s Residual benefits to keep pace with inflation.

Recovery Benefit A recovery from Disability with no restrictions or limitations could occur at any time. Should the insured continue to suffer at least a 15% Loss of Income solely due to a Sickness or Injury – even after



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Residual Disability Benefit Rider**

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he or she has physically recovered and returned to work Full Time, we continue to pay benefits for up to the full Benefit Period. The Loss of Income Indemnity would still be available until 12 months of Loss of Income Indemnity benefits had been paid and then the proportionate benefits would be calculated. The Residual Rider was designed to help make the transition back to Full Time work after a period of Disability easier.

Termination of the Residual Disability (Partial Disability in CA) Benefit:

“Benefits for Residual Disability will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely the result of Injury or Sickness; or
- the first month in which Your Loss of Income is less than 15% of Your Prior Income; or
- You become Totally Disabled; or
- the Benefit Period ends; or
- this rider terminates.”

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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus (1400, 1500, 1600)

Optional Benefits – Two-Year Residual Disability Benefit Rider

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**Two-Year Residual Disability Benefit Rider (Rider Forms – 1403, 1503, 1603)** Sometimes a Sickness or Injury doesn't cause a Total Disability but limits your client's ability to work, which can result in decreased Income. Or, your client might suffer a Total Disability and return to work, but not at pre-disability earnings.

The benefits paid under the Two-Year Residual Disability Benefit Rider can help offset an insured's Disability related lost earnings upon returning to work. The rider provides benefits when, due to Injury or Sickness, the insured suffers a Loss of Income of 15% or more. The Benefit Period for this rider is limited to 24 months in any one claim.

This rider is only available when exercising a Future Increase Option when the originating policy has this rider. Not available to new issue. Not available with the Modified Own Occupation Definition of Total Disability.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

*When original Policy is on a graded premium structure, the new Policy will be issued as level*

Elimination Periods: Same as base Policy

Benefit Periods: 2 years

Rider Combination Availability: Unavailable with Four-Year Delayed Cost of Living Adjustment (COLA) Rider

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Two-Year Residual Disability Benefit Rider*

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Available on Base Policies: Form 1403 sold with base Policy Form 1400 (gender-distinct)  
Form 1603 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Residual Disability or Residually Disabled: “Residual Disability or Residually Disabled means that You are Gainfully Employed and are not Totally Disabled under the terms of the Policy but, solely because of Injury or Sickness, Your Loss of Income is at least 15% of Your Prior Income.”

Residual Disability Benefit - Loss of Income Indemnity: For the first 12 months the insured is eligible for a Residual Benefit, the Loss of Income Indemnity benefit (LOII) pays up to 100% of the Loss of Income up to the maximum monthly benefit. We will also consider any Loss of Income of more than 75% of prior income to be 100%.

Residual Disability Benefit – Residual Indemnity Starting with the 13<sup>th</sup> month that the insured is eligible for a Residual Benefit, benefits are payable in proportion to the Loss of Income and are payable for up to the Policy Benefit Period.

The insured would continue to collect a proportional benefit until the Benefit Period ends; the insured is no longer Residually Disabled, or the first month in which the Loss of Income is less than 15% of the Prior Income.

Recovery: A Recovery from Disability with no restrictions or limitations could occur at any time. Should the insured continue to suffer at least a 15% Loss of Income solely due to the Sickness or Injury – even after he or she has physically recovered and returned to work Full Time – we continue to pay benefits for up to the full Benefit Period.

The LOII benefit would still be available until the 12 months had been satisfied and then the proportionate benefits would be calculated.



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**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Two-Year Residual Disability Benefit Rider*

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Termination of the Residual Disability Benefit: “Benefits for Residual Disability will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled;
- Benefits for Residual Disability have been paid for a total of 24 months in any one claim;
- Your Loss of Income is no longer solely the result of Injury or Sickness;
- the first month in which Your Loss of Income is less than 15% of Your Prior Income;
- You become Totally Disabled;
- the Benefit Period ends; or
- this rider terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Lump Sum Disability Benefit Rider**

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**Lump Sum Disability Benefit Rider\* (Rider Forms – 1416, 1516, 1616)** This rider provides a Lump Sum Benefit Amount equal to 35% of all Total Disability and/or Residual Disability Benefits paid under the Policy at the Policy Expiration Date. For a payment to be made, the sum of Contributing Payments must exceed a Qualifying Amount.

\* The Lump Sum Disability Benefit Rider is only available with the ProVider Plus 2011 policy.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18-55 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base Policy

Benefit Periods: To age 67, to age 65

Rider Combinations Availability: Unavailable with Graded Lifetime Indemnity for Total Disability Rider\*, Additional Monthly Benefit Rider and Social Insurance Substitute Rider. Unavailable if any in-force or applied-for Retirement Protection Plus coverage exists with any company.

*\*Lump Sum and Lifetime cannot be issued together on the same policy, but can be issued on multiple policies for the same insured.*

Discounts: Discounts available follow the same guidelines as base policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected).



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Lump Sum Disability Benefit Rider**

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Available on Base Policies: Form 1416 sold with base Policy Form 1400 (gender-distinct)  
Form 1516 sold with base Policy Form 1500 (unisex)  
Form 1616 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Qualifying Amount:** To be eligible for benefits under this rider, the insured must have received Total Disability and/or Residual Disability benefits that are greater than or equal to 12 times the Monthly Indemnity as of the issue date.

**Lump Sum Disability Benefit:** The Lump Sum Disability Benefit amount is paid in a single payment at the later of the Expiration Date of the Policy or the end of the Benefit Period if Disabled. The Lump Sum Benefit Amount is equal to the sum of Total and Residual Disability payments multiplied by 35%.

**Contributing Payments:** Contributing Payments include any Total Disability Benefits and/or Residual Disability benefits paid under the Policy until the later of the Expiration Date or the end of the Benefit Period if Disabled.

**Non-Contributing Payments:** Non-contributing payments include any benefits paid under the Capital Sum Benefit, Occupational Rehabilitation Benefit, Modification and Access Benefit policy provisions, or any Catastrophic Disability Benefit Rider attached to the Policy.

Non-contributing Payments will not be considered toward the Qualifying Amount or the calculation of the Lump Sum Benefit Amount.

**Termination of this Rider:** “This rider will terminate when the first of the following events occur:

- the Lump Sum Benefit Amount has been paid;
- the premium for this rider remains unpaid for more than 31 days;
- the date of the Your written request to terminate this rider; or
- the Policy terminates.”

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**State Product  
Variations:**

California: *Not available to general dentists, dental specialties and oral surgeons.*

*This section is provided for informational purposes only and should not be considered tax or legal advice. Your clients should contact their tax or legal advisor regarding the tax treatment of the policy and policy benefits. Your clients should consult with their own independent tax and legal advisors regarding their particular set of facts and circumstances. The information provided is not intended or written to be used, and cannot be relied upon, to avoid penalties imposed under the Internal Revenue Code or state and local tax law provisions.*

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Graded Lifetime Indemnity for Total Disability Rider**

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**Graded Lifetime Indemnity for Total Disability Rider (Rider Forms – 1414, 1514, 1614)** Few companies offer Disability benefits that continue beyond normal retirement age. If the policyholder is still Totally Disabled when the Benefit Period or Expiration Date (whichever is later) has ended, this rider will continue to provide a monthly Lifetime Indemnity Total Disability benefit payment for as long as he or she remains continuously Totally Disabled. The amount payable will be determined by the client's age when such Total Disability begins.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 45 (age last birthday)  
18 – 55 (age last birthday) where applicable\*

*\*Successful exercises of FIO/FPO/GDR rider.*

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base Policy

Benefit Periods: To age 67, to age 65

Rider Combination Availability: Unavailable with Lump Sum Disability Benefit\* and Social Insurance Substitute Riders. Unavailable if any in-force or applied-for Retirement Protection Plus Coverage exists with any company.

*\* Lifetime and Lump Sum cannot be issued together on the same policy, but can be issued on multiple policies for the same insured*

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Graded Lifetime Indemnity for Total Disability Rider**

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Available on Base Policies: Form 1414 sold with base Policy Form 1400 (gender-distinct)  
Form 1514 sold with base Policy Form 1500 (unisex)  
Form 1614 sold with base Policy Form 1600 (unisex)

Lifetime Indemnity Percentage: Lifetime Indemnity Percentage is determined based upon the following table:

<u>If Your Continuous Total Disability Started</u>	<u>The Lifetime Indemnity Percentage is:</u>
Prior to Age 46	100%
At or after Age 46, but before Age 47	95%
At or after Age 47, but before Age 48	90%
At or after Age 48, but before Age 49	85%
At or after Age 49, but before Age 50	80%
At or after Age 50, but before Age 51	75%
At or after Age 51, but before Age 52	70%
At or after Age 52, but before Age 53	65%
At or after Age 53, but before Age 54	60%
At or after Age 54, but before Age 55	55%
At or after Age 55, but before Age 56	50%
At or after Age 56, but before Age 57	45%
At or after Age 57, but before Age 58	40%
At or after Age 58, but before Age 59	35%
At or after Age 59, but before Age 60	30%
At or after Age 60, but before Age 61	25%
At or after Age 61, but before Age 62	20%
At or after Age 62, but before Age 63	15%
At or after Age 63, but before Age 64	10%
At or after Age 64, but before Age 65	5%
At or after Age 65	0%

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Lifetime Indemnity Total Disability Benefit: The Lifetime Indemnity is the amount we will pay the insured each month while he or she remains continuously Totally Disabled in the same claim after the Expiration Date of the policy. It is equal to the Monthly Indemnity that was payable for Total Disability in the last month of the Benefit Period multiplied by the Lifetime Indemnity Percentage.

For Disabilities that begin prior to age 46, the Lifetime Indemnity is equal to 100% of your client's monthly benefit. For continuous Total Disabilities that began at or after age 46, the Lifetime Indemnity amount is reduced (or graded) by 5% for each year beyond age 46.

## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus (1400, 1500, 1600)

Optional Benefits – Graded Lifetime Indemnity for Total Disability Rider

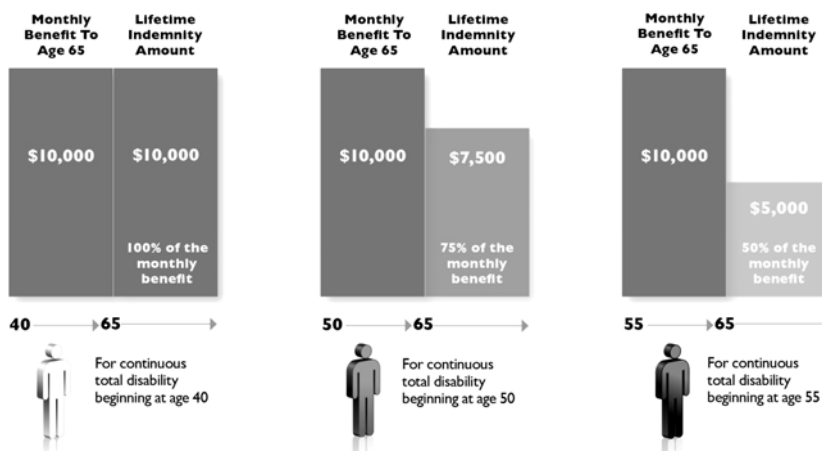


Chart Assumptions: \$10,000 Monthly Benefit, To Age 65 Benefit Period.

Termination of this Rider:

“This rider will terminate when the first of the following events occurs:

- You attain Age 65 and You are not Totally Disabled; or
- the premium for this rider remains unpaid for more than 31 days; or
- the date of Your written request to terminate this rider; or
- when Lifetime Indemnity is no longer payable.”

### State Product Variations:

California: Only available with successful exercises of FIO/FPO/GDR options when graded lifetime is on the original Policy.

New Hampshire: Titled Indexing Lifetime Indemnity for Total Disability Rider.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Retirement Protection Plus Disability Benefit Rider**

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**Retirement Protection Plus (RPP) Disability Benefit Rider (Rider Forms – 1415, 1515, 1615)** This Coverage helps ensure your client’s ability to save for retirement in the event he or she becomes Totally Disabled and is not working. Once eligible for benefits, a monthly benefit insuring up to 100% of your client’s retirement contributions, including any employer-matching contributions, will be paid into a Trust established by the insured. The Trustee invests benefits at the insured’s direction. It is also available as a stand-alone policy.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Rider Definition of Total Disability: Modified Own Occupation

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: 180 or 360 days

The rider Elimination Period cannot be shorter than the base Policy Elimination Period. Rider unavailable with 720-day Elimination Period on the base Policy.

Benefit Periods: To age 65 (can be attached to base Policy with a to age 65 or to age 67 Benefit Period).

Issue Limits: Minimum: \$500

Maximum:  
The maximum benefit amount that we issue is based upon the limitation for defined contribution plans set by the Internal Revenue Service (IRS) under Section 415(c)(1)(a) each year.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Retirement Protection Plus Disability Benefit Rider**

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<b>Issue Age</b>	<b>Premium Payor</b>	<b>% of Contributions</b>	<b>Maximum Issue Limit**</b>
18 – 49	Employee	100%	\$4,170
50*– 60	Employee	100%	\$4,630
18– 49	Employer	133%	\$4,170
50*– 60	Employer	133%	\$4,630

\* Graded premium structure available through age 50 only.

\*\* For applicants whose current in-force Coverage exceeds current I & P limits, the maximum benefit is reduced by the amount of overinsurance less \$500.

Please note, for determination of overinsurance for RPP only, the normal maximum issue limit cap for physicians and dentists in classes 6/6M, 5/5M, and 4/4M is not applicable.

Higher amounts may be considered on a case-by-case basis.

Rider Combination Availability: Unavailable with Graded Lifetime Indemnity for Total Disability and Lump Sum Disability Benefit riders. Unavailable if any in-force or applied-for lifetime benefits exist with any company.

Additional Information: The amount of qualifying contributions used to determine benefits under the RPP rider cannot also be considered income for the purpose of calculating an income protection benefit under ProVider Plus or any other IDI product.

Underwriting Requirements: All normal medical and financial underwriting requirements apply.

The amount of contributions (up to 15% of annual earned income, 19% when employer-paid) can be applied for without actual proof of retirement contributions or proof of existence of a qualified plan. This requires a “yes” response to the application question “Do you participate in a qualified plan?” and that all required details be supplied.

Investment Options: Berkshire Bank will act as the investment manager based on an investment allocation program that it will develop in consultation with the insured, or allow the insured to manage his or her own investments, selecting *any* marketing security or mutual fund.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Retirement Protection Plus Disability Benefit Rider**

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For Trust balances under \$100,000, your clients can select from one of over 200 mutual funds from Federated Investors from their equity or fixed income categories. When the balance of the Trust reaches \$100,000, Berkshire Bank (the trustee) assigns a senior investment officer to personally manage the Trust according to the claimant's investment objectives and provides full access to the capital markets.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65.

Available on Base Policies: Form 1415 sold with base Policy Form 1400 (gender-distinct)  
Form 1515 sold with base Policy Form 1500 (unisex)  
Form 1615 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Total Disability or Totally Disabled: “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

Termination of the RPP Benefit: “The RPP Monthly Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Totally Disabled; or
- You become Gainfully Employed; or
- the Benefit Period ends; or
- You attain Age 65; or
- this rider terminates.”

**State Product Variations:**

New Jersey: Unavailable

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus (1400, 1500, 1600)**Optional Benefits – Future Increase Option Rider*

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**Future Increase  
Option Rider (FIO)  
(Rider Forms – 1405,  
1505, 1605)**

To help protect a growing Income, our Future Increase Option (FIO) Rider is designed to help your clients increase their Coverage with ease. Our rider offers them the opportunity to purchase additional Coverage each year on the Policy's Anniversary with no medical insurability requirement in the form of an Additional Monthly Benefit\* (AMB) rider or as a separate Policy.

The full option amount may be exercised on any Option Date before age 45, thereafter as much as one-third of the original purchased FIO amount (unless the remaining amount is less than \$1,000 or the Special Option Date is being utilized due to termination of group LTD coverage) may be exercised on an Option Date, with Option Dates up to and including age 55.

Financial underwriting is required to determine the maximum amount of Coverage available, if any, based on our underwriting rules in effect. The added insurance is called an Increase Policy. Premiums for this rider reduce as increase amounts are successfully exercised. Income and underwriting rules apply and are outlined in the Administrative Practices section under FIO/FPO/GDR Option Exercises.”

*\* Refer to In Force Change and FIO/FPO/GDR Option Exercises Sections for additional information.*

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 50 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Future Increase Option Rider*

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Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy. X55 and L60 unavailable.

Option Date: On each Policy Anniversary up to and including when the insured attains age 55.

Option Period: The 63-day period beginning 31 days immediately before the option date and ending 31 days immediately following the Option Date.

Special Option Date: Special Option Dates are also available that allow off-anniversary increase for events such as the loss of group long-term disability coverage or a date that the company declares for such a purpose. Your clients' eligibility will be determined by their then-current financial situation and taking into consideration other Disability insurance they have in force or for which they have applied.

Plus, he or she may exercise the Increase Option, even if they are Disabled and on claim. The premium for the increase will be waived while on claim and for six months afterwards. The additional coverage will then apply to any new and separate Disability.

Special Option Period: The period beginning on the Special Option Date and ending 31 days immediately following the Special Option Date.

Increase Option Issue Limits: Minimum: \$200

Maximum: Total in-force Coverage, plus base and Future Increase Option applied for, not to exceed the issue and participation limits for that occupation classification.

Future Increase Option applied for cannot exceed two times base plus Berkshire/Guardian in-force Coverage including Guardian group (taking into consideration minimum base and overall maximum issue limits).

### Exceptions

For fully underwritten medical and dental first-year professionals, fellows, residents and students, three times base (including Guardian group taking into consideration minimum base and overall maximum issue limits).

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Future Increase Option Rider*

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Under the Retirement Protection Plus program, two times the base benefit applied for where the total of base benefit and Future Increase Option rider doesn't exceed \$6,000.

Under the Retirement Protection Plus Program in conjunction with Special Limits for New Professionals, one times the base benefit (when available).

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: The expiry date of this rider is the Policy Anniversary following age 55.

Available on Base Policies: Form 1405 sold with base Policy Form 1400 (gender-distinct)  
Form 1505 sold with base Policy Form 1500 (unisex)  
Form 1605 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details*

Conditions and Limitations: "All of the following conditions apply when You exercise an Increase Option:

- We must receive Your written application for an Increase Policy during an Option Period or Special Option Period.
- Each Increase Policy applied for during an Option Period or a Special Option Period will be underwritten to determine the maximum amount of Monthly Indemnity, if any, available to You. You must provide evidence of Your Income, employment and all other disability insurance with any insurer that is in force, which You have applied for, or for which You are eligible. We may require additional evidence of financial insurability, as necessary. You do not have to provide evidence of Your medical insurability or occupation.
- If You exercise an Increase Option during a Special Option Period because You are no longer eligible to participate in Your employer's group LTD plan or a group LTD plan under which You were covered ends and has not been converted or replaced, You must also provide evidence of Your eligibility status in the group LTD plan, or evidence that the group LTD plan has terminated and has not been converted or replaced.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Future Increase Option Rider*

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- The Increase Policy will either be added to the Policy in the form of an Additional Monthly Benefit Rider\* or will be issued on a separate policy form that is most like the Policy then in use on a regular basis in the place where You live. Any Increase Policy approved during a period of Disability or while benefits are being paid will only be issued on a separate policy form.
- The Increase Policy cannot have a shorter Elimination Period or a longer Benefit Period than the Policy to which this rider is attached.
- We will not issue an Increase Policy with less than \$200 of Monthly Indemnity.
- The Increase Policy may or may not include the same provisions and benefits as the Policy to which this rider is attached. The Increase Policy may only include those benefits that are part of the Policy to which this rider is attached if We are then offering such benefits to new applicants.
- The premium for each Increase Policy will be based on the rates in effect on the date of issue of the Increase Policy. The premium will be based on the following factors:
  - the Increase Policy amount; and
  - Your Age on the date of issue of the Increase Policy; and
  - the Class of Risk and Occupation Class of the Policy to which this rider is attached; and
  - any special class rating that applies to the Policy to which this rider is attached; and
  - the policy form of the Increase Policy; and
  - any rider that is attached to the Increase Policy that adjusts or determines a benefit based upon Monthly Indemnity.

Your Class of Risk and Occupation Class under the Increase Policy will not be less favorable than under the Policy to which this rider is attached.

If You submit to Us satisfactory evidence that Your Class of Risk and Occupation Class on the Effective Date of the Increase Policy is more favorable to you than it was when the policy went into effect, then we will apply the more favorable risk classification to

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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus (1400, 1500, 1600)

Optional Benefits – Future Increase Option Rider

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the Increase Policy. Any Increase Policy approved will only be issued on a separate policy form that is most like the Policy then in use on a regular basis in the place where You live.

- Conditions that are excluded by name or specific description under the terms of the Policy to which this rider is attached will be excluded under the Increase Policy.
- In order for an Increase Policy to become effective, We must receive the first premium unless premiums are then being waived because You are Disabled or benefits are being paid under the Policy.”

*\* If the Increase Policy is added to the Policy in the form of an Additional Monthly Benefit Rider (1411-A-FIO, 1511-A-FIO, 1611-A-FIO) all of the policy features and riders must be the same. This includes Benefit Period, Elimination Period, premium mode, contract state, Risk class, Occupation Class, discounts, and riders. The agency must also be the same however it may be a different producer.*

Termination: “This rider will terminate when the first of the following events occurs:

- You attain age 55;
- the Total Increase Option as shown in the Schedule Page has been issued;
- the premium for this rider remains unpaid for more than 31 days;
- the date of Your written request to terminate this rider; or
- the Policy terminates.”

### Example: Sample FIO Calculation

The prospect, occ class 4M, has an annual W-2 income of \$190,000, in-force Guardian employer-paid Group LTD of \$3,000 and Berkshire employee-paid individual coverage of \$1,000. The prospect wants to purchase additional maximum individual coverage with maximum FIO and will pay for this new coverage him/herself.

- 1.) Determine Issue & Participation Limit = \$9,650 (based on \$190,000 of income)
- 2.) Determine discounted in-force group LTD amount = \$3,000 x 75% (Group Discount 25%) = \$2,250
- 3.) Determine base maximum = \$9,650 - \$2,250 - \$1,000 (In-force coverage) = \$6,400
- 4.) Assuming \$6,400 base applied for, determine FIO amount that can be applied for = \$16,000 (Max Issue Amount for occupation class 4M) - \$6,400 = \$9,600



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Automatic Benefit Enhancement Rider**

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**Automatic Benefit Enhancement Rider (ABE)**  
**(Rider Forms – 1406, 1506, 1606)**

This convenient, no-cost rider helps keep your Disability insurance benefit aligned with normal, annual Income increases your client might experience when healthy. It is applied automatically to eligible policies at Underwriting discretion and provides an annual 4% benefit increase each year for six years\* with no proof of income required.

Each increase will include corresponding attained-age premiums. Rider eligibility will be determined at the time of underwriting. The automatic increases apply to the base Policy, Cost of Living Adjustment and Residual. Increases can be refused by written request or nonpayment of increase premium.

*\*Provides an annual 4% benefit increase each year for five years with ProVider Plus 2010.*

*“State Product Variations” Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 50 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy, X55 and L60 unavailable.

Issue Limits: Only available with a Policy size of \$1,000 or more.

The total assumed acceptances of 4% compounded for the first six policy years plus in-force coverage (including in-force automatic increases and excluding AMB and SIS) and Future Increase Option(s) cannot exceed the issue and participation limits for that occupation classification.

Rider Review Date: The sixth Policy Anniversary and every sixth Policy Anniversary thereafter while this rider is in force for ProVider Plus 2011

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Automatic Benefit Enhancement Rider**

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The fifth Policy Anniversary and every fifth Policy Anniversary thereafter while this rider is in force for ProVider Plus 2010

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: Renewable to age 60, subject to underwriting at each six-year interval for ProVider Plus 2011 and five-year interval for ProVider Plus 2010.

Available on Base Policies: Form 1406 sold with base Policy Form 1400 (gender-distinct)  
Form 1506 sold with base Policy Form 1500 (unisex)  
Form 1606 sold with base Policy Form 1600 (unisex)

Policy Year (Assumes Client is not disabled)	Benefit without the ABE rider increases	Benefit with the ABE rider increases*
1	\$10,000	\$10,000
2	\$10,000	\$10,400
3	\$10,000	\$10,820
4	\$10,000	\$11,250
5	\$10,000	\$11,700
6	\$10,000	\$12,170

\*Rounded up to the nearest tenth.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Rider Renewal: After a Rider Review Date and before the next Policy Anniversary, your clients may submit an application to renew this rider for the smallest of:

- another six Automatic Increases for ProVider Plus 2011; or
- another five Automatic Increases for ProVider Plus 2010; or
- the number of Automatic Increases between their attained age and age 60; or
- the number of Automatic Increases which will not cause the Monthly Indemnity to exceed the maximum amount of allowable Monthly Indemnity, available to them based on our underwriting guidelines in effect at the time they applied for rider renewal.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Automatic Benefit Enhancement Rider*

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If your clients apply to renew this rider, they must provide evidence of their medical insurability, Income, Occupation, employment and other insurance in force, applied for, or for which they are eligible. We may require additional evidence of financial insurability to renew this rider.

Your clients' application to renew this rider will be underwritten in accordance with our underwriting rules in effect at the time they apply for renewal to determine if they are eligible to renew this rider.

If benefits have been paid by us under the Policy, your client will not be eligible to renew this rider.

Termination of the Automatic Benefit Enhancement:

This rider will terminate on the date when the first of the following events occurs:

- We do not renew this rider; or
- You attain Age 60; or
- The date of Your refusal of a second consecutive Automatic Increase; or
- Any date on which Your Monthly Indemnity equals or exceeds the maximum amount of allowable Monthly Indemnity available to You based on Our underwriting guidelines in effect as of the Effective Date of the Policy or the last Rider Review Date; or
- On a Rider Review Date if You are Disabled; or
- On a Rider Review Date during a Suspension Period; or
- On the date the Policy terminates.



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Catastrophic Disability Benefit Rider**

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**Catastrophic Disability Benefit (CAT) Rider (Rider Forms – 1410, 1510, 1610)** The most severe disabilities can overwhelm the income protection designed to cover regular living expenses. Catastrophic Disability benefits address this risk. Catastrophic Disability means the insured is unable to perform two or more Activities of Daily Living (Bathing, Contenance, Dressing, Eating/feeding, Toileting and Transferring), has a severe Cognitive Impairment, or an irrecoverable loss of speech, sight, hearing, the use of both hands, both feet, or a combination thereof. Catastrophic benefits are payable above and beyond coverage for total or residual benefits.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: The Elimination Period is specific to the CAT rider.

Elimination Period must be the same duration as the base Policy Elimination Period.  
While the Elimination Period for this rider is the same duration as the Elimination Period for the base Policy, it must be satisfied independent of the base Policy Elimination Period.

The insured must be Catastrophically Disabled to satisfy the Elimination Period for this rider.

The Elimination Period must be satisfied within the Accumulation Period that is specific to the CAT rider.

The unexpired part of the Elimination Period will be waived if the insured becomes irrecoverably disabled.

Benefit Periods: Specific to the CAT Rider; must be the same length of time as the Benefit Period for the base Policy.

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**DI PRODUCT AND INFORMATION MANUAL**  
*Individual Products – ProVider Plus (1400, 1500, 1600)*  
*Optional Benefits – Catastrophic Disability Benefit Rider*

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**Issue Limits:** Issue limits are outside of normal individual Disability income issue and participation limits. Coverage may be up to, but no more than, 100% replacement of Income from all sources, and the catastrophic benefit cannot exceed 40% of earned Income.

Minimum: \$250 per month.

Maximum: \$8,000 per month for catastrophic Coverage from all sources.

*Maximum issue amount sold through the Home Based Business Program is equal to one times (base + SIS).*

*See Special Limits Section for maximums available in conjunction with New Professionals, Medical and Dental Students special limits.*

**Discounts:** Discounts available follow the same guidelines as base Policy.

**Renewability:** This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Available on Base Policies:** Form 1410 sold with base Policy Form 1400 (gender-distinct)  
Form 1510 sold with base Policy Form 1500 (unisex)  
Form 1610 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Catastrophic Disability or Catastrophically Disabled:** “Catastrophic Disability or Catastrophically Disabled means that, due to Injury or Sickness, You are:

- Unable to perform two or more of the Activities of Daily Living without Human Standby Assistance; or
- Cognitively Impaired; or
- Irrecoverably Disabled.”

**Cost of Living Adjustment of the Catastrophic Disability Indemnity:** Since Catastrophic Disabilities are often permanent – or at least long-term – we specifically designed this rider to include an automatic annual compounded 3% increase adjustment to help benefits keep pace with inflation and provide greater income protection. When combined with the base policy benefit and other Disability Coverage, the Catastrophic Disability benefit may provide up to 100% income replacement.



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**DI PRODUCT AND INFORMATION MANUAL**  
*Individual Products – ProVider Plus (1400, 1500, 1600)*  
*Optional Benefits – Catastrophic Disability Benefit Rider*

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*Cost of Living Adjustment Example:*

At each Policy Anniversary of Disability, we will adjust the CAT benefit as follows:

CAT Review Year	CAT Benefit paid immediately prior to review date	Adjusted CAT Benefit*
1	\$6,000	\$6,180
2	\$6,180	\$6,370
3	\$6,370	\$6,570
4	\$6,570	\$6,770

\*Rounded up to the nearest tenth for illustration purposes.

Termination of the Catastrophic Disability Benefit:

“The Catastrophic Disability Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Catastrophically Disabled; or
- the Benefit Period ends; or
- this rider terminates.”

**State Product Variations:**

California: Unavailable

Connecticut: Unavailable

New Hampshire: Titled Catastrophic Limitation Benefit Rider

New Jersey: CAT rider amount cannot exceed the total of base + SIS.

Texas: Unavailable

<b>Example: Sample CAT Calculation</b>		
<b>The Facts</b>		
Annual income \$360,000, \$18,000 GLTD and \$5,000 DI, and \$4,000 in force catastrophic coverage.		
How much eligible CAT Rider can be applied for?		
<b>Steps</b>	<b>Process</b>	<b>Conclusion</b>
Step 1	Determine monthly income	$\$360,000 / 12 = \$30,000$
Step 2	Total of all in-force and applied-for disability coverage*, no discounts	$\$18,000 + \$5,000 = \$23,000$
Step 3	Subtract Step 2 from Step 1  This is the total CAT potentially available (before limit checks)	$\$30,000 - \$23,000 = \$7,000$
Step 4	Determine 40% gross income	$\$30,000 \times .4 = \$12,000$
Step 5	Verify CAT is equal to or less than 40% gross income (compare result from Step 3 to Step 4)	$\$7,000 < \$12,000$ Result = \$7,000 CAT amount is less than 40% of gross monthly income
Step 6	Verify CAT is within issue limits of \$250 and \$8,000	$\$7,000 > \$250 \Rightarrow$ CAT amount is greater than minimum issue limit  $\$7,000 < \$8,000 \Rightarrow$ CAT amount is less than maximum issue limit
Step 7	Subtract any in-force catastrophic coverage	$\$7,000 - \$4,000 = \$3,000$
<b>Conclusion</b>		
The maximum amount of eligible CAT Rider for this scenario is \$3,000		

\*Should include any IDI, Group, SIS



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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus (1400, 1500, 1600)

Optional Benefits – Cost of Living Adjustment Rider (COLA)

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**Cost of Living Adjustment Rider (COLA)**  
**(Rider Forms 1404, 1412, 1413, 1504, 1512, 1513, 1604, 1612, 1613)**

During a Disability, fixed-dollar benefits can't keep pace with inflation. A COLA rider will adjust benefits each year while your client remains Disabled and is eligible for benefits. COLA riders can be vital to maintaining your clients' standard of living during an extended Disability.

All three COLA riders have a guaranteed benefit adjustment of 3%, calculated on a compound-interest basis. Not only do these riders help ensure the monthly benefit keeps pace with inflation during a Disability, but if your client recovers and benefits are not being paid, any increases to the monthly benefit remain as part of the Policy's base benefit, with no additional premium until age 65 if the incremental Monthly Indemnity is at least \$200.\*

Rider variations are:

- 3% Compound - fixed interest compound rate
- 6% Maximum – CPI-U tied with a 6% compounding rate maximum and a 3% compounding rate minimum.
- Four-Year Delayed – 3% fixed interest compound rate, delayed until the fourth anniversary of the date on which the insured first became Disabled.

\*With all three COLA Riders available with ProVider Plus 2010, the incremental Coverage provided during the period of Disability can be maintained if the insured recovers prior to age 60 with no additional premium charge.

*“State Product Variations” Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Cost of Living Adjustment Rider (COLA)**

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Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy

*Unavailable with two-year Benefit Period. Five-year Benefit Period unavailable with Four-Year Delayed.*

Premiums: The Cost of Living Adjustment Rider adjusts the premiums to the base policy, Residual, Lump Sum and Graded Lifetime Indemnity benefits.

Rider Combination Availability: Unavailable with Two-Year Residual Disability Benefit rider

**Cost of Living Adjustment Riders – Sample Calculations**

Year	Without COLA Rider	6% Maximum*	3% Compound	Four-Year Delayed
1	\$90,000	\$90,000	\$90,000	\$90,000
2	\$120,000	\$127,200	\$123,600	\$120,000
3	\$120,000	\$134,832	\$127,308	\$120,000
4	\$120,000	\$142,922	\$131,127	\$120,000
5	\$120,000	\$151,497	\$135,061	\$123,600
10	\$120,000	\$202,737	\$156,573	\$143,286
15	\$120,000	\$271,308	\$181,511	\$166,108
20	\$120,000	\$363,072	\$210,421	\$192,565
<b>TOTAL BENEFIT</b>	<b>\$2,370,000</b>	<b>\$4,384,271</b>	<b>\$3,194,445</b>	<b>\$2,941,391</b>

Chart Assumptions: \$10,000 Monthly Benefit, 90-day Elimination Period, To Age 65 Benefit Period, Totally Disabled from age 45 to 65.

\*Assumes the CPI-U increases by 6% annually throughout entire period of disability.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected).

Available on Base Policies: Forms 1404, 1412 and 1413 sold with base Policy Form 1400 (gender-distinct)  
Forms 1504, 1512, and 1513 sold with base Policy Form 1500 (unisex)  
Forms 1604, 1612, and 1613 sold with base Policy Form 1600 (unisex)

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Cost of Living Adjustment Rider (COLA)**

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**3% Compound Cost of Living Adjustment Rider (COLA)**  
**(Rider Forms – 1404, 1504, 1604)**

On each anniversary of the insured's Disability, this rider adjusts the Monthly Indemnity, on a compounded basis, by a fixed interest rate of 3%.

**Benefit Provisions:** *Refer to specimen contract for complete details.*

**Adjusted Monthly Indemnity After the Expiration Date:** At the time your client first renews the Policy after the Expiration Date, he or she may choose one of the following amounts of Monthly Indemnity for any claim for Total Disability that begins after that date:

- the Monthly Indemnity shown in the schedule page; or
- the increased indemnity, if any, last created by this rider.

We will base the premium after the Expiration Date on the amount of Monthly Indemnity your client selects. He or she must meet all the conditions in the Policy for renewal after the Expiration Date.

**Termination of Cost of Living Adjustment** “We will adjust the Monthly Indemnity on each Review Date until the first of the following events occurs:

- benefits are no longer being paid under the Policy for Your Disability; or
- the Benefit Period ends; or
- this rider terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Cost of Living Adjustment Rider (COLA)**

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**6% Maximum Cost of Living Adjustment Rider (COLA)**  
**(Rider Forms – 1412, 1512, 1612)**

After your client has been Disabled for 12 months, we'll adjust his or her monthly benefit each year according to changes in the Consumer Price Index for Urban Consumers (CPI-U).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Cost of Living Adjustment:** Adjustments to the monthly benefit may vary from year to year as the CPI-U rises or falls in relation to the CPI-U for the Original Index Month (90 days before the insured was first disabled in the same claim). However, the adjustment will never be more than the amount we would pay if the CPI-U had risen each year by exactly 6% (the Maximum Increase Percent) or less than the amount we would pay if it had risen each year by exactly 3% (the Minimum Increase Percent).

**Adjusted Monthly Indemnity After the Expiration Date:** At the time your client first renews the Policy after the Expiration Date, he or she may choose one of the following amounts of Monthly Indemnity for any claim for Total Disability that begins after that date:

- the Monthly Indemnity shown in the schedule page; or
- the increased indemnity, if any, last created by this rider.

We will base the premium after the Expiration Date on the amount of Monthly Indemnity he or she selects. He or she must meet all the conditions in the Policy for renewal after the Expiration Date.

**Termination of Cost of Living Adjustment:** “We will adjust the Monthly Indemnity on each Review Date until the first of the following events occurs:

- benefits are no longer being paid under the Policy for Your Disability; or
- the Benefit Period ends; or
- this rider terminates.”



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Cost of Living Adjustment Rider (COLA)**

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**Four-Year Delayed Cost of Living Adjustment Rider (COLA)**  
**(Rider Forms – 1413, 1513, 1613)**

We'll increase the insured's monthly benefit each year by 3% compounded annually. Increases begin on the fourth anniversary of the date your client originally became Disabled.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Adjusted Monthly Indemnity After the Expiration Date:** At the time your client first renews the Policy after the Expiration Date, he or she may choose one of the following amounts of Monthly Indemnity for any claim for Total Disability that begins after that date:

- the Monthly Indemnity shown in the schedule page; or
- the increased indemnity, if any, last created by this rider.

We will base the premium after the Expiration Date on the amount of Monthly Indemnity he or she selects. He or she must meet all the conditions in the Policy for renewal after the Expiration Date.

**Termination of Cost of Living Adjustment:** “We will adjust the Monthly Indemnity on each Review Date until the first of the following events occurs:

- benefits are no longer being paid under the Policy for Your Disability; or
- the Benefit Period ends; or
- this rider terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider**

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**Social Insurance Substitute Rider (SIS) (Rider Forms – 1401, 1501, 1601)** This rider provides a monthly benefit that coordinates with payments received under Social Security and some other government programs. This rider is often purchased to reduce the total cost of Coverage, while helping to assure an adequate level of Disability protection.

*“State Product Variations” Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: 6/6M – 1/1M

*For classes 2/2M and 1/1M, SIS is required (where available) after the first \$500 of base monthly indemnity. The next \$1,500 will be composed of coverage issued under the SIS rider (offset by any other in-force SIS or GLTD coverage). Any additional coverage thereafter will be issued as base Monthly Indemnity to the stated maximum.*

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy, X55 and L60 unavailable.

Issue Limits: Minimum \$200 per policy  
Maximum \$1,500 per individual

Availability: Unavailable for insureds with group long-term disability Coverage in force.

Unavailable with the Graded Lifetime Indemnity For Total Disability and Lump Sum Disability Benefit riders.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: Expires at age 65, age 67 (if selected) or, if earlier, on the date the insured retires under the Social Security Act.

Available on Base Policies: Form 1401 sold with base Policy Form 1400 (gender-distinct)  
Form 1501 sold with base Policy Form 1500 (unisex)

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider**

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Form 1601 sold with base Policy Form 1600 (unisex)

**Premium and Renewal:** The premium for this rider is shown in the schedule page. You may not renew this rider after the Expiration Date of the policy.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**SIS Benefit Payment:** “While you are Disabled, We will adjust the Monthly Indemnity to include any Social Insurance Substitute Indemnity. The Social Insurance Substitute Indemnity is determined as follows:  
(excluding NJ and NY only)

- If You receive no Legislated Benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity.
- If You receive Legislated Benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity minus the Legislated Benefits You receive.
- If You receive Legislated Benefits that are equal to or greater than the Social Insurance Substitute Maximum Monthly Indemnity, the Social Insurance Substitute Indemnity is zero.

Any automatic increases in your Legislated Benefits during a Disability will not be included in the calculation of the Social Insurance Substitute Indemnity.

If the first payment of any Legislated Benefits includes a retroactive benefit, You do not have to refund any amounts We may have paid under this rider for the same period of Disability which that retroactive benefit covers.

If any payment of Legislated Benefits includes a lump sum payment, You must immediately notify us of such payment. The lump sum payment will be prorated on a monthly basis over the time period for which the payment was intended. If the time period to which the lump sum payment applies is not specified, We will make a reasonable determination as to the time period for which the payment may have been intended.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider**

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Eligibility for the  
Social Insurance  
Substitute Indemnity:  
(excluding NY)

“To be eligible for the Social Insurance Substitute Indemnity, You must be Disabled and You must give Us written proof that:

- You have applied in a proper and timely manner for Legislated Benefits for which You may be eligible;
- Your claim for Legislated Benefits has been approved, denied, or is still pending; and
- If denied, You are following every appeals process available to You.

Such proof must be provided to Us as often as We may reasonably require. It must include all correspondence between You and the appropriate office for the Legislated Benefits for which You are making claim, as well as any correspondence You have with Your employer.

If You have not provided written proof, We will deem the Social Insurance Substitute Indemnity to be zero.

If, after completing the appeals process, You are still denied Legislated Benefits, We can require You to reapply for them from time to time.”

SIS Benefit Payment:  
(NJ and NY only)

“While you are Disabled, We will adjust the Monthly Indemnity to include any Social Insurance Substitute Indemnity. The Social Insurance Substitute Indemnity is determined as follows:

- If You receive no Legislated Benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity.
- If You receive any Legislated Benefits, the Social Insurance Substitute Indemnity is zero.

If the first payment of any Legislated Benefits includes a retroactive benefit, You do not have to refund any amounts We may have paid under this rider for the same period of Disability which that retroactive benefit covers.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider**

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You must provide Us with written proof that:

- You have applied in a proper and timely manner for Legislated Benefits for which You may be eligible;
- Your claim for Legislated Benefits has been approved, denied, or is still pending; and
- If denied, You are following the appeals process available to You. (NJ)
- If denied, You are following the appeals process available to You, when reasonable to do so under the circumstances and without cost to You. (NY)

Such proof must be provided to Us as often as We may reasonably require. It must include all correspondence between You and the appropriate office for the Legislated Benefits for which You are making claim, as well as any correspondence You have with Your employer.

If You have not provided written proof, We will deem the Social Insurance Substitute Indemnity to be zero.

If, after completing the appeals process, You are still denied Legislated Benefits, We can require You to reapply for them from time to time. (NJ)

If, after completing the appeals process, You are still denied Legislated Benefits, We can require You to reapply for them from time to time, when reasonable to do so under the circumstances. We cannot require that You make any appeal that would cause You to incur legal fees.” (NY)

Termination:  
(*excluding NJ and NY*)

“The Social Insurance Substitute Indemnity ends on the date that the first of the following events occurs:

- The Benefit Period ends; or
- You are no longer Disabled; or
- The Expiration Date of the Policy.”

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**DI PRODUCT AND INFORMATION MANUAL*****Individual Products – ProVider Plus (1400, 1500, 1600)******Optional Benefits – Social Insurance Substitute Rider***

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Termination: “The Social Insurance Substitute Indemnity ends on the date  
(*NJ and NY only*) that the first of the following events occurs:

- You receive Legislated Benefits; or
- The Benefit Period ends; or
- You are no longer Disabled; or
- The Expiration Date of the Policy.”

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus (1400, 1500, 1600)*

*Optional Benefits – Unemployment Waiver of Premium Rider*

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**Unemployment Waiver of Premium Rider (Rider Forms – 1409, 1509, 1609)** This rider will help maintain Coverage during a period of unemployment. It will waive premiums for up to 12 months if your client becomes unemployed and receives unemployment compensation for at least 60 consecutive days – even if he or she returns to work. Best of all, the Coverage continues to protect the client during this 12-month period. If your client becomes unemployed again, we'll waive premiums again as long as 48 months have passed since the end of the previous unemployment period.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 55 (age last birthday)

Occupation Classes: 6/6M – 1/1M (where available)

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base Policy

Benefit Periods: Can be attached to base Policy with all available Benefit Periods.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider will expire and no further premium will be due at age 60 or, if earlier, on the date the option is exercised.

Available on Base Policies: Form 1409 sold with base Policy Form 1400 (gender-distinct)  
Form 1509 sold with base Policy Form 1500 (unisex)  
Form 1609 sold with base Policy Form 1600 (unisex)



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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus (1400, 1500, 1600)**Optional Benefits – Unemployment Waiver of Premium Rider*

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**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Conditions and Limitations: “To receive the Unemployment Waiver of Premium Benefit, You must satisfy all of the following conditions:

- You must notify Us in writing within 90 days of the date on which You become unemployed.
- You must provide Us with a determination letter from the state or federal agency responsible for administering unemployment benefits. This letter must indicate that You qualify for unemployment compensation.
- You must provide proof that You have been receiving such compensation for at least 60 consecutive days.

If You become Disabled while premiums are being waived by reason of unemployment, You will remain eligible for benefits under the terms and conditions of the Policy.”

*Unavailable for self-employed applicants and policies issued with a substandard rating.*

**State Product Variations:**

Connecticut: Unavailable

Maryland: Unavailable

Minnesota: Unavailable

New York: Unavailable

Tennessee: Unavailable



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus (1400, 1500, 1600)****Optional Benefits – Partial Disability Benefit Rider**

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**Partial Disability Benefit Rider (Rider Forms – 1407, 1507, 1607) (Titled Residual Disability Benefit Rider in CA)** This rider provides one-half of the monthly benefit for a Partial Disability caused by Injury or Sickness if, after a period of Total Disability that lasted for the duration of the Elimination Period, your client is able to perform one or more, but not all, of the material and substantial duties of his or her Occupation or unable to perform the material and substantial duties for more than one-half of the time normally required. This benefit is paid for a total of six months.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: 2/2M – 1/1M (where available)

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Six months. Can be attached to base Policy with Benefit Periods of 2 or 5 years.

Issue Limits: Same as base Policy

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65.

Available on Base Policies: Form 1407 sold with base Policy Form 1400 (gender-distinct)  
Form 1507 sold with base Policy Form 1500 (unisex)  
Form 1607 sold with base Policy Form 1600 (unisex)

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**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Partial Disability or Partially Disabled: “Partial Disability or Partially Disabled means that You are not Totally Disabled and:

- You are Gainfully Employed; and
- Solely due to Injury or Sickness:
  - You are able to perform one or more, but not all, of the material and substantial duties of Your Occupation; or
  - You are unable to perform the material and substantial duties of Your Occupation for more than one-half of the time normally required.”

Termination of Partial Indemnity: “The Partial Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Partially Disabled; or
- You have received Partial Indemnity for six months in the same claim; or
- the Benefit Period ends; or
- the Expiration Date; or
- You become Totally Disabled; or
- this rider terminates.”



**ProVider Plus  
Limited  
(1400, 1500, 1600)**

ProVider Plus Limited begins with our premium ProVider Plus base Policy and adds package-exclusive Policy configurations and optional riders to help you create a quality Disability insurance solution at a more affordable price. ProVider Plus Limited includes a 24-month limitation for Mental and/or Substance Related Disorders (where available) and a corresponding permanent Policy discount, plus the following package-exclusive riders: Basic Residual Disability Benefit, 3% Maximum Cost of Living Adjustment and Benefit Purchase.

Coverage is available under the ProVider Plus Limited package with the selection of either the Basic Residual Disability Benefit and/or the 3% Maximum Cost of Living Adjustment Riders. The 24-month limitation for Mental and/or Substance Related Disorders is included on all ProVider Plus Limited policies (except Vermont). A discount will be applied with this limitation (except in California and Florida).

Full Time employment (a minimum of 30 hours per week) is required.

Generally unavailable for clients whose net worth exceeds \$10 million.

Policy Form 1400 is available for individual sales, Associations, Student & Resident Discount Programs, and Professional Group Discount Programs.

Policy Form 1500 is available for Employer-Sponsored Qualified Sick Pay Plans (QSPP) only.

Policy Form 1600 is available for Employer-Sponsored Voluntary Insurance Programs (VIP) only.

**PRODUCT  
SPECIFICATIONS**

Definition of Total Disability: True Own Occupation  
Modified Own Occupation

Issue Ages: Level Premium Structure: 18 – 60\*  
Graded Premium Structure: 18 – 50

*Age is determined by age last birthday.*

*\*Maximum Issue Age for 10-year Benefit Period is 55. For plans with applicants over age 60, 50% of the applicants must be under age 60 and in Occupation Classes 6/6M – 3/3M.*

Classes of Risk: Preferred, Select, Standard

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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The Preferred Risk Class is 95% of the premiums of the Select Risk Class.  
The Standard Risk Class is 130% of the premiums of the Select Risk Class.

Please refer to the Preferred Premium Risk Class Underwriting Criteria chart located in the “Underwriting Guidelines” Section to see if your client meets the qualifications for the Preferred Class of Risk. If you are uncertain if your client meets these guidelines please contact the Underwriting Department for clarification or quote him/her as a Select Class of Risk.

*Preferred available to Issue Ages 18 – 60 and unavailable with substandard risks.*

Occupation Classes: 6, 5, 4, 3 (Non-medical occupations)

6M, 5M, 4M, 3M (Medical occupations)

Elimination Periods: 90, 180, 360\* days

An Elimination Period is the number of days that must elapse following the onset of Disability before benefits become payable. The shorter the Elimination Period chosen, the higher the premium will be. With ProVider Plus, different periods of Disability from the same – or a different – cause count toward the Elimination Period provided they occur within a specific Accumulation Period. See below chart for details:

Elimination Period	Accumulation Period
90 Days	210 Days
180 Days	360 Days
360 Days	540 Days

Any eligible benefits are paid monthly and in arrears. We pay 1/30 of the monthly benefit payable under the Policy for each day your client is eligible for benefits for less than a full month

*\*360-day Elimination Period is unavailable with a 2-year Benefit Period in some states. Refer to the “State Product Variations” section for complete combination availability details.*

Benefit Periods: To age 67, to age 65, 10 years\*, 5 years, 2 years

A Benefit Period refers to the maximum length of time your Policy will pay benefits for a continuous Disability from the same cause.

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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*Graded premium structure unavailable with a 2-year or 5-year Benefit Period.*

*To age 67 and to age 65 Benefit Periods are unavailable for clients whose net worth exceeds \$6 million.*

*\*Maximum Issue Age for 10-year Benefit Period is 55.*

Benefit Periods must meet the federal guidelines for nondiscrimination in employment because of age. Depending on the Benefit Period selected, one of the following tables will appear on the policy schedule page:

For a 2-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 75	24 Months
At or after age 75	12 Months

For a 5-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a 10-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 55	120 Months
At or after age 55, but before age 60	To Age 65
At or after age 60, but before age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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For a ‘To Age 65’ Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 65
At or after age 60, but before age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a ‘To Age 67’ Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 67
At or after age 60, but before age 61	84 Months
At or after age 61, but before age 62	72 Months
At or after age 62, but before age 63	60 Months
At or after age 63, but before age 64	48 Months
At or after age 64, but before age 65	36 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

Minimum Issue Limits: \$500\*  
\$200 for Benefit Purchase exercises.

The following are included in calculating minimum issue limit:

- Monthly Indemnity of the base Policy (minimum \$200) plus
- Monthly Indemnity of Social Insurance Substitute rider (if applicable) (minimum \$200)

*The minimum Policy size can be achieved with a combination of base and Social Insurance Substitute rider.*

*\*Amount applied for must always be a multiple of \$10.*

Maximum Issue Limits: Refer to the “Underwriting Guidelines” Section – Issue and Participation Limits chart.

Riders Available: Basic Residual Disability Benefit Rider  
Retirement Protection Plus Disability Benefit Rider  
Benefit Purchase Rider\*(*a no-charge rider available only at underwriter discretion*)  
Automatic Benefit Enhancement Rider (*a no-charge rider available only at underwriter discretion*)

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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Catastrophic Disability Benefit Rider  
Cost of Living Adjustment Rider (3% Maximum CPI)  
Social Insurance Substitute Rider  
Unemployment Waiver of Premium Rider

*Not all riders available together with all Benefit or Elimination Periods, or Issue Ages. Not all riders are available in every state. Refer to “ProVider Plus Limited Optional Benefits” Section for complete benefit descriptions.*

*\*This rider may only be issued if the Basic Residual Disability Benefit Rider is on the policy.*

Discounts: A Mental and/or Substance-Related Disorders Limitation is applied to all ProVider Plus Limited Policy Forms 1400, 1500 and 1600 (except Vermont; see Exclusions and Limitations section). The 24-month limitation includes a corresponding Mental and/or Substance-Related Disorders Limitation Discount (not available in California or Florida) that varies by benefit period as follows:

Benefit Period	Discount
To Age 65/67	10%
10 year	8%
5 Year	6%
2 Year	No discount

**Association Discount** – A permanent, 10%, policy-level discount for pre-approved associations. Available to all Policy Form 1400 business; and to Policy Form 1600 for FIO exercises when the original Policy was issued unisex.\*

**Employer-Sponsored Discount** – A permanent, 10%, policy-level discount for qualifying VIPs and QSPPs. Available to Policy Form 1400 for FIO exercises when the original policy was issued gender-distinct and insured is still part of an active employer sponsored plan, all QSPP business (1500) and all VIP business (1600).

**Professional Group Discount** – A permanent, 10% policy-level discount available to groups of 3 or more employees with no employer sponsorship requirement. Available to Policy Form 1400 only.\*

**Student and Resident Discount** – A permanent, 10%, policy-level discount for qualifying pre-approved endorsed groups. Available to Policy Form 1400 only.\*

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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Only one of the following discounts can be issued per policy: *Association; Student/Resident; Professional Group; and Employer-Sponsored*. Those discounts can be added to the Mental and/or Substance-Related Disorders Discount. The maximum discount that can be applied to any policy is 20%

*\*Policy Form 1600 in Montana*

Premiums: Policy Form 1400 - Gender-distinct rates  
Policy Form 1500 - Unisex rates  
Policy Form 1600 - Unisex rates

Premium Level, or Graded  
Structures:

Level – guaranteed level to age 65 or 67, whichever applies  
Graded – increases annually at guaranteed amounts until the Policy Anniversary following age 60

The Graded Premium structure is the perfect solution for your budget-conscious clients who may be starting off their career. Graded premiums start low and increase each year according to a guaranteed pre-determined schedule as your client's Income increases.

Available to applicants up to issue age 50 with Benefit Period to age 67, to age 65, or 10 years. Applicants have the right to convert from a graded to level premium structure on any Policy Anniversary through age 50 at attained-age premiums.

Annual Policy Fees:	\$1,000 and up	\$30
	\$500 - \$999	\$75
	BPR exercises	\$15

Modal Premiums:	<u>Premium Term</u>	<u>Guaranteed Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly (list billed)	0.085833
	GOM	0.083333

Substandard Premiums: Applied on a policy level basis to all coverage, before policy fee, to the **class of risk premium rates**. Increments are 25%, 50%, 75% or 100%.

Generally unavailable for clients whose net worth exceeds \$10 million.



**BASE POLICY FEATURES** *Refer to Specimen Contract for full details.*

**Total Disability or Totally Disabled – True Own Occupation:** “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation. You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able work in Your Occupation. Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

*Your Occupation* “Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.”

The definition of Your Occupation is further defined for medical and dental occupations in occupation classes 6M – 3M. See Specialty Language included for occupation Classes 6M-3M below.

This definition may be appealing to high Income earning professionals whose Occupations require a significant investment of time, money and education to achieve. Regardless of their ability to find Gainful Employment in any other occupation and earn an Income, these professionals place a high level of importance in protecting their investment with Own Occupation Disability Insurance. Our True Own Occupation Definition makes it possible for your client to work in another Occupation and still be eligible for his or her Total Disability Benefits.

**Specialty Language (included with occupation Classes 6M-3M)** “If You have limited Your Occupation to the performance of the material and substantial duties of a single medical specialty or to a single dental specialty, We will deem that specialty to be Your Occupation.”

**Total Disability or Totally Disabled – Modified Own Occupation:** “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed. Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

*Your Occupation* “Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.”



While some prospects may be interested in a True Own Occupation Definition of Total Disability to protect the investment they have made in their career, others want disability income protection solely to protect their ability to earn an Income. With a Modified Own Occupation Definition of Disability, if an insured *chooses* to find Gainful Employment in another Occupation, he or she would not be eligible for Total Disability Benefits, however he or she could be considered for benefits under any Residual Disability Benefit Rider attached to the policy.

- Presumptive Total Disability Benefit: We will consider your clients Totally Disabled, waive any unexpired part of the Elimination Period and start to accrue benefits based on the date they became Totally Disabled – even if they are Gainfully Employed – if a Sickness or Injury causes the total and complete loss of the sight in both eyes, hearing in both ears, speech, or the entire use of both hands, both feet, or one hand and one foot. With this benefit the Disability need not be irrecoverable. Monthly Indemnity will be paid for as long as your client’s Total Disability continues, but not longer than the Benefit Period.
- Recurrent Disability: If, after your client has recovered from a Disability, he or she becomes Disabled again resulting entirely or in part from the same cause as the previous Disability the later period of Disability will be considered a continuation of the prior period, so long as we paid benefits for the first claim and he/she has been working Full Time for no more than 12 months since the prior Disability ended. Their prior claim will resume and no new Elimination Period will be required.
- Concurrent Disability: We will pay benefits for a Concurrent Disability as if there were only one Injury or Sickness. The amount and duration of benefits will not be more than that for any one cause, even if your client is Disabled from more than one cause.
- Capital Sum Benefit: Our Capital Sum Benefit is paid in addition to any other benefits payable if, because of Sickness or Injury, your client has suffered the total loss of sight in one eye with no possibility of recovery or the complete loss of a hand or foot severed through or above the wrist or ankle. Your client must survive such a loss for 30 days. The benefit is equal to 12 times the Monthly Indemnity. No more than two Capital Sum Benefits are payable during the insured’s lifetime.



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## DI PRODUCT AND INFORMATION MANUAL

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- Waiver of Elimination Period: If the insured suffers a Disability that lasts more than six months and we pay benefits for that Disability, our unique Waiver of Elimination Period policy feature allows the Elimination Period to be waived for any subsequent Disability that occurs within five years of the end of the previous Disability—regardless of the cause.
- Transplant and Cosmetic Surgery: As an added built-in benefit we also consider the insured to be Totally Disabled as a result of Sickness if more than six months after the Effective Date the insured is Totally Disabled due to cosmetic or transplant surgery.
- Waiver of Premium Benefit: The last thing your client should have to worry about during a Disability is paying a Policy premium. So once the Elimination Period is satisfied we waive premiums during a period of Disability and continue waiving for six months after the claim ends. What’s more, we also reimburse for premiums he or she may have paid that apply to the period of Disability – even if paid prior to the Disability. We’ll continue to waive premiums for six months following the recovery, which makes getting back to work and restoring financial health the top priority.
- Occupational Rehabilitation Benefit: If the insured is Disabled, he or she may be eligible for Occupational Rehabilitation Benefits if he or she participates in a formal occupational rehabilitation program approved in advance by us to help him or her return to Gainful Employment in his or her Occupation. We will pay costs that are not otherwise covered by insurance, workers’ compensation, or any public fund or program.
- Modification and Access Benefit: While the insured is Disabled, he or she may also be eligible for the Modification and Access Benefit if a modification is appropriate and reasonable to help enable the insured to perform his or her job. We will reimburse your clients for the cost they incur for such a modification contingent on a signed written agreement with us.
- Renewability: Renewability provisions are among the most critical features of any disability income policy because they define your rights for keeping your Coverage in force. ProVider Plus is both Non-cancellable and Guaranteed Renewable to age 65 (or age 67 if this benefit period is selected) which offers the strongest premium and coverage guarantees available, which means as long as the premiums are paid on time, the Policy cannot be cancelled, premiums cannot be increased and policy provisions cannot be changed. Personal ownership of a Non-cancellable and Guaranteed Renewable Policy means it is portable, so an insured can take it with him or her even if he or she changes employers. Policies that are only Guaranteed Renewable cannot be cancelled, but premiums can be increased.



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ProVider Plus is also Conditionally Renewable for life after the Expiration Date as long as the insured is Gainfully Employed Full Time for at least 10 months each year and the premium is paid on time. The premium for the Conditionally Renewed Policy will be at our attained age rates.

The maximum Benefit Period after the Expiration Date is 24 months if the Disability begins after age 65, but before age 75; and, 12 months if the Disability begins at or after age 75.

The only Coverage that continues after the Expiration Date is Coverage for Total Disability (AMB continues during the conditional period). All other Coverages terminate.

Any Exclusions or Limitations applied to the base Policy contract prior to the Expiration Date will be applicable to the Policy during the period of Conditional Renewability after the Expiration Date.

**Exclusions and Limitations:**     *Refer to Specimen Contract for complete details.*

- Exclusions:     “We will not pay benefits for any Disability:
- caused by, contributed to, or which results from military training, military action, military conflict or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
  - during any period of time in which You are incarcerated;
  - caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
  - caused by, contributed to, or which results from Your being engaged in an illegal occupation;
  - caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
  - caused by, contributed to, or which results from an intentionally self-inflicted injury;
  - during the first three months of Disability or the Elimination Period, if longer, that is caused by, contributed to, or which results from normal pregnancy or childbirth; or
  - due to any loss We have excluded by name or specific description.”

Limitation While Outside the United States or Canada:     The insured must be living full time in the 50 United States of America, the District of Columbia or Canada in order to receive benefits under the Policy. This does not include incidental travel or vacation that lasts less than 60 days in a 12-month period. If benefits were not being paid due to this limitation

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**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

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and your client returns to the above mentioned locations, he/she may become eligible, if he/she satisfies all the terms and conditions of the Policy, to resume receiving benefits under the Policy.

- Pre-existing Condition Limitation:** Benefits will not be paid for any loss that begins in the first two years after the Effective Date from a Pre-existing Condition. As a producer it is very important to understand your client’s medical history in order to set underwriting, issue and policy expectations.
- Mental and/or Substance-Related Disorders Limitation (excluding VT):** Benefits for Mental and/or Substance-Related Disorders will be paid for no longer than 24 months over the lifetime of the Policy. A Mental and/or Substance-Related Discount will also be applied to all policies. Policies issued in California and Florida will receive the limitation but will not be eligible for the discount. All occupations (including Emergency Room Physicians, Anesthesiologists, Anesthetists, Nurse Anesthetists or Pain Management Physicians) will require the limitation and will receive the discount.
- After the 24 months, benefits will be paid if the insured is continuously confined in a Hospital for treatment of a Disability due to the Mental and/or Substance-Related Disorder and he or she is under the regular medical care of a Physician. We will not pay benefits for any Disability due to a Mental and/or Substance-Related Disorder that has been excluded by name or specific description on the Policy.
- State Product Variations:** *Product not available in all states; refer to “State Product Variations” Section to determine appropriate product series and product variations.*



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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)**Optional Benefits – Basic Residual Disability Benefit Rider*

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**Basic Residual Disability Benefit Rider (Rider Forms – 1417, 1517, 1617)** Sometimes a Sickness or Injury doesn't cause a Total Disability but limits your client's ability to work, which can result in decreased Income. Or, your client might suffer a Total Disability and return to work, but not at his/her pre-disability earnings. The benefits paid under the Basic Residual Disability Benefit Rider can help offset an insured's Disability related lost earnings.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base policy

Benefit Periods: Same as base policy

Discounts: Discounts available follow the same guidelines as base policy.

Renewability: This rider is non-cancellable and guaranteed renewable to age 65 or 67 (if selected).

Available on Base Policies: Form 1417 sold with base policy Form 1400 (gender-distinct)  
Form 1517 sold with base policy Form 1500 (unisex)  
Form 1617 sold with base policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Residual Disability or Residually Disabled: "Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial

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*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Basic Residual Disability Benefit Rider*

duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

Basic Residual Disability Benefit – Residual Indemnity:

Benefits are payable in proportion to the Loss of Income for up to the Policy Benefit Period.

**Residual Indemnity Scenario:**

ProVider Plus Limited Policy with \$10,000 of Monthly Indemnity and the Basic Residual Disability Benefit Rider is included. Prior Income of \$300,000 per year (\$25,000 per month)

Residual Indemnity = [Loss of Income]/[Prior Income]X[Monthly Indemnity]

Month of Claim	Loss of Income Percentage	Actual Loss of Income in Month	Residual Indemnity
1	40%	\$10,000	\$5,000*
2	40%	\$10,000	\$5,000*
3	35%	\$8,750	\$5,000*
4	30%	\$7,500	\$5,000*
5	25%	\$6,250	\$5,000*
6	25%	\$6,250	\$5,000*
7	20%	\$5,000	\$2,000
8	20%	\$5,000	\$2,000
9	20%	\$5,000	\$2,000
10	20%	\$5,000	\$2,000
11	15%	\$3,750	\$0
12	15%	\$3,750	\$0

*Chart Assumptions – The insured has no other individual DI Coverage in force. Insured is determined to be Residually Disabled, he/she has satisfied the Elimination Period, continues to suffer a Loss of Income due to Injury or Sickness as illustrated, and the income loss is due solely to the Injury or Sickness that caused the Disability.*

Enhancements to Residual Indemnity:

\*During the first six months in which Residual Indemnity is payable, we will deem the Loss of Income to be 50% of Prior Income or the actual percentage of loss, if greater. We will also consider any Loss of Income of more than 75% of Prior Income to be 100%.



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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Basic Residual Disability Benefit Rider*

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Adjustment of Prior Income and Prior Business Expenses    On the first anniversary of Disability, and each anniversary thereafter while the insured remains Disabled, we will adjust Prior Income and Prior Business Expenses to reflect any changes in the cost of living since the claim began. This allows your client’s Residual benefits to keep pace with inflation.

Recovery:    A recovery from Disability with no restrictions or limitations could occur at any time. Should the insured continue to suffer at least a 20% Loss of Income solely due to Sickness or Injury – even after he or she has physically recovered and returned to work Full Time, we pay a Recovery Benefit for up to the full Benefit Period. The Recovery Benefit payable will be in proportion to the Loss of Income.

Termination of the Recovery Benefit:    “Recovery Benefit will no longer be payable on the date that the first of the following events occurs:

- You become Disabled; or
- You are no longer Gainfully Employed Full Time; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Disability; or
- Your Loss of Income is less than 20% of Your Prior Income; or
- The Benefit Period ends; or
- This rider terminates.”

Termination of the Basic Residual Disability:    “Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
- You become Totally Disabled; or
- The Benefit Period ends; or
- This rider terminates.”



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Retirement Protection Plus (RPP) Disability Benefit Rider**

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**Retirement Protection Plus (RPP) Disability Benefit Rider (Rider Forms – 1415, 1515, 1615)** This Coverage helps ensure your client’s ability to save for retirement in the event he or she becomes Totally Disabled and is not working. Once eligible for benefits, a monthly benefit insuring up to 100% of your client’s retirement contributions, including any employer-matching contributions, will be paid into a Trust established by the insured. The Trustee invests benefits at the insured’s direction. It is also available as a stand-alone policy.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Rider Definition of Total Disability: Modified Own Occupation

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: 180 or 360 days

The rider Elimination Period cannot be shorter than the base Policy Elimination Period.

Benefit Periods: To age 65 (can be attached to base Policy with a to age 65 or to age 67 Benefit Period).

Issue Limits: Minimum: \$500

Maximum:

The maximum benefit amount that we issue is based upon the limitation for defined contribution plans set by the Internal Revenue Service (IRS) under Section 415(c)(1)(a) each year.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Retirement Protection Plus (RPP) Disability Benefit Rider**

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<b>Issue Age</b>	<b>Premium Payor</b>	<b>% of Contributions</b>	<b>Maximum Issue Limit**</b>
18 – 49	Employee	100%	\$4,170
50*– 60	Employee	100%	\$4,630
18– 49	Employer	133%	\$4,170
50*– 60	Employer	133%	\$4,630

\* Graded premium structure available through age 50 only.

\*\* For applicants whose current in-force Coverage exceeds current I & P limits, the maximum benefit is reduced by the amount of over insurance less \$500.

Please note, for determination of overinsurance for RPP only, the normal maximum issue limit cap for physicians and dentists in classes 6/6M, 5/5M, and 4/4M is not applicable.

Higher amounts may be considered on a case-by-case basis.

Rider Combination Availability: Unavailable if any in-force or applied-for lifetime benefits exist with any company.

Underwriting Requirements: All normal medical and financial underwriting requirements apply.

The amount of contributions (up to 15% of annual earned income, 19% when employer-paid) can be applied for without actual proof of retirement contributions or proof of existence of a qualified plan. This requires a “yes” response to the application question “Do you participate in a qualified plan?” and that all required details be supplied.

Investment Options: Berkshire Bank will act as the investment manager based on an investment allocation program that it will develop in consultation with the insured, or allow the insured to manage his/her own investments, selecting *any* marketing security or mutual fund.

For Trust balances under \$100,000, your client can select from one of over 200 mutual funds from Federated Investors from the equity or fixed income categories. When the balance of the Trust reaches \$100,000, Berkshire Bank (the trustee) assigns a senior investment officer to personally manage the Trust according to the claimant's investment objectives and provides full access to the capital markets.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Retirement Protection Plus (RPP) Disability Benefit Rider*

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Discounts: Discounts available follow the same guidelines as base policy.

Renewability: This rider is non-cancellable and guaranteed renewable to age 65.

Available on Base Policies: Form 1415 sold with base Policy Form 1400 (gender-distinct)  
Form 1515 sold with base Policy Form 1500 (unisex)  
Form 1615 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Total Disability or Totally Disabled: “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

Termination of the RPP Benefit: “The RPP Monthly Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Totally Disabled; or
- You become Gainfully Employed; or
- the Benefit Period ends; or
- You attain Age 65; or
- this rider terminates.”

### **State Product Variations:**

New Jersey: Unavailable



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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus Limited (1400, 1500, 1600)

Optional Benefits – Benefit Purchase Rider

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**Benefit Purchase Rider (BPR)**  
**(Rider Forms – 1419, 1519, 1619)** This no-charge rider provides the opportunity for insureds to purchase additional Coverage, in the form of a separate Policy to help keep pace with rising Income without having to provide evidence of good health.

Financial underwriting is required to determine the maximum amount of Coverage available, if any, based on our underwriting rules in effect. The added insurance is called an Increase Policy. This rider can only be issued as part of the policy in combination with the Basic Residual Disability Benefit Rider.

The insured will have the opportunity to purchase an Increase Policy during the Benefit Purchase Period of 30 days prior to and 30 days following the Review Date (every third Policy Anniversary while this rider is in effect). Berkshire will review the insured's eligibility for an Increase Policy during this time. To keep this rider in force, the insured must a) submit an application for an Increase Policy and other evidence of insurability during the Benefit Purchase Period, and b) accept least 50% of any offer made by Berkshire.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 50 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base policy

Benefit Periods: Same as base policy.

Discounts: Discounts available follow the same guidelines as base policy.

Issue Limits: There is no benefit amount associated with this rider. The benefit for an Increase Policy is determined at time of option.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Benefit Purchase Rider*

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Only available to insureds who purchase at least 75% of the Monthly Indemnity they are eligible for at time of policy issue. (policy cannot be rated)

The minimum offer Berkshire will make is \$400. If the insured is eligible for less than \$400, we will deem him or her ineligible for an increase. The rider will remain in force until the next review date.

Renewability: The expiry date of this rider is the policy anniversary following age 55.

Available on Base Policies: Form 1419 sold with base Policy Form 1400 (gender-distinct)  
Form 1519 sold with base Policy Form 1500 (unisex)  
Form 1619 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details*

Benefit Purchase Period: The 61-day period beginning 30 days immediately before the Review Date and ending 30 days immediately following the Review Date.

Review Date: Review Date means the third Policy Anniversary and every third Policy Anniversary thereafter while this rider is in effect.

Benefit Purchase Offer: On each Review Date, we will review the insured's eligibility for an Increase Policy. To keep this rider in effect and to determine eligibility for an Increase Policy, we will require an application and other evidence that demonstrates insurability under our then-current underwriting guidelines, except that the insured does not have to provide evidence of medical insurability. We must receive the application and other evidence required during the Benefit Purchase Period.

Evidence of insurability will include documentation of Income, Occupation, employment and all other Disability insurance with any insurer that is in force, which the insured has applied for, or for which the insured is eligible, and additional evidence of financial insurability, as necessary.

Our offer for an Increase Policy will be the maximum amount of additional Monthly Indemnity available to the insured, if any, based on the information received and the then-current underwriting guidelines. If an offer is not made because the insured is not financially eligible, the rider will remain in force.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Benefit Purchase Rider*

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*Special Exception:* If the insured does not accept at least 50% of the benefit offered we will issue the BRP exercise amount, but this rider will terminate. An exception is made for those who are enrolled in a full-time professional training program; we will not require them to accept an offer. Proof of enrollment must be provided.

Special Benefit Purchase Option Offer: The insured may be eligible to apply for an Increase Policy one time between each Review Date if the insured meets at least one of the following conditions:

- 90 days after the date the insured is no longer eligible to participate in the insured's employer's group long term disability (LTD) plan; or
- 90 days after a group LTD plan under which the insured was covered ends and has not been converted or replaced; or
- 90 days after the insured has had at least a 50% increase in Income during the first three years after the Effective Date of the Policy, or since the last Review Date.

An offer for an Increase Policy may be available if the insured notifies us by submitting an application and evidence that demonstrates that the insured is insurable under then-current underwriting guidelines. The insured does not have to provide evidence of medical insurability. Exercising the Special Benefit date does not forfeit the next option at the three-year anniversary.

Conditions and Limitations: "Any offer for an Increase Policy is subject to the following conditions and limitations

- The Increase Policy will be issued on a separate policy form then in use on a regular basis in the place where You live.
- The Increase Policy may not include the same provisions, benefits or riders as the Policy to which this rider is attached.
- The Increase Policy cannot have a shorter Elimination Period or a longer Benefit Period than the Policy to which this rider is attached.
- We will not issue an Increase Policy with less than \$200 of Monthly Indemnity.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Benefit Purchase Rider*

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- The premium for each Increase Policy will be based on the rates in effect on the date of issue of the Increase Policy. The premium will be based on the following factors:
  - the Monthly Indemnity of the Increase Policy; and
  - Your Age on the date of issue of the Increase Policy; and
  - The Class of Risk of the Policy to which this rider is attached; and
  - Your Occupation Class on the date of issue of the Increase Policy; and
  - Any special class rating that applies to the Policy to which this rider is attached; and
  - The policy form of the Increase Policy; and
  - Any rider that is attached to the Increase Policy that adjusts or determines a benefit based upon Monthly Indemnity.
- Conditions that are excluded by name or specific description under the terms of the Policy to which this rider is attached will be excluded under the Increase Policy.
- In order for an Increase Policy to become effective, We must receive the first premium.”

Termination: “This rider terminates when the first of the following events occurs:

- An application for an Increase Policy and required evidence of insurability is not received during the Benefit Purchase Period; or
- Less than 50% of Our offer for an Increase Policy is accepted; or
- The initial premium for any Increase Policy is not paid; or
- The date of Your written request to reduce the Monthly Indemnity of the Policy to which this rider is attached; or
- The date of Your written request to terminate this rider; or
- You attain Age 55; or
- The Policy terminates.”

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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus Limited (1400, 1500, 1600)

Optional Benefits – Automatic Benefit Enhancement Rider (ABE)

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**Automatic Benefit Enhancement Rider (ABE)**  
**(Rider Forms – 1406, 1506, 1606)**

This convenient, no-cost rider helps keep your Disability insurance benefit aligned with normal, annual Income increases your client might experience when healthy. It is applied automatically to eligible policies at Underwriter discretion and provides an annual 4% benefit increase each year for six years with no proof of income required.

Each increase will include corresponding attained age premiums. Rider eligibility will be determined at the time of underwriting. The Automatic Increases apply to the base Policy, Cost of Living Adjustment and Residual. Increases can be refused by written request or nonpayment of increase premium.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 50 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base policy

Benefit Periods: Same as base policy, X55 and L60 unavailable.

Issue Limits: Only available with a policy size of \$1,000 or more.

The total assumed acceptances of 4% compounded for the first six policy years plus in-force coverage (including in-force Automatic Increases and excluding AMB and SIS) and Future Increase Option(s) cannot exceed the issue and participation limits for that occupation classification.

Rider Review Date: The sixth Policy Anniversary and every sixth Policy Anniversary thereafter while this rider is in force.

Discounts: Discounts available follow the same guidelines as base Policy.  
Renewability: Renewable to age 60, subject to underwriting at each six-year



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Automatic Benefit Enhancement Rider (ABE)**

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interval.

Available on Base Policies: Form 1406 sold with base Policy Form 1400 (gender-distinct)  
Form 1506 sold with base Policy Form 1500 (unisex)  
Form 1606 sold with base Policy Form 1600 (unisex)

Policy Year (Assumes Client is not disabled)	Benefit without the ABE rider increases	Benefit with the ABE rider increases*
1	\$10,000	\$10,000
2	\$10,000	\$10,400
3	\$10,000	\$10,820
4	\$10,000	\$11,250
5	\$10,000	\$11,700
6	\$10,000	\$12,170

\*Rounded up to the nearest tenth.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Rider Renewal: After a Rider Review Date and before the next Policy Anniversary, you may submit an application to renew this rider for the smallest of:

- another six Automatic Increases; or
- the number of Automatic Increases between your attained age and age 60; or
- the number of Automatic Increases that will not cause the Monthly Indemnity to exceed the maximum amount of allowable Monthly Indemnity available to you based on our underwriting rules in effect at the time you apply for rider renewal.

If you apply to renew this rider, you must provide evidence of your medical insurability, Income, Occupation, employment and other insurance in force, applied for, or for which you are eligible. We may require additional evidence of financial insurability to renew this rider.

Your application to renew this rider will be underwritten in accordance with our underwriting guidelines in effect at the time you apply for renewal to determine if you are eligible to renew this rider.

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## **DI PRODUCT AND INFORMATION MANUAL**

***Individual Products – ProVider Plus Limited (1400, 1500, 1600)***

***Optional Benefits – Automatic Benefit Enhancement Rider (ABE)***

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If benefits have been paid by us under the Policy, you are not eligible to renew this rider.

Termination of the Automatic Benefit Enhancement:

“This rider will terminate on the date when the first of the following events occurs:

- We do not renew this rider; or
- You attain Age 60; or
- The date of Your refusal of a second consecutive Automatic Increase; or
- Any date on which Your Monthly Indemnity equals or exceeds the maximum amount of allowable Monthly Indemnity available to You based on Our underwriting guidelines in effect as of the Effective Date of the Policy or the last Rider Review Date, whichever is later; or
- On a Rider Review Date if You are Disabled; or
- On a Rider Review Date during a Suspension Period; or
- On the date the Policy terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Catastrophic Disability Benefit (CAT) Rider**

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**Catastrophic Disability Benefit (CAT) Rider (Rider Forms – 1410, 1510, 1610)** The most severe disabilities can overwhelm the income protection designed to cover regular living expenses. Catastrophic Disability benefits address this risk.

Catastrophic Disability means the insured is unable to perform two or more Activities of Daily Living (Bathing, Contenance, Dressing, Eating/feeding, Toileting and Transferring), has a severe Cognitive Impairment, or an irrecoverable loss of speech, sight, hearing, the use of both hands, both feet, or a combination thereof. Catastrophic benefits are payable above and beyond coverage for total or residual benefits.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: The Elimination Period is specific to the CAT rider.

Elimination Period must be the same duration as the base Policy Elimination Period.

While the Elimination Period for this rider is the same duration as the Elimination Period for the base Policy, it must be satisfied independent of the base Policy Elimination Period.

The insured must be Catastrophically Disabled to satisfy the Elimination Period for this rider.

The Elimination Period must be satisfied within the Accumulation Period that is specific to the CAT rider.

The unexpired part of the Elimination Period will be waived if the insured becomes irrecoverably disabled.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Catastrophic Disability Benefit (CAT) Rider**

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Benefit Periods:	Specific to the CAT Rider; must be the same length of time as the Benefit Period for the base Policy.
Issue Limits:	Issue limits are outside of normal individual disability income issue and participation limits. Coverage may be up to, but no more than 100% replacement of income from all sources, and the catastrophic benefit cannot exceed 40% of earned income.  Minimum: \$250 per month.  Maximum: \$8,000 per month for catastrophic coverage from all sources.  <i>Maximum issue amount sold through the Home Based Business Program is equal to one times (base + SIS).</i>  <i>See Special Limits Section for maximums available in conjunction with New Professionals, Medical and Dental Students special limits.</i>
Discounts:	Discounts available follow the same guidelines as base policy.
Renewability:	This rider is non-cancellable and guaranteed renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).
Available on Base Policies:	Form 1410 sold with base Policy Form 1400 (gender-distinct) Form 1510 sold with base Policy Form 1500 (unisex) Form 1610 sold with base Policy Form 1600 (unisex)
<b>Benefit Provisions:</b>	<b><i>Refer to Specimen Contract for complete details.</i></b>
Catastrophic Disability or Catastrophically Disabled:	“Catastrophic Disability or Catastrophically Disabled means that, due to Injury or Sickness, You are: <ul style="list-style-type: none"><li>• Unable to perform two or more of the Activities of Daily Living without Human Standby Assistance; or</li><li>• Cognitively Impaired; or</li><li>• Irrecoverably Disabled.”</li></ul>
Cost of Living Adjustment of the Catastrophic Disability Indemnity:	Since Catastrophic Disabilities are often permanent – or at least long term – we specifically designed this rider to include an automatic annual compounded 3% increase adjustment to help benefits keep pace with inflation and provide greater income protection. When combined with the base policy



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Catastrophic Disability Benefit (CAT) Rider**

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benefit and other Disability Coverage, the Catastrophic Disability benefit may provide up to 100% income replacement.

*Cost of Living Adjustment Example:*

At each Policy Anniversary of Disability, we will adjust the CAT benefit as follows:

CAT Review Year	CAT Benefit paid immediately prior to review date	Adjusted CAT Benefit*
1	\$6,000	\$6,180
2	\$6,180	\$6,370
3	\$6,370	\$6,570
4	\$6,570	\$6,770

\*Rounded up to the nearest tenth for illustration purposes.

Termination of the Catastrophic Disability Benefit:

“The Catastrophic Disability Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Catastrophically Disabled; or
- the Benefit Period ends; or
- this rider terminates.”

**State Product Variations:**

California: Unavailable

Connecticut: Unavailable

New Hampshire: Titled Catastrophic Limitation Benefit Rider

New Jersey: CAT rider amount cannot exceed the total of base + SIS.

Texas: Unavailable

**DI PRODUCT AND INFORMATION MANUAL***Individual Products – ProVider Plus Limited (1400, 1500, 1600)**Optional Benefits – Catastrophic Disability Benefit (CAT) Rider*

<b>Example: Sample CAT Calculation</b>		
<b>The Facts</b>		
Annual income \$360,000, \$18,000 GLTD and \$5,000 DI, and \$4,000 in-force catastrophic coverage.		
How much eligible CAT Rider can be applied for?		
<b>Steps</b>	<b>Process</b>	<b>Conclusion</b>
Step 1	Determine monthly income	$\$360,000 / 12 = \$30,000$
Step 2	Total of all in-force and applied-for disability coverage*, no discounts	$\$18,000 + \$5,000 = \$23,000$
Step 3	Subtract Step 2 from Step 1  This is the total CAT potentially available (before limit checks)	$\$30,000 - \$23,000 = \$7,000$
Step 4	Determine 40% gross income	$\$30,000 \times .4 = \$12,000$
Step 5	Verify CAT is equal to or less than 40% gross income (compare result from Step 3 to Step 4)	$\$7,000 < \$12,000$ Result = \$7,000 CAT amount is less than 40% of gross monthly income
Step 6	Verify CAT is within issue limits of \$250 and \$8,000	$\$7,000 > \$250 \Rightarrow$ CAT amount is greater than minimum issue limit  $\$7,000 < \$8,000 \Rightarrow$ CAT amount is less than maximum issue limit
Step 7	Subtract any in-force catastrophic coverage	$\$7,000 - \$4,000 = \$3,000$
<b>Conclusion</b>		
The maximum amount of eligible CAT Rider for this scenario is \$3,000		

\*Should include any IDI, Group, SIS

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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus Limited (1400, 1500, 1600)

Optional Benefits – Cost of Living Adjustment Rider (COLA)

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**3% Maximum Cost of Living Adjustment Rider (COLA) (Rider Forms 1418, 1518, 1618)** During a Disability, fixed-dollar benefits can't keep pace with inflation. A COLA rider will adjust benefits each year while your client remains Disabled and is eligible for benefits. A COLA rider can be vital to maintaining your clients' standard of living during an extended Disability.

The adjustment factor is based on the change in CPI-U for the prior 12 months and the maximum rate is 3%. Not only does this feature help ensure the monthly benefit keeps pace with inflation during a Disability, but if your client recovers and benefits are not being paid, any increases to the monthly benefit remain as part of the policy's base benefit, with no additional premium until age 65 if the incremental Monthly Indemnity is at least \$200.

*Product provisions and features may vary by state; refer to "State Product Variations" Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

*Five-year benefit period unavailable with Graded.*

Elimination Periods: Same as base policy

Benefit Periods: Same as base policy

*Unavailable with two-year benefit period.*

Premiums: Cost of Living Adjustment premiums apply to base policy and Residual.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider is non-cancellable and guaranteed renewable to age 65 or 67 (if selected).

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Cost of Living Adjustment Rider (COLA)*

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Available on Base Policies: Form 1418 sold with base Policy Form 1400 (gender-distinct)  
Form 1518 sold with base Policy Form 1500 (unisex)  
Form 1618 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to specimen contract for complete details.*

Adjusted Monthly Indemnity After the Expiration Date: At the time the insured first renews the policy after the Expiration Date, the insured may choose one of the following amounts of Monthly Indemnity for any claim for Total Disability that begins after that date:

- the Monthly Indemnity shown in the schedule page; or
- the increased indemnity, if any, last created by this rider.

We will base the insured's premium after the Expiration Date on the amount of Monthly Indemnity the insured selects. The insured must meet all the conditions in the Policy for renewal after the Expiration Date.

Termination of Cost of Living Adjustment “We will adjust the Monthly Indemnity on each Review Date until the first of the following events occurs:

- You are no longer Disabled; or
- the Benefit Period ends; or
- this rider terminates.”



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider (SIS)**

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**Social Insurance Substitute Rider (SIS) (Rider Forms – 1401, 1501, 1601)** This rider provides a monthly benefit that coordinates with payments received under Social Security and some other government programs. This rider is often purchased to reduce the total cost of Coverage, while helping to assure an adequate level of Disability protection.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: 6/6M – 1/1M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base policy

Benefit Periods: Same as base policy, X55 and L60 unavailable.

Issue Limits: Minimum \$200 per policy  
Maximum \$1,500 per individual

Availability: Unavailable for insureds with group long term disability coverage in force.

Discounts: Discounts available follow the same guidelines as base policy.

Renewability: Expires at age 65, age 67 (if selected) or, if earlier, on the date the insured retires under the Social Security Act.

Available on Base Policies: Form 1401 sold with Base Policy Form 1400 (gender-distinct)  
Form 1501 sold with Base Policy Form 1500 (unisex)  
Form 1601 sold with Base Policy Form 1600 (unisex)

Premium and Renewal: The premium for this rider is shown in the schedule page. You may not renew this rider after the Expiration Date of the policy.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

SIS Benefit Payment: *(excluding NJ and NY only)* “While you are disabled, We will adjust the Monthly Indemnity to include any Social Insurance Substitute Indemnity. The Social Insurance Substitute Indemnity is determined as follows:

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Social Insurance Substitute Rider (SIS)*

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- If You receive no legislated benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity.
- If You receive legislated benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity minus the legislated benefits You receive.
- If You receive legislated benefits that are equal to or greater than the Social Insurance Substitute Maximum Monthly Indemnity, the Social Insurance Substitute Indemnity is zero.

Any Automatic Increases in Your legislated benefits during a Disability will not be included in the calculation of the Social Insurance Substitute Indemnity.

If the first payment of any legislated benefits includes a retroactive benefit, You do not have to refund any amounts We may have paid under this rider for the same period of disability which that retroactive benefit covers.

If any payment of legislated benefits includes a lump sum payment, You must immediately notify us of such payment. The lump sum payment will be prorated on a monthly basis over the time period for which the payment was intended. If the time period to which the lump sum payment applies is not specified, We will make a reasonable determination as to the time period for which the payment may have been intended.”

Eligibility for the  
Social Insurance  
Substitute Indemnity:  
*(excluding NY)*

“To be eligible for the Social Insurance Substitute Indemnity, You must be Disabled and You must give Us written proof that:

- You have applied in a proper and timely manner for legislated benefits for which You may be eligible;
- Your claim for legislated benefits has been approved, denied, or is still pending; and
- If denied, You are following every appeals process available to You.

Such proof must be provided to Us as often as We may reasonably require. It must include all correspondence between You and the appropriate office for the legislated

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Social Insurance Substitute Rider (SIS)*

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benefits for which You are making claim, as well as any correspondence You have with Your employer.

If You have not provided written proof, We will deem the Social Insurance Substitute Indemnity to be zero.

If, after completing the appeals process, You are still denied legislated benefits, We can require You to reapply for them from time to time.”

SIS Benefit Payment:  
*(NJ and NY only)*

“While you are Disabled, We will adjust the Monthly Indemnity to include any Social Insurance Substitute Indemnity. The Social Insurance Substitute Indemnity is determined as follows:

- If You receive no Legislated Benefits, the Social Insurance Substitute Indemnity is the Social Insurance Substitute Maximum Monthly Indemnity.
- If You receive any Legislated Benefits, the Social Insurance Substitute Indemnity is zero.

If the first payment of any Legislated Benefits includes a retroactive benefit, You do not have to refund any amounts We may have paid under this rider for the same period of Disability which that retroactive benefit covers.

You must provide Us with written proof that:

- You have applied in a proper and timely manner for Legislated Benefits for which You may be eligible;
- Your claim for Legislated Benefits has been approved, denied, or is still pending; and
- If denied, You are following the appeals process available to You. (NJ)
- If denied, You are following the appeals process available to You, when reasonable to do so under the circumstances and without cost to you. (NY)

Such proof must be provided to Us as often as We may reasonably require. It must include all correspondence between You and the appropriate office for the Legislated Benefits for which You are making claim, as well as any

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – ProVider Plus Limited (1400, 1500, 1600)****Optional Benefits – Social Insurance Substitute Rider (SIS)**

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correspondence You have with Your employer.

If You have not provided written proof, We will deem the Social Insurance Substitute Indemnity to be zero.

If, after completing the appeals process, You are still denied Legislated Benefits, We can require You to reapply for them from time to time. (NJ)

If, after completing the appeals process, You are still denied Legislated Benefits, We can require You to reapply for them from time to time, when reasonable to do so under the circumstances. We cannot require that you make any appeal that would cause you to incur legal fees.” (NY)

Termination:  
*(excluding NJ and NY)*

“The Social Insurance Substitute Indemnity ends on the date that the first of the following events occurs:

- The Benefit Period ends; or
- You are no longer Disabled; or
- the Expiration Date of the Policy.”

Termination:  
*(NJ and NY only)*

“The Social Insurance Substitute Indemnity ends on the date that the first of the following events occurs:

- You receive Legislated Benefits; or
- The Benefit Period ends; or
- You are no longer Disabled; or
- The Expiration Date of the Policy.”

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## DI PRODUCT AND INFORMATION MANUAL

Individual Products – ProVider Plus Limited (1400, 1500, 1600)

Optional Benefits – Unemployment Waiver of Premium Rider

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**Unemployment Waiver of Premium Rider (Rider Forms – 1409, 1509, 1609)** This rider will help maintain Coverage during a period of unemployment. It will waive premiums for up to 12 months if your client becomes unemployed and receives unemployment compensation for at least 60 consecutive days – even if he or she returns to work. Best of all, the Coverage continues to protect him or her during this 12-month period. If your client becomes unemployed again, we’ll waive premiums again as long as 48 months have passed since the end of the previous unemployment period.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Base Policy Definition of Total Disability: Available with True Own Occupation and Modified Own Occupation

Issue Ages: 18 – 55 (age last birthday)

Occupation Classes: 6/6M – 1/1M (where available)

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: Same as base policy

Benefit Periods: Can be attached to base policy with all available Benefit Periods.

Discounts: Discounts available follow the same guidelines as base Policy.

Renewability: This rider will expire and no further premium will be due at age 60 or, if earlier, on the date the option is exercised.

Available on Base Policies: Form 1409 sold with base Policy Form 1400 (gender-distinct)  
Form 1509 sold with base Policy Form 1500 (unisex)  
Form 1609 sold with base Policy Form 1600 (unisex)

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Conditions and Limitations: “To receive the Unemployment Waiver of Premium Benefit, You must satisfy all of the following conditions:

- You must notify Us in writing within 90 days of the

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**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – ProVider Plus Limited (1400, 1500, 1600)*

*Optional Benefits – Unemployment Waiver of Premium Rider*

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date on which You become unemployed.

- You must provide Us with a determination letter from the state or federal agency responsible for administering unemployment benefits. This letter must indicate that You qualify for unemployment compensation.
- You must provide proof that You have been receiving such compensation for at least 60 consecutive days.

If You become Disabled while premiums are being waived by reason of unemployment, You will remain eligible for benefits under the terms and conditions of the Policy.”

*Unavailable for self-employed applicants and policies issued with a substandard rating.*

**State Product  
Variations:**

Connecticut: Unavailable

Maryland: Unavailable

Minnesota: Unavailable

New York: Unavailable

Tennessee: Unavailable



**Income ProVider  
1200 (01/11)**

One of the easiest ways to purchase individual disability income insurance is through your employer at work. It is offered as a Guaranteed Standard Issue (GSI) program, which means underwriting is limited to a few questions and no tax returns are needed. The income information is provided by the employer and is the foundation for the GSI offer. Based on the stability of the company, its employee population size and demographics, the product design and the maximum benefit amount available with GSI underwriting will be offered to eligible employees. This enables us to truly customize our product offering to maximize the sales opportunity within each case.

The program is first presented to the employer and then individually to eligible employees within the company. Individual employees must be working Full Time and are eligible based on occupation and Income.

A case can offer multiple premium payment options. Policies may be completely paid by the employer (Employer-Paid), by the employees (Voluntary) or a combination of both. If voluntary, the most important measurement of sales success is the participation rate (which is the percentage of eligible employees who purchased a policy during an enrollment).

***Refer to the “General Product Information” Section for more information regarding specific policy forms and the Specimen Contract for complete details.***

**PRODUCT  
SPECIFICATIONS**

Issue Ages: Level Premium Structure: 18 – 70\*

*Age is determined by age last birthday*

*\*Maximum issue age for age 65 Benefit Period is 64.*

*Maximum issue age for age 67 Benefit Period is 66.*

*Issue Ages 71-75 available on an exception basis only*

Classes of Risk: Tobacco User; Non-Tobacco User

Occupation Classes: 6, 5, 4, 3, 2\*, 1\* (Non-medical occupations)  
6M, 5M, 4M, 3M, 2M\*, 1M\* (Medical occupations)

*\*Available as exception only and at underwriter’s discretion*

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)**

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Elimination Periods: 90, 180, 360, 720 days

*720-day Elimination Period unavailable with 2-year and 5-year Benefit Periods.*

*720-day Elimination Period unavailable in some states regardless of Benefit Period.*

*360-day Elimination Period is unavailable with a 2-year Benefit Period in some states.*

*Refer to State Product Variations in this section for complete combination availability details.*

An Elimination Period is the number of days that must elapse following the onset of Disability before benefits become payable. The shorter the Elimination Period chosen, the higher the premium will be. With Income ProVider, different periods of Disability from the same – or a different – cause count toward the Elimination Period provided they occur within a specific Accumulation Period. See below chart for details:

Elimination Period	Accumulation Period
90 Days	210 Days
180 Days	360 Days
360 Days	540 Days
720 Days	900 Days

Benefit Periods: To age 67\*, to age 65\*, 5 years, 2 years (for issue ages 66 and higher, only a 2 year Benefit Period is available)

*\* Unavailable to classes 1, 1M, 2 and 2M*

Benefit Periods must meet the federal guidelines for nondiscrimination in employment because of age. Depending on the Benefit Period selected, one of the following tables will appear on the Policy schedule page:

For a 2-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 75	24 Months
At or after age 75	12 Months



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)**

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For a 5-Year Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a ‘To Age 65’ Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 65
At or after age 60, but before age 61	60 Months
At or after age 61, but before age 62	48 Months
At or after age 62, but before age 63	42 Months
At or after age 63, but before age 64	36 Months
At or after age 64, but before age 65	30 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

For a ‘To Age 67’ Benefit Period:

If Disability Begins	The Benefit Period is
Prior to age 60	To Age 67
At or after age 60, but before age 61	84 Months
At or after age 61, but before age 62	72 Months
At or after age 62, but before age 63	60 Months
At or after age 63, but before age 64	48 Months
At or after age 64, but before age 65	36 Months
At or after age 65, but before age 75	24 Months
At or after age 75	12 Months

Minimum Issue Limits: \$300

Maximum Issue Limits: Refer to Individual Products Underwriting Guidelines – Issue and Participation Limits chart.

Riders Available: Extended Own Occupation Rider  
True Own Occupation Rider  
Basic Residual Disability Benefit Rider  
Enhanced Residual Disability Benefit Rider  
Cost of Living Adjustment Rider (*two options: 3% or 6% Maximum Increase Percent*)  
Catastrophic Disability Benefit Rider

**DI PRODUCT AND INFORMATION MANUAL**

**Individual Products – Income ProVider (1200)**

Retirement Protection Plus Disability Benefit Rider  
 Additional Monthly Benefit Rider

*Not all riders are available in every state. Refer to Income ProVider Optional Benefits for complete benefit descriptions*

Discounts: Non-Tobacco User Discount – A permanent, 15%, coverage/rider level discount available with GSI policies subject to an answer of “No” to the Tobacco Use question in the Individual Disability Income Insurance Enrollment Application.

Employer-Sponsored – A permanent discount applied on the cumulative premium for the Policy prior to the Policy fee.

For fully underwritten Buy-Up policies, the discount will be the same as offered on the GSI companion Policy.

# of Eligible Lives	Employer Paid	Employee Paid	Medical Groups	How discount will be applied
5 – 9	15%	N/A	N/A	Each employee (EE) must be a class 5 or 6 Each EE must earn at least \$75,000/year  Must be corporate executives and/or in Accounting, Architectural, Computer or IT, Engineering, Legal, Advertising or other pre-approved industries. Must have group LTD in force
10 – 19	15%	N/A	15%	
20 – 99	25%	15% - 20% or 25% with Select Occ discount	15%	The Select Occ discount may be utilized with Underwriting approval. One discount (25%) will be shown
# of Eligible Lives	Employer Paid	Employee Paid	Medical Groups	How discount will be applied
100+ lives	35%	25% - 30% or 35% with Select Occ discount	15%	The Select Occ discount may be utilized with Underwriting approval. One discount (35%) will be shown
5 or 10% Select Occupation Discount (additive)				Available with underwriting approval
5 or 10% Gender Distribution Adjustment (reduction)				Required at underwriting discretion

Premiums: Unisex and level

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**DI PRODUCT AND INFORMATION MANUAL***Individual Products – Income ProVider (1200)*

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Annual Policy Fees: \$30

Modal Premiums:	<u>Premium Term</u>	<u>Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly (list billed)	0.085833
	GOM	0.083333

Substandard Premiums: Unavailable unless on fully underwritten buy-up Policy

**BASE POLICY FEATURES:** *Refer to specimen contract for complete details.*

Total Disability or Totally Disabled: “Until We have paid benefits for two years in the same claim, Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed. Thereafter, Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Any Occupation. Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

*Your Occupation:* “Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.”

This definition can be enhanced through riders:

- Extended Own Occupation Rider removes the “two year” language and extends the Own Occupation definition to the end of the Policy Benefit Period
- True Own Occupation Rider removes “not Gainfully Employed” language for the full Benefit Period of the Policy

Residual Disability or Residually Disabled: “Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are able to perform one or more, but not all, of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.



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Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

This definition can be enhanced through riders:

- Basic Residual Disability Benefit Rider that provides a lump sum recovery benefit
- Enhanced Residual Disability Benefit Rider that provides a recovery benefit for the length of the benefit period.

Presumptive Total Disability Benefit:

Some Disabilities are significant. Should the insured totally, completely and irrecoverably lose any of the following due to a Sickness or Injury, he or she will be considered Totally Disabled:

- sight in both eyes;
- hearing in both ears;
- speech; or
- use of both hands, both feet, or one hand and one foot, in their entirety.

Return-to-Work Incentive Benefit:

Every Policy has a built-in residual benefit for up to 12 months called the Return-to-Work Incentive Benefit. This feature is attractive to both employers and employees alike; it helps employees get back to Gainful Employment with a financial boost or incentive.

This monthly benefit is equal to the insured’s Loss of Income, but will never exceed the Monthly Indemnity. Should the insured continue to be Residually Disabled after the 12-month Return-to-Work Incentive Benefit period; residual benefits will be paid only if one of the Residual Disability riders is attached to the Policy.

Occupational Rehabilitation:

Helping disabled insureds return to work is important for both the individual as well as the employer. To help, he or she may be eligible for an Occupational Rehabilitation Benefit as part of a plan agreed upon by both the company and the insured. This is an optional benefit and participating in a program of occupational rehabilitation will not in itself be considered a recovery from the Injury or Sickness that resulted in the insured’s Disability, and benefits will continue as provided in the Policy.

Modification and Access Benefit:

Sometimes changes in the physical environment will help the disabled insured return to work. In this case, he or she may be eligible for the Modification and Access Benefit.

Suspension for Active Military Service:	We will suspend the Policy on the date the insured begins active duty in the military of any nation or international authority, including but not limited to the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or National Guard. We will neither require premiums nor pay benefits under the Policy during a Suspension Period.  The Suspension Period ends when the insured is no longer on active duty.
Suspension During Unemployment:	Paying for an individual Disability income insurance Policy can be challenging when a job is lost and income is tight. After the Policy has been in force for at least one year from the Effective Date, the insured may suspend the policy if he or she becomes unemployed and receives eight weeks of governmental unemployment benefits. Although no benefits are payable during this Suspension Period, the relief to the budget without lapsing the policy can be critical. The Suspension Period is a maximum of 12 months and the Policy cannot be suspended again due to employment until 48 months have elapsed from the end of the prior unemployment suspension.
Increase Option After Leaving Your Employer:	Most employees will not stay with the same employer for life. Under a typical GSI offer, changing employers means losing the opportunity to increase your Policy under that offer. This feature enables the insured a one-time opportunity to purchase additional Coverage under the GSI offer if he or she leaves the employer where this Policy was purchased, providing it is applied for within 90 days of leaving. The application for this feature will be underwritten to determine the total amount of allowable maximum benefit, if any, based on our underwriting rules then in use, or those in effect on the Effective Date of the Policy, whichever are more favorable.  Maximum benefit means the total amount of “unused” GSI amount on the date the insured left the employer.
Renewability:	Not everyone stops working at age 65 or 67, so this policy is Non-Cancellable and Guaranteed Renewable to age 65 (or age 67 if this Benefit Period is selected).  Thereafter, the base Policy contract for total only benefits is Conditionally Renewable at attained age premiums after the Expiration Date as long as the insured is Gainfully Employed Full Time (30 hours per week minimum) for at least 10 months each year and the premium is paid on time. All other Coverages terminate.

For a fully underwritten buy-up policy, any Exclusions or Limitations applied to the base Policy contract prior to the Expiration Date will be applicable to the Policy during the period of Conditional Renewability after the Expiration Date.

The maximum Benefit Period after age 65, but before age 75, is 24 months; if Disability begins at or after age 75, the maximum Benefit Period is 12 months.

**Exclusions and  
Limitations:**

“We will not pay benefits for any Disability:

- caused by, contributed to, or which results from military training, military action, military conflict, or war, whether declared or undeclared, while the insured is serving in the military or units auxiliary thereto, or working for contracted military services;
- during any period of time in which the insured is incarcerated;
- caused by, contributed to by, or which results from, the insured’s commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
- caused by, contributed to by, or which results from the insured being engaged in an illegal occupation;
- caused by, contributed to by, or which results from, the suspension, revocation or surrender of the insured’s professional or occupational license or certification;
- caused by, contributed to by, or which results from, an intentionally self-inflicted injury; or
- due to any loss we have excluded by name or specific description.”

Limitation While  
Outside the United  
States or Canada or  
Mexico:

Benefits for Disability will be limited to a total of twelve months during the insured’s lifetime while he or she resides outside of the United States or Canada or Mexico.

Pre-existing  
Condition  
Limitation:

Buy-Up policies will always include the base contract Pre-Existing Condition Limitation as follows:

We will not cover any loss that begins in the first two years after the Effective Date from a pre-existing condition.

For GSI policies, the base contract limitation is modified by endorsement to one of following options determined at time of offer:

12/12 Pre-Existing Condition Limitation with a 12 month “look back” period and a 12-month limitation

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**DI PRODUCT AND INFORMATION MANUAL*****Individual Products – Income ProVider (1200)***

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6/12 Pre-Existing Condition Limitation with a 6 month “look back” period and a 12-month limitation

3/12 Pre-Existing Condition Limitation which limits the “look back” to 3 months and extends the limitation to 12 months

No Pre-Existing Condition Limitation which removes any limitation

Mental and/or  
Substance-Related  
Disorders  
Limitation:

Benefits for any Disability due to a Mental and/or Substance-Related Disorder will be paid for a period not longer than the maximum Benefit Period for Mental and/or Substance-Related Disorders (usually 24 months). This can be extended to the full Benefit Period with underwriting approval.

**State Product  
Variations:**

*Product not available in all states; refer to “State Product Variations” Section to determine appropriate product series and product variations.*

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – Extended Own Occupation Rider**

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**Extended Own  
Occupation Rider  
(Rider Form –  
1202)**

This rider modifies the Definition of Total Disability contained in the base Policy contract to extend the Own Occupation Definition to the full Benefit Period.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 63

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy. Not available with 2 year Benefit Period.

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Total Disability or  
Totally Disabled: “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – True Own Occupation Rider**

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**True Own Occupation  
Rider  
(Rider Form – 1203)**

This rider modifies the Definition of Total Disability contained in the base Policy contract to provide true own occupation benefits for the full Benefit Period.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 63

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Total Disability or Totally Disabled: “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation. You will be Totally Disabled even if You are Gainfully Employed in some other capacity so long as You are not able to work in Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Basic Residual Disability Benefit Rider*

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**Basic Residual Disability Benefit Rider (Rider Form – 1209)** After the 12-month return-to-work incentive period in the base Policy, this rider pays a proportionate benefit if the insured continues to be Residually Disabled.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 64 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Residual Indemnity:** If the insured's Loss of Income is more than 80% of Prior Income, we will consider the Loss of Income to be 100%.

**Recovery Benefit:** This rider also provides a lump sum recovery benefit if, within 18 months after satisfying the Elimination Period, the insured returns to work Full Time and is no longer Disabled. The recovery benefit is equal to two times the cumulative benefits paid for Total Disability and Residual Disability, including return-to-work incentive benefits, divided by the number of months that benefits were paid.

**Adjustment of Prior Income and Prior Business Expenses:** On the Review Date while benefits are payable under this rider, we will adjust Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim.



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**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Basic Residual Disability Benefit Rider*

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Termination of  
Residual Indemnity:

“The Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- Your Loss of Income is no longer the result of the Injury or Sickness that caused Your Residual Disability; or
- You are no longer Residually Disabled; or
- The Benefit Period ends; or
- You become Totally Disabled; or
- This rider terminates.”

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Enhanced Residual Disability Benefit Rider*

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**Enhanced Residual  
Disability Benefit  
Rider  
(Rider Forms – 1210)**

After the 12-month return-to-work incentive period in the base Policy, this rider pays a proportionate benefit if the insured continues to be Residually Disabled.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 64 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base Policy

Benefit Periods: Same as base Policy

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

**Residual Indemnity:** If the insured's Loss of Income is more than 75% of Prior Income, we will consider the Loss of Income to be 100%.

**Recovery Benefit:** We will pay a proportionate recovery benefit for the full Benefit Period if the insured is:

- no longer Disabled; and
- Gainfully Employed Full Time in his or her Occupation; and
- has a Loss of Income that is at least 20% of Prior Income; and
- the Loss of Income is solely due to the Injury or Sickness that caused his or her Disability.

**Adjustment of Prior Income and Prior Business Expenses:** On the Review Date while benefits are payable under this rider, we will adjust Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim.



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## **DI PRODUCT AND INFORMATION MANUAL**

***Individual Products – Income ProVider (1200)***

***Optional Benefits – Enhanced Residual Disability Benefit Rider***

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- Termination of Residual Indemnity: “The Residual Indemnity will no longer be payable on the date that the first of the following events occurs:
- Your Loss of Income is no longer the result of the Injury or Sickness that caused Your Residual Disability; or
  - You are no longer Residually Disabled; or
  - The Benefit Period ends; or
  - You become Totally Disabled; or
  - This rider terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – Cost of Living Adjustment Rider**

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**Cost of Living  
Adjustment Rider  
(COLA)  
(Rider Form 1206)**

During an extended Disability, this rider helps protect the buying power of disability income benefits from the effects of inflation. On each anniversary of an insured's Disability, the Cost of Living indemnity adjusts the compounded monthly benefit payable by a flexible rate based upon the rider variation selected:

Rider options are:

- 3% Compound - CPI-U tied with a 3% compounding rate maximum and a 1% compounding rate minimum.
- 6% Maximum – CPI-U tied with a 6% compounding rate maximum and a 1% compounding rate minimum.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Benefit Periods: Same as base Policy

*Unavailable with two-year Benefit Period.*

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). This rider expires and may not be renewed after the insured reaches age 65 or 67 (if selected).

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Cost of Living  
Adjustment of  
Catastrophic Disability  
Indemnity:

If a Catastrophic Disability Benefit Rider is a part of the policy, the Catastrophic Disability Indemnity will also be adjusted on each Catastrophic Review Date.

The Catastrophic Review Date is the recurrence each year of the date on which you were first Catastrophically Disabled in the same claim. This adjustment will vary based on changes in the CPI-U. The adjusted Catastrophic Disability Indemnity will not exceed two times the Catastrophic Disability Indemnity shown in the schedule page.

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## DI PRODUCT AND INFORMATION MANUAL

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Cost of Living Adjustment Rider*

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Option to Purchase the  
Incremental Monthly  
Indemnity:

If the insured has not attained age 60, is no longer Disabled and returns to work Full Time, then he or she has the option to purchase the incremental Monthly Indemnity, if any, that may have been determined on the last review date. The Incremental Monthly Indemnity must exceed \$200.

There is no option to purchase adjusted Catastrophic Disability Indemnity.

Termination of Cost of  
Living Adjustment of  
Catastrophic Disability  
Indemnity:

“We will adjust the Catastrophic Disability Indemnity on each Catastrophic Review Date until the first of the following events occurs:

- You are no longer Catastrophically Disabled; or
- The Adjusted Catastrophic Disability Indemnity exceeds two times the Catastrophic Disability Indemnity shown in the schedule page; or
- The Benefit Period ends; or
- The Catastrophic Disability Benefit Rider terminates; or
- This rider terminates.”

Termination of Cost of  
Living Adjustment:

“We will adjust the Monthly Indemnity on each Review Date until the first of the following events occurs:

- You are no longer Disabled; or
- The Benefit Period ends; or
- This rider terminates.”

When Your claim ends, the Monthly Indemnity will revert to the amount shown in the Schedule Page.



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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – Catastrophic Disability Benefit Rider**

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**Catastrophic  
Disability Benefit  
(CAT) Rider  
(Rider Form –  
1205 )**

This rider provides an indemnity benefit in the event of Catastrophic Disability and is not a reimbursement benefit. Catastrophic benefits are payable above and beyond Coverage for Total or Residual Disability.

The insured is Catastrophically Disabled if, because of Injury or Sickness, the insured is unable to perform two or more Activities of Daily Living without human standby assistance, or the insured is Cognitively Impaired.

The purpose of such catastrophic Coverage is to recognize that certain losses require the replacement of more than Income.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 64 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Benefit Periods: Specific to the CAT Rider; must be the same length of time as the Benefit Period for the base Policy.

Elimination Periods: The Elimination Period is specific to the CAT rider.

Elimination Period must be the same duration as the base Policy Elimination Period.

While the Elimination Period for this rider is the same duration as the Elimination Period for the base Policy, it must be satisfied independent of the base Policy Elimination Period.

The insured must be Catastrophically Disabled to satisfy the Elimination Period for this rider.

The Elimination Period must be satisfied within the Accumulation Period that is specific to the CAT rider.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65. This rider expires and may not be renewed after the insured reaches age 65.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – Catastrophic Disability Benefit Rider**

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Activities of Daily  
Living:

Activities of Daily Living means:

- Bathing
- Dressing
- Eating
- Transferring
- Toileting
- Contenance

**Benefit Provisions:** *Refer to specimen contract for complete details.*Catastrophic Disability  
or Catastrophically  
Disabled:“Catastrophic Disability or Catastrophically Disabled means that,  
due to Injury or Sickness, You are:

- Unable to perform two or more of the Activities of Daily Living without Human Standby Assistance; or
- Cognitively Impaired.”

Termination of  
Catastrophic Disability  
Benefit:“The Catastrophic Disability Benefit will no longer be payable on  
the date that the first of the following events occur:

- You are no longer Catastrophically Disabled; or
- The Benefit Period ends; or
- This rider terminates.”

**State Product  
Variations:**

Connecticut: Unavailable

New Hampshire: Titled Catastrophic Limitation Benefit Rider

Texas: Unavailable



**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Retirement Protection Plus Disability Benefit Rider*

**Retirement Protection Plus (RPP) Disability Benefit Rider (Rider Form – 1211)**

This rider can help ensure that your client’s retirement funding can continue if he or she becomes Totally Disabled and is not working. Benefits are paid into a Trust established by your client and trust assets are distributed at age 65.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 60 (age last birthday)

Occupation Classes: Classes 6/6M – 3/3M

Elimination Periods: 180 or 360 days

Benefit Periods: To age 65 (can be attached to base Policy with a to age 65 or to age 67 Benefit Period).

Issue Limits: Minimum: \$300

Maximum:

Issue Age			
	Premium Payor	% of Contributions	Maximum Issue Limit
18 – 49	Employee	100%	\$4,170
50 – 60	Employee	100%	\$4,630
18 – 49	Employer	133%	\$4,170
50 – 60	Employer	133%	\$4,630

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65. This rider expires and may not be renewed after the insured reaches age 65.

**Benefit Provisions:** *Refer to Specimen Contract for complete details.*

Total Disability or Totally Disabled: This rider provides an RPP Benefit if the insured is Totally Disabled and not Gainfully Employed.

Distribution of Trust Assets: Trust assets will be distributed in accordance with the terms of the trust.



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**DI PRODUCT AND INFORMATION MANUAL**

*Individual Products – Income ProVider (1200)*

*Optional Benefits – Retirement Protection Plus Disability Benefit Rider*

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Termination of the RPP Benefit: “The RPP Monthly Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Totally Disabled; or
- You become Gainfully Employed; or
- the Benefit Period of this rider ends; or
- you attain age 65; or
- this rider terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – Income ProVider (1200)****Optional Benefits – Additional Monthly Benefit Rider**

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**Additional Monthly  
Benefit Rider  
(Rider Form –  
1201)**

This rider enables additional Monthly Indemnity to be added to an existing Policy. The additional Monthly Indemnity, Elimination Period, Benefit Period, Expiration Date, return-to-work incentive period, and the annual premium for this rider are shown in the schedule page.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages: 18 – 70 (age last birthday)

Occupation Classes: Classes 6/6M – 1/1M

Premium Structures: Level

Elimination Periods: Same as base Policy

Rider Combination Availability: The following riders, if attached to the policy, will be applicable to Coverage issued under this rider:

- Extended Own Occupation Rider
- True Own Occupation Rider
- Cost of Living Adjustment Rider
- Basic Residual Disability Benefit Rider
- Enhanced Residual Disability Benefit Rider

If any of these riders are attached, the premium for this rider will be adjusted accordingly.

Discounts: Available discounts follow the same guidelines as base Policy.

Renewability: This rider is Non-Cancellable and Guaranteed Renewable to age 65 or 67 (if selected). Thereafter, it is conditionally renewable for life as long as the insured continues to be Gainfully Employed on a Full-Time basis for at least 10 months of the year.

**PayGuard  
Reducing Term  
(NC56-A)**

PayGuard provides coverage for a specified period and is also known as *personal* reducing term. PayGuard is ideal for indemnifying *personal* mortgage payments and is also used as individual disability income coverage. Benefits are not payable after the policy's date of termination, except as otherwise specified in the contract.

PayGuard is issued as a Guardian policy form.

**PRODUCT  
SPECIFICATIONS**

**Definition of Total  
Disability:** Modified Own Occupation

Issue Ages: 18 – 55 (age last birthday)

Occupation Classes: 5A, 4A, 3A, 2A

ProVider Plus (1400, 1500 & 1600)	PayGuard (NC56-A)
6M/6	5A
5M/5	5A
4M/4/3M	4A
3	3A
2M/2	2A
1M/1	Unavailable

Elimination Periods: 30, 60, 90, 180, 360 days

**Benefit Terms:** A range of term periods, from 5 to 30 years, is available for selection by the insured. In no event will a benefit term exceed the insured's age 60 subject to the following: if the policy date of termination is reached during a period of total disability, a minimum of twelve months' indemnity will be paid for that continuous disability.

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**DI PRODUCT AND INFORMATION MANUAL****Individual Products – PayGuard Reducing Term**

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Minimum Policy Size:	The minimum monthly benefit is \$500.
Maximum Issue Limits:	Classes 5A,4A: \$15,000* * <i>\$10,000 for physicians, dentists, and podiatrists</i> Class 3A: \$10,000  Class 2A*: \$ 7,500  <i>*Only available to business owners who have owned the business for at least five years and whose income is at least \$50,000.</i>
Riders Available:	None
Discounts:	None
Premiums:	Gender-distinct rates.
Premium Structure:	Level
Annual Policy Fee:	\$15
Modal Premiums:	Modal premiums are calculated by applying the following factors to the total annual premium rates: Semiannual: 0.51 Quarterly: 0.26 Monthly: 0.085
Substandard Premiums:	Substandard premiums are applied on a coverage level and are a percentage of premium in one of the following increments: 25%, 50%, 75% or 100% above standard rates.
BASE POLICY FEATURES	<i>Refer to Specimen Contract for full details.</i>
Definition of Total Disability:	“Total disability means that, because of sickness or injury, the insured is unable to perform all the substantial and material duties of his occupation or profession and is not actually at work in any occupation or profession.”
Renewability:	PayGuard is non-cancellable and guaranteed renewable to the specified date of termination. The policy’s date of termination is determined at time of issue.

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## DI PRODUCT AND INFORMATION MANUAL

### Individual Products – PayGuard Reducing Term

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Benefit for Waiver of Premium:	If the insured is totally disabled for a continuous period of at least 90 days while the policy is in force, Guardian will refund any premiums paid during that 90-day period; and waive any later premiums that fall due during that period of continuous disability, or waive any premiums that fall due within three months after the insured recovers, but not beyond the date of termination
Interrupted Elimination Period:	<p>Two periods of disability, from the same or a different cause, may be combined, under certain conditions, to determine when benefits begin.</p> <p>If the elimination period is 60 days or more and the insured makes an unsuccessful attempt to get back to work before the elimination period is up, and if the attempt to return to work does not last more than half as long as the elimination period, and if the insured is then again totally disabled from the same or another cause, the elimination period will not start again. Instead, the number of days in the two periods of total disability will be combined to determine when benefits begin.</p>
Rider to Waive Elimination Period in Certain Cases:	<p>This no-cost rider is added to all PayGuard policies at time of issue.</p> <p>A new elimination period will not be applied to any period of total disability if the disability results from the same cause or causes, and starts within six months after the end of a prior period of disability in which the elimination period was satisfied; or the disability starts within five years after the end of a prior period of disability for which benefits were paid and which lasted more than six months.</p>

## PRODUCT INFORMATION

Taxation:	If premiums are paid by the insured with after tax dollars, premiums are not tax-deductible and benefits will be paid tax-free.
Differences between PayGuard and Business Reducing Term:	<ul style="list-style-type: none"><li>• While Business Reducing Term is used for insuring a <i>business</i> loan or obligation, PayGuard does not require an obligation or loan to be in place to be issued.</li><li>• Business Reducing Term payments are paid to a lien holder, whereas PayGuard payments are usually made to the insured.</li></ul>

- In-force PayGuard coverage is considered ‘in-force individual coverage’ when calculating Issue and Participation limits, and is subtracted from the amount that can be issued based on the client’s income.
- Renewability requirements exist for Business Reducing Term.

The benefit term for Business Reducing Term is always tied to the term of the obligation. For PayGuard contracts issued with no loan in place, the insured chooses the benefit term.

**Exclusions:** Normal uncomplicated pregnancy and childbirth and intentionally self-inflicted injuries are not covered. *Refer to Specimen Contract definition of sickness or injury for complete details.*

**State Product Variations:**

Montana: Unavailable

Virginia: Unavailable



**Overhead Expense (4200)**

This non-cancellable and guaranteed renewable Overhead Expense policy provides benefits to reimburse many normal and customary fixed monthly business expenses during a business owner’s disability.

Overhead Expense insurance is intended to provide financial protection when the absence of a business owner would result in a significant loss of revenue. If Underwriting determines that the absence of a business owner would not result in an immediate, significant loss of revenue to the business, Overhead Expense coverage may not be available.

The basic information Underwriting would need for evaluation is:

- Number of employees in the company;
- What their jobs are;
- An explanation as to why revenue would immediately suffer with the loss of the owner.

To be eligible for coverage, business owners must be active in the business and personally responsible for expense. Fee for service businesses (including professional practices and certain personal service businesses) must have no more than 10 owners, and other types of businesses cannot have more than four owners.

This is a reimbursement contract, i.e., the amount reimbursed is equal to the actual expenses incurred but not greater than the maximum monthly Overhead Expense benefit. Care should be taken to ensure that it closely relates to the covered expenses that would be incurred by the insured upon disability. Where there are multiple business owners or professionals involved, only those expenses appropriately allocated to the insured should be considered.

Full-time employment (a minimum of 30 hours per week for at least 10 months each year) is required.

**PRODUCT SPECIFICATIONS**

Definition of Total Disability:	True Own-Occupation
Issue Ages:	18-60 (age last birthday)
Classes of Risk:	Preferred*, Select, Standard

*\* unavailable with substandard risks*



## DI PRODUCT AND INFORMATION MANUAL

### Business Products – Overhead Expense (4200)

Occupation Classes: 6, 5, 4, 3, 6M, 5M, 4M, 3M

Elimination Periods: 30, 60 or 90 days

An Elimination Period is the number of days that must elapse following the onset of Disability before benefits become payable. The shorter the Elimination Period chosen, the higher the premium will be. With Overhead Expense, different periods of Disability from the same – or a different – cause count toward the Elimination Period provided they occur within a specific Accumulation Period. See below chart for details:

Elimination Period	Accumulation Period
30 Days	90 Days
60 Days	150 Days
90 Days	210 Days

Benefit Periods: 12, 18 or 24 Months

Maximum Aggregate Benefit: The maximum monthly overhead expense benefit multiplied by the number of months in the Benefit Period

Minimum Issue Limit: \$1,000 per month (\$500 for Future Increase Option exercise.)

Maximum Issue and Participation Limits:	<u>Benefit Period</u>	<u>Issue Limit</u>
	12 Months	\$50,000 per month
	18 Months	\$40,000 per month
	24 Months	\$30,000 per month

*We will participate to \$55,000 per month with coverage issued under the Business Reducing Term Policy Form AH-55A*

*Amount applied for must always be a multiple of \$10*

Riders Available: Future Increase Option  
Automatic Benefit Enhancement (*a no charge rider available only at underwriter discretion*)  
Supplemental Overhead Expense Benefit  
Additional Monthly Benefit\*

*\* Available as an FIO exercise only. Refer to In-Force and FIO/FPO/GDR Option Exercises Section.*

Discounts: Association – A permanent 10%, policy-level discount for pre-approved associations.

Premiums: Gender-distinct rates



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)**

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Premium Structure: Level

Annual Policy Fee: \$30

Modal Premiums:	<u>Premium Term</u>	<u>Guaranteed Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly (list billed)	0.085833
	GOM	0.083333

Substandard Premiums: Applied on a policy level basis to all coverage, before policy fee and discount (if applicable). Increments are 25%, 50%, 75% or 100.

**BASE POLICY FEATURES**

*Refer to Specimen Contract for full details.*

Total Disability or Totally Disabled: “Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.”

Residual Disability: “Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled, but solely due to Injury or Sickness You experience a Loss of Gross Monthly Revenue that is at least 15% of Your Prior Gross Monthly Revenue; and either:

- You are able to perform one or more, but not all, of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.”

Renewability: This policy is non-cancellable and guaranteed renewable to age 65. Thereafter, the base contract is conditionally renewable at attained age premiums after the expiration date as long as the insured is not disabled, is working full time (30 hours per week for at least 10 months each year) and the premium is paid on time.

Covered Overhead Expenses: “Covered Overhead Expenses means the normal, necessary and customary expenses that You incur and pay in the continued operation of Your Business. In the event of multiple owners or joint occupancy, Covered Overhead Expenses means that part of such normal, necessary and customary expenses for which You are responsible. Covered Overhead Expenses must be deductible for federal income tax purposes.

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Covered Overhead Expenses include:

- real estate and property taxes;
- utilities, such as heat, water, electricity and telephone;
- laundry, janitorial and maintenance services;
- salaries and employer-paid benefits of employees who have no ownership interest in Your Business and who are not members of Your profession;
- property, liability, malpractice and other business insurance premiums that have not been waived due to Your disability;
- professional, trade and association dues;
- licensing fees, including continuing education costs required to maintain such professional license;
- legal and accounting fees paid except those that are directly related to the termination or sale of Your Business;
- billing and collection fees;
- rent or lease payments for space which You occupy and use in the continued operation of Your Business.
- rent or lease payments for motor vehicles, equipment, fixtures, furniture or other assets used in the continued operation of Your Business if You have no direct or indirect ownership in the assets;
- scheduled installment payments of interest on debt; and
- depreciation or scheduled installment payments of principal on debt for which You were liable before You became Disabled, but not both, regardless of whether these are deductible for federal income tax purposes. The choice must be made only once for each separate Disability at the time the claim begins. The amount of depreciation allowed will be that used for federal income tax purposes. The amount of principal will not be more than that paid under a plan of scheduled installment payments that begin before the start of Disability.”

Expenses Not Covered:

“Covered Overhead Expenses do not include:

- that portion of normal and customary business expenses that is the obligation of any person other than You;
- any expense for which You were not normally and customarily liable on a periodic basis prior to the start of Disability;
- any other expenses that have been waived, reimbursed or are reimbursable from any other source;
- any prepayment or advance payment of a Covered Overhead Expense;
- any salary, fee, draw, advance, benefit or other remuneration for a member of Your Family who was not a paid employee during the 60 days immediately



- prior to Your Disability;
- income taxes or self-employment taxes;
- any expense for equipment, motor vehicles, fixtures, furniture or other assets purchased or leased after the date You became Disabled;
- the cost of inventory, merchandise, products, goods and services directly attributable to generating revenue;
- the cost of implements of Your profession;
- the cost of supplies, fees and expenses passed on to Your clients; and
- the cost of gifts, charitable donations, meals and entertainment.”

Extension of Benefits:	Benefits can continue beyond the end of the Benefit Period if your client remains disabled and the Maximum Aggregate Benefit has not been paid in full. Benefits will continue until the insured attains age 65, the insured recovers, the Maximum Aggregate Benefit has been paid in full, or 12 months have elapsed since the end of the Benefit Period.
Legal and Accounting Fee Benefit:	If your client has to pay for legal and accounting fees as a result of the termination or sale of his or her ownership interest in the business, due to his or her disability, we will reimburse the insured’s portion of such fees up \$5,000.
Waiver of Elimination Period:	If the insured suffers a Disability that lasts more than six months and we pay benefits for that Disability, our unique Waiver of Elimination Period provision waives the Elimination Period for any subsequent Disability that occurs within five years of the end of the previous Disability – regardless of cause.
Recurrent Disability:	If, after your client has recovered from a Disability, he or she becomes Disabled again resulting entirely or in part from the same cause as the previous Disability, the later period of Disability will be considered a continuation of the prior period, so long as we paid benefits for the first claim and he/she has been working Full Time for no more than 12 months since the prior Disability ended. Their prior claim will resume and no new Elimination Period will be required.
Transplant and Cosmetic Surgery:	As an added built-in benefit, we also deem the insured to be Totally Disabled as a result of Sickness if, more than six months after the Effective Date, the insured is Totally Disabled due to Transplant and Cosmetic Surgery.
Waiver of Premium Benefit:	The last thing your client should have to worry about during a Disability is paying a Policy premium. If the insured is Disabled for the length of the Elimination Period due to Injury



or Sickness not excluded from Coverage, We will waive premiums during a period of Disability and continue waiving for six months after the claim ends. What's more, we also reimburse for premiums the client may have paid that apply to the period of Disability – even if paid prior to the Disability. We will continue to waive premiums for six months following his/her recovery, which makes getting back to work and restoring financial health the top priority.

**Survivor Benefit:** If your client should die while the Overhead Expense Monthly Total Disability Benefit is being paid, the Policyowner, or the Policyowner's estate, may be eligible to receive up to two additional months of benefits, subject to the terms of this benefit provision.

**Occupational Rehabilitation Benefit:** If the insured is Disabled, he or she may be eligible for Occupational Rehabilitation Benefits if he or she participates in a formal occupational rehabilitation program approved in advance by us to help him or her return to Gainful Employment in his or her Occupation. We will pay costs that are not otherwise covered by insurance, workers' compensation, or any public fund or program, as set forth in a signed, written agreement, and subject to periodic review by Us.

**Modification and Access Benefit:** While the insured is Disabled, he or she may also be eligible for the Modification and Access Benefit if a modification is appropriate and reasonable to help enable the insured to perform his or her job. We will reimburse your client for the cost incurred for such a modification contingent on a signed written agreement with Us.

**Conversion Option:** This option offers your clients a limited right to convert their business coverage, any time before age 55, to an individual disability income policy with a monthly indemnity up to \$3,000, subject to eligibility requirements.

**ADDITIONAL INFORMATION**

**Professional Replacement Endorsement:** If the salary of the insured is indicated on the application for insurance, Underwriting, if allowing this endorsement, can include additional monthly overhead expense coverage of up to 50% of the insured's monthly salary, not to exceed one-half the maximum monthly overhead expense benefit or \$10,000 whichever is less. This endorsement is available at no additional cost and at the discretion of Underwriting. It will be attached to most, but not all policies.



If attached to the policy, 50% of a replacement's gross monthly salary (not to exceed the lesser of \$10,000 or one half of the maximum monthly overhead expense benefit) will be considered a covered overhead expense. The replacement must be a member of the insured's profession. The replacement cannot have an ownership interest in the business and cannot be a member of the insured's family. The replacement must be hired specifically to replace the insured and paid a reasonable and customary salary to carry out the duties performed by the insured for the business prior to the disability.

Accelerated Benefit  
Endorsement:

In the event of Total Disability, and upon satisfying the Elimination Period, this endorsement, if included, advances to the policyowner one-half the Maximum Monthly Overhead Expense Benefit without immediate proof of Covered Overhead Expenses. Such proof is necessary, but is not immediately required for this benefit. Proof must be subsequently provided and any resulting overpayment is recoverable under the terms of the endorsement.

If your Disabled business owner client had a policy with a \$50,000 monthly benefit, he or she would receive \$25,000 on day 31, assuming a 30-day elimination period has been satisfied without requiring proof of covered overhead expenses. This endorsement offers business clients flexibility to help manage cash flow during a disability.

Taxation:

Premiums paid for overhead expense disability insurance policies are a tax-deductible expense for the business.

Benefits paid are taxable to the business, however, the expenses for which these benefits are used to reimburse are deductible to the business,

This information is offered for the purpose of education and information only and should not be considered tax or legal advice.

Participation With  
Other Companies'  
Overhead Coverage:

We will participate with other companies to a maximum issue and participation limit of \$50,000 per month for 12-month benefit period, \$40,000 per month for 18-month benefit period and \$30,000 per month for 24-month benefit period. Amounts over this maximum may be considered subject to availability and Underwriting approval.

We will also participate to \$55,000 per month with coverage issued under the Business Reducing Term product.



Owners/Employees: In circumstances where there are income-generating employees, the monthly benefit amount may be adjusted.

Maximum owners in a partnership\*:

Fee For Service – 10 principals

Other Businesses – 4 principals

*\*Partnerships with excess principals may be considered subject to underwriting approval.*

**Exclusions and Limitations:**

***Refer to Specimen Contract for complete details.***

Exclusions:

“We will not pay benefits for any Disability:

- caused by, contributed to, or which results from military training, military action, military conflict or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
- during any period of time in which You are incarcerated;
- caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
- caused by, contributed to, or which results from Your being engaged in an illegal occupation;
- caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
- caused by, contributed to, or which results from an intentionally self-inflicted Injury;
- during the first three months of Disability or the Elimination Period, if longer, that is caused by, contributed to, or which results from normal pregnancy or childbirth; or
- due to any loss We have excluded by name or specific description.”

Limitation While Outside the United States or Canada:

The insured must be living full time in the 50 United States of America, the District of Columbia or Canada in order to receive benefits under the Policy. This does not include incidental travel or vacation that lasts less than 60 days in a 12-month period. If benefits were not being paid due to this limitation and your client returns to the above-mentioned locations, he or she may become eligible, if he or she satisfies all the terms and conditions of the Policy, to resume receiving benefits under the Policy; however, he or she may not recover benefits that have ceased pursuant to this limitation.





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**DI PRODUCT AND INFORMATION MANUAL*****Business Products – Overhead Expense (4200)***

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Pre-existing  
Condition  
Limitation:

“We will not cover any loss that begins in the first two years after the Effective Date from a Pre-existing Condition.”

Mental and/or  
Substance-Related  
Disorders  
Endorsement:  
*(excluding VT)*

If included, benefits for any disability due to a Mental and/or Substance-Related Disorder will be paid for a period not longer than 24 months during the insured’s lifetime. However, subject to the benefit period of the policy, and all other provisions of the policy, we will continue to pay benefits as long as your client is continuously confined in a hospital for treatment of a disability due to a mental and/or substance-related disorder, and is under the regular medical care of a physician.

This endorsement will automatically be applied in California, Florida, and, in all states, to Anesthesiologists/Anesthetists (MD or DO), Certified Registered Nurse Anesthetists (CRNAs), Emergency Room Physicians, Pain Management Physicians, as well as Medical Residents declaring any of these physician specialties.

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

Under no circumstance will we pay benefits for any disability due to a Mental and/or Substance-Related Disorder that we have excluded by name or specific description.

**State Product  
Variations:**

Montana: Unisex rates

Nevada: Premiums 20% higher

New Jersey: Managerial Duties Endorsement unavailable



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Supplemental Overhead Expense Benefit Rider**

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**Supplemental  
Overhead Expense  
Benefit Rider  
(Rider Form 4204)**

This rider provides an additional overhead expense benefit that may be used at any time during the benefit period or during any extension of benefits for reimbursement of covered overhead expenses in the event of total and residual disabilities after satisfying the elimination period. The benefit amount for this rider always equals one times the maximum monthly overhead expense benefit.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages:	18-60
Occupation Classes:	Classes 6/6M – 3/3M
Premium Structure:	Level
Elimination Periods:	Same as base policy
Benefit Periods	Same as base policy
Issue Limits:	Minimum: \$1,000
	Maximum issue limits are as follows: \$50,000 for a 12-month benefit period \$40,000 for an 18-month benefit period \$30,000 for a 24-month benefit period
Renewability:	This rider expires and may not be renewed after the insured reaches age 65.
<b>Benefit Provisions:</b>	<b><i>Refer to Specimen Contract for complete details.</i></b>
Conditions and Limitations:	All the following conditions apply:  The benefit is available for both total and residual disability  If the base policy benefit is reduced, this benefit will also reduce accordingly.  Benefits are only available when covered overhead expenses exceed benefits the insured is eligible for under the base policy.  This benefit does not increase with successful additions of Additional Monthly Benefit - Future Increase Option or Automatic Benefit Enhancement acceptances.

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**DI PRODUCT AND INFORMATION MANUAL**

***Business Products – Overhead Expense (4200)***

***Optional Benefits – Supplemental Overhead Expense Benefit Rider***

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Any portion of the supplemental overhead expense benefit not used in a given month is carried forward to the next month like any unused portion of the maximum monthly overhead expense benefit.

Amounts issued under this rider are on a per disability basis.

All substandard ratings apply.

This coverage cannot be added at the time of a Future Increase Option/Future Purchase Option exercise.

Not available as an add-on rider.

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Future Increase Optional Rider**

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**Future Increase  
Option Rider  
(Rider Form 4205)**

This rider provides the opportunity for the policyowner to purchase additional amounts of Overhead Expense insurance in the form of an Additional Monthly Benefit\* (AMB) rider or as a separate policy without having to provide evidence of medical insurability.

Financial underwriting is required to determine the maximum amount of coverage available. The added insurance is called an increase option. Premiums for this rider reduce as increase amounts are successfully exercised.

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

Underwriting rules apply and are outlined in the Administrative Practices section under “Future Increase Option/Future Purchase Option (FIO/FPO) and Group Disability Replacement (GDR) Exercises.”

*\*Refer to In-Force Changes and FIO/FPO/GDR Option Exercises Sections for additional information.*

***Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.***

Issue Ages:	18-50
Occupation Classes:	Classes 6/6M – 3/3M
Premium Structure:	Level
Elimination Periods:	Same as base policy
Benefit Periods:	Same as base policy
Issue Limits:	Minimum: \$1,000 \$500 for Future Increase Option exercises

Maximum: One times the base policy maximum monthly overhead expense benefit. At issue of the base policy, the maximum monthly overhead expense benefit plus the total increase option, plus five increases of the Automatic Benefit Enhancement Rider (if attached), plus any in-force and applied-for overhead expense coverage cannot exceed our maximum issue limit for overhead expense coverage.

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Future Increase Optional Rider**

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Option Date:	Every policy anniversary up to and including when the insured attains age 55.
Option Period:	The period of time that begins 31 days before the option date and ends 31 days immediately following the option date.
Special Option Date	While this rider is in effect, special option date means a date that we declare for such purpose. We will issue only one increase policy as a result of a special option date while the policy and this rider are in effect.
Special Option Period:	The period beginning on the special option date and ending 31 days immediately following the special option date.
Policy Fee:	\$0 when exercised with Additional Monthly Benefit Rider \$30 when exercised to a separate policy
Premiums:	The premium for each additional policy will be based on the attained age of the insured, and the table of premium rates that is in use on the effective date of each such policy.
Renewability:	The expiry date of this rider is the policy anniversary following age 55.

**Benefit Provisions:** *Refer to Specimen contract for complete details.*

Total Amount of Additional Benefit You Can Apply For:	“Until You attains Age 45, the Policyowner may apply for all or part of the remaining Total Increase Option. On or after Your Age 45 the Policyowner may apply for: <ul style="list-style-type: none"><li>• up to one-third of the original Total Increase Option; or</li><li>• the remaining Total Increase Option if it is less than \$1,000.”</li></ul>
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Conditions and Limitations:	“All of the following conditions apply when the Policyowner exercises an Increase Option: <ul style="list-style-type: none"><li>• We must receive a written application for an Increase Policy during an Option Period or Special Option Period.</li><li>• Each Increase Policy applied for during an Option Period or a Special Option Period will be underwritten based on Our underwriting rules then in use, or those in effect on the Effective Date of the Policy, whichever are more favorable to the Policyowner, to determine the total amount of allowable Maximum Monthly Overhead Expense benefit, if any, available to the</li></ul>
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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Overhead Expense (4200)*

*Optional Benefits – Future Increase Optional Rider*

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Policyowner. Evidence of your Covered Overhead Expenses, employment and all other disability insurance with any insurer that is in force, which has been applied for, or for which You are eligible must be provided. We may require additional evidence of financial insurability, as necessary. Evidence of Your medical insurability or occupation does not have to be provided.

- The Increase Policy will either be added to the Policy in the form of an Additional Monthly Benefit Rider or will be issued on a separate policy form that is most like the Policy then in use on a regular basis in the place where You live. Any Increase Policy approved during a period of Disability or while benefits are being paid will only be issued on a separate policy form.
- The Increase Policy cannot have a shorter Elimination Period or a longer Benefit Period than the Policy to which this rider is attached.
- We will not issue an Increase Policy of less than \$500 unless it is for the remaining Total Increase Option.
- The Increase Policy may not include the same provisions and benefits as the Policy to which this rider is attached. The Increase Policy may only include those benefits that are part of the Policy to which this rider is attached if We are then offering such benefits to new applicants.
- The premium for each Increase Policy will be based on the following factors:
  - the rates in effect on the date of issue of the Increase Policy;
  - the Increase Policy amount;
  - Your Age and gender on the date of the issue of the Increase Policy;
  - the Class of Risk and Occupation Class of the Policy to which this rider is attached;
  - any special class rating that applies to the Policy to which this rider is attached; and
  - the policy form of the Increase Policy.

The Class of Risk and Occupation Class under the Increase Policy will not be less favorable than under the Policy to which this rider is attached.

If the Policyowner submits to Us satisfactory



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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Overhead Expense (4200)*

*Optional Benefits – Future Increase Optional Rider*

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evidence that Your Class of Risk and Occupation Class on the Effective Date of the Increase Policy is more favorable to You than it was when the Policy went into effect, then We will apply the more favorable risk classification to the Increase Policy. Any Increase Policy approved with a more favorable Class of Risk or Occupation Class will only be issued on a separate policy form that is most like the Policy then in use on a regular basis in the place where You live.

- Conditions that are excluded by name or specific description under the terms of the Policy to which this rider is attached will be excluded under the Increase Policy.
- In order for an Increase Policy to become effective, We must receive the first premium unless premiums are then being waived because You are Disabled or benefits are being paid under the Policy.”

Termination: “This rider will terminate when the first of the following events occurs:

- You attain age 55;
- the Total Increase Option as shown in the Schedule Page has been issued;
- the premium for this rider remains unpaid for more than 31 days;
- the date of the Policyowner’s written request to terminate this rider; or
- the Policy terminates.”



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Automatic Benefit Enhancement Rider**

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**Automatic Benefit  
Enhancement  
Rider  
(Rider Form 4207)**

This no-charge rider, available at underwriter discretion, allows the option to have automatic, compounded, 4% increases to the total maximum monthly overhead expense benefit each policy anniversary for five years despite any changes in health, income, or occupation. The automatic increases apply to the base policy only.

Premiums for the coverage increases to the policy will be at attained age rates on the increase date.

Increases can be refused by written request or nonpayment of increase premium.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages:	18 – 50 (age last birthday)
Occupation Classes:	Classes 6/6M – 3/3M
Premium Structure:	Level
Elimination Periods:	Same as base policy
Benefit Periods:	Same as base policy
Issue Limits:	Only available with a policy size of \$1,000 or more.
	The total assumed acceptances of 4% compounded for the first five policy years, plus the remaining Future Increase Option(s) and any in-force overhead expense coverage cannot exceed the maximum issue and participation limits. The Supplemental Overhead Expense Benefit Rider does not increase with successful acceptances.
Rider Review Date:	The fifth policy anniversary and every fifth policy anniversary thereafter while this rider is in force.
Renewability:	Renewable to age 60, subject to underwriting at each five-year interval.
<b>Benefit Provisions:</b>	<b><i>Refer to specimen contract for complete details.</i></b>

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Automatic Benefit Enhancement Rider**

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Automatic Benefit  
Enhancement:

“This rider provides for up to five annual Automatic  
Increases as follows:

- On each Policy Anniversary, unless the Policyowner refuses, We will increase the Maximum Monthly Overhead Expense Benefit by the Automatic Increase.
- No Automatic Increase will be made which will cause the Maximum Monthly Overhead Expense Benefit to exceed the amount of allowable Coverage, if any, available based on Our underwriting rules in effect at the time of increase or on the Effective Date of the Policy, whichever are more favorable to the Policyowner.
- We will not require any evidence of insurability for an Automatic Increase to take effect.
- Each Automatic Increase that is accepted will remain in effect for as long as the Policy is in force and the premium is paid.
- The premium for each Automatic Increase will be based on the following factors:
  - the rates in effect on the date of issue of the Automatic Increase;
  - the Automatic Increase amount;
  - Your Age and gender on the date of issue of the Automatic Increase;
  - the Class of Risk and Occupation Class of the Policy to which this rider is attached; and
  - any special class rating that applies to the Policy to which this rider is attached.”

Automatic Increases  
While Disabled or  
During a Suspension  
Period:

Automatic Increases will not be added to the Maximum Monthly Overhead Expense Benefit during any period that your client is Disabled or during a Suspension Period. If the Suspension Period ends, or your client is no longer disabled and we are no longer paying benefits or waiving premiums, Automatic Increases will resume on the next Policy Anniversary Date. This rider will terminate if your client is disabled on a Rider Review Date or if the Rider Review Date occurs during a Suspension Period.

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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Overhead Expense (4200)*

*Optional Benefits – Automatic Benefit Enhancement Rider*

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Rider Renewal: “After a Rider Review Date and before the next Policy Anniversary, the Policyowner may submit an application to renew this rider for the smallest of:

- another five Automatic Increases; or the number of Automatic Increases between Your attained Age and Age 60, whichever is less; or
- the number of Automatic Increases that will not cause the Maximum Monthly Overhead Expense Benefit to exceed the amount of allowable Coverage, if any, available based on Our underwriting rules in effect at the time of increase or on the Effective Date of the Policy, whichever are more favorable to the Policyowner.

If the Policyowner applies to renew this rider, evidence of Your medical insurability, Covered Overhead Expenses, occupation, employment and other insurance in force, applied for, or for which You are eligible must be provided. We may require additional evidence of financial insurability to renew this rider.

The application to renew this rider will be underwritten in accordance with Our underwriting rules in effect at the time of increase or on the Effective Date of the Policy, whichever are more favorable to the Policyowner.

If benefits have been paid by Us under the Policy, this rider may not be renewed.”

Termination: “This rider will terminate on the date when the first of the following events occurs:

- We do not renew this rider;
- You attain age 60;
- the date of the Policyowner’s refusal of a second consecutive Automatic Increase;
- any date on which the Maximum Monthly Overhead Expense Benefit equals or exceeds the amount of allowable Coverage, if any, available based on Our underwriting rules then in use, or those in effect on the Effective Date of the Policy; whichever are more favorable to the Policyowner;
- on a Rider Review Date if You are Disabled;
- on a Rider Review Date during a Suspension Period; or
- on the date the Policy terminates.”



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Overhead Expense (4200)****Optional Benefits – Additional Monthly Benefit Rider**

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**Additional Monthly  
Benefit Rider  
(Rider Form 4206)**

This rider allows for additional maximum monthly overhead expense benefit to be added to the originally issued policy, without the need for a separate policy with an additional policy fee. Additions can only result from a successful FIO exercise.

*This feature is only available as an add-on rider at attained age rates.*

*Only policies issued under this policy series will be allowed to add AMB-FIO as a result of an FIO exercise. If an FIO/FPO rider is being exercised on a different policy series, a new policy will be issued. NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.*

***Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.***

Issue Ages:	18 – 55 (age last birthday)
Occupation Classes:	Classes 6/6M – 3/3M
Premium Structures:	Level
Elimination Periods:	Same as base policy
Benefit Periods:	Same as base policy
Issue Limits:	Minimum: \$500 Maximum: based on Issue and Participation Limits in effect
Discounts:	Discounts available follow the same guidelines as base policy
Renewability:	This rider is non-cancellable and guaranteed renewable to age 65

Thereafter, the benefit is conditionally renewable at attained age premiums after the expiration date as long as the insured is working full time (30 hours per week for at least 10 months each year) and the premium is paid on time

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**DI PRODUCT AND INFORMATION MANUAL*****Business Products – Overhead Expense (4200)******Optional Benefits – Additional Monthly Benefit Rider***

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- Termination: “This rider will terminate when the first of the following events occurs:
- You attain age 65 except as provided in the Conditional Right To Renew After Age 65 provision;
  - the premium for this rider remains unpaid for more than 31 days;
  - We receive the Policyowner’s written request to terminate this rider; or
  - the Policy terminates.”

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**Berkshire  
Professional  
Overhead  
Expense (4100)**

This non-cancellable and guaranteed renewable Overhead Expense policy offered by Berkshire provides benefits to reimburse the normal and customary fixed monthly business expenses associated with the business or practice of a professional or a business owner while he or she is disabled. Business owners must be active in the business and personally responsible for expenses.

Overhead Expense insurance is intended to provide financial protection when the absence of a business owner would result in a significant loss of revenue. If Underwriting determines that the absence of a business owner would not result in an immediate, significant loss of revenue to the business, Overhead Expense may not be available.

The basic information Underwriting would need for evaluation is:

- Number of employees in the company;
- What their jobs are;
- An explanation as to why revenue would immediately suffer with the loss of the owner.

Fee for service businesses (including professional practices and certain personal service businesses) must have no more than 10 owners and other types of businesses cannot have more than four owners.

This is a reimbursement contract, i.e., the amount reimbursed is equal to the actual expenses incurred but not greater than the maximum monthly Overhead Expense benefit. The maximum is selected at issue, and care should be taken to ensure that it closely relates to the covered expenses that would be incurred by the insured upon disability. Where there are multiple business owners or professionals involved, only those expenses appropriately allocated to the insured should be considered.

Full-time employment (a minimum of 30 hours per week, year round) is required.

**PRODUCT  
SPECIFICATIONS**

Definition of Total Disability: True Own-Occupation

Issue Ages: 18-60 (age nearest birthday)

## DI PRODUCT AND INFORMATION MANUAL

### Business Products – Berkshire Overhead Expense (4100)

Occupation Classes:	6, 5, 4, 3										
Elimination Periods:	30, 60 or 90 days										
Aggregate Benefit:	12, 18 or 24 times the monthly benefit										
Benefit Periods:	12, 18 or 24 Months										
Minimum Policy Size:	\$200 per month (\$100 for Future Purchase Option exercise.)										
Maximum Issue Limit:	\$50,000 per month for 12-month benefit period \$40,000 per month for 18-month benefit period \$30,000 per month for 24-month benefit period										
Riders Available:	Residual and Future Purchase Option										
Discounts:	Association – A permanent 10%, policy-level discount for pre-approved associations. Unavailable with the Batch-Billed Discount.  Batch Billed (aka list or group bill) – A 10% billing discount with a minimum of three (3) lives on the bill.  <i>If one of the three (3) lives is subsequently removed from the billing, the discount will be discontinued on all remaining policies effective with the next premium due.</i>  Non-tobacco User – A 20%, permanent discount applied on a coverage level to the standard premium for qualified applicants who have not used tobacco in any form during the past twelve months.  Volume – A permanent, coverage level discount applied to the base and rider premiums, excluding the policy fee, for policies with a monthly benefit of \$4,000 and higher as follows: <table><thead><tr><th><u>Monthly Benefit</u></th><th><u>Discount %</u></th></tr></thead><tbody><tr><td>\$4,000 - \$5,999</td><td>2%</td></tr><tr><td>\$6,000 - \$7,999</td><td>4%</td></tr><tr><td>\$8,000 - \$9,999</td><td>6%</td></tr><tr><td>\$10,000 and over</td><td>8%</td></tr></tbody></table>	<u>Monthly Benefit</u>	<u>Discount %</u>	\$4,000 - \$5,999	2%	\$6,000 - \$7,999	4%	\$8,000 - \$9,999	6%	\$10,000 and over	8%
<u>Monthly Benefit</u>	<u>Discount %</u>										
\$4,000 - \$5,999	2%										
\$6,000 - \$7,999	4%										
\$8,000 - \$9,999	6%										
\$10,000 and over	8%										
Annual Policy Fee:	\$15										
Premium Modes and Factors:	Semi-annual – 0.515 Quarterly – 0.26265 Automatic Payment Plan* – 0.085833										

*\* Premiums may be paid monthly under an automatic payment plan or list billing arrangement. The minimum installment premium is \$10.*

Substandard Premiums: Substandard premiums are applied to the risk class premium and are a percentage of premium in one of the following increments: 25%, 50%, 75% or 100% above standard *smoker* rates.

**BASE POLICY FEATURES**

*Refer to Specimen Contract for full details.*

Total Disability or Totally Disabled (*excluding CA and FL*): “Means you are unable to perform the material and substantial duties of your occupation, and you require the regular attendance of a physician; such disability must be the result of an injury or sickness.”

Total Disability or Totally Disabled (*CA only*): “Means that, as a result of sickness or injury, you are unable to perform with reasonable continuity the material and substantial acts necessary to pursue your usual occupation in the usual and customary way.”

Total Disability or Totally Disabled (*FL only*): “Means you are unable to perform the material and substantial duties of your occupation, and you require the regular attendance of a physician; such disability must be the result of an injury or sickness. We will waive the requirement for the regular attendance of a physician if proof satisfactory to us is furnished that such continued care would be of no benefit to you.”

Recurrent Disabilities: Separate periods of total disability are deemed continuous if certain conditions are met.

Extension of Benefits: A built-in feature that can extend the length of time benefits are paid.

Waiver of Premium: Premiums are waived when total disability benefits are paid. Premiums paid during the waiting period will be refunded.

Rehabilitation: If your client is totally disabled and participates in a professionally planned vocational rehabilitation program that we have approved in advance, this alone will not be deemed the end of your total disability.

**Miscellaneous:**

Taxation: **Premiums** for overhead expense policies are deductible by the business. This applies to unincorporated businesses and





professional practices as well as corporations.

**Benefits** received under such policies are taxable as income to the business. However, those benefits are used to pay business expenses that are deductible. This is known as a ‘wash.’

Participation With Other Company’s Overhead Coverage: We will participate with other companies to a maximum issue and participation limit of \$50,000 per month for 12-month benefit period, \$40,000 per month for 18-month benefit period and \$30,000 per month for 24-month benefit period. We will also participate to \$55,000 per month with coverage issued under the Business Reducing Term product. Amounts over this maximum will be considered subject to availability and reinsurance approval.

Owners/Employees: In circumstances where there are income-generating employees, the monthly benefit amount may be adjusted.

Maximum owners in a partnership\*:  
Fee For Service – 10 principals  
Other Businesses – 4 principals

*\*Partnerships with excess principals may be considered subject to underwriting approval.*

Covered Overhead Expenses: “Means the normal, necessary and customary charges that you incur in the continued operation of your professional practice; in the event of a joint occupancy, this term means that part of such charges incurred for which you are responsible. These charges include:

- rent
- electricity
- telephone
- heat
- water
- laundry
- salaries of employees who are not members of your profession
- real estate taxes
- interest on debt\*
- depreciation or scheduled installment payments of principal of debt.\* The owner must choose at the time a claim begins whether to claim depreciation or payment of principal of debt for the insured’s professional practice. The choice can be made only once for each separate disability. The amount of depreciation allowed will be that used for federal income tax purposes. The amount of principal will not be more than that paid



- under a plan of scheduled installment payments which begin before the start of disability.
- rent or lease expense of furniture, equipment or other assets used in your professional practice.
- and such other fixed expenses as are normal, necessary and customary in the conduct of your professional practice.”

*\*Note: We will use only one of these items at time of underwriting.*

“If, following the onset of your total disability, a member of your profession is hired to perform duties previously performed by you, 80% of the salary paid by you to such individual will be considered a covered overhead expense.

Such salary will not be considered for more than six months; nor will it be considered if such individual has an ownership interest in your practice.

Covered overhead expenses do not include any salary, fees, drawing account, or other remuneration for you or any member of your profession (except as described above); nor do they include any compensation for a member of your immediate family who was not a full-time employee continuously during the 60 days immediately prior to your total disability.

Nor do covered overhead expenses include the cost of goods or merchandise of any nature; the cost of implements of your profession; or premiums waived due to your disability.”

Renewability: This policy is non-cancellable and guaranteed renewable until the policy anniversary that falls on or most nearly after the insured’s sixty-fifth birthday. Thereafter it is conditionally renewable until the policy anniversary that falls on or most nearly after the insured’s seventy-fifth birthday.

Exclusions and Limitations: (CA only)

“We will not pay benefits for any disability:

- caused by, contributed to, or which results from military training, military action, military conflict or war, whether declared or undeclared, while you are serving in the military or units auxiliary thereto, or working for contracted military services;
- caused by, contributed to, or which results from your commission of, or attempt to commit, a felony as defined under local, state or federal law;
- during any period of time in which you are incarcerated or detained;
- caused by, contributed to, or which results from your



- being engaged in an illegal occupation;
- caused by, contributed to, or which results from an intentionally self-inflicted injury;
- for normal pregnancy or childbirth during the first 3 months of total disability or the elimination period if longer; or
- due to any loss we have excluded from coverage under this policy by name or specific description.”

Pre-existing  
Conditions  
Excluded:  
(*excluding CA*)

“For a two-year period following the effective date of coverage under the policy, no benefits will be paid for any disability resulting from any injury or sickness which existed or occurred within two years prior to the effective date. Such pre-existing condition will only be covered from the effective date of this policy if it is fully disclosed on the application for insurance and we have not excluded that condition by rider.”

Pre-existing  
Condition  
Limitation:  
(*CA only*)

“You are not covered for a disability caused by or substantially contributed to by a pre-existing condition or medical or surgical treatment of a pre-existing condition. You have a pre-existing condition if:

- you suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in your application for this policy (i) for which you received a physician’s advice or treatment within two years before the date of issue of this policy, or (ii) which caused symptoms within one year before the date of issue of this policy for which a prudent person would usually seek medical advice or treatment, and
- the disability caused or substantially contributed to by the condition begins in the first two years after the date of issue of this policy.”

Mental Disorder(s)  
and/or Substance-  
Related Disorder  
Limitation:  
(*CA only*)

“The benefit period for a disability due to a mental disorder and/or substance-related disorder is also subject to the following limitations:

- (a) a benefit for a covered overhead expense will not be paid for more than an aggregate total of 24 months during the entire time this policy is in force;
- (b) this 24-month limitation also applied to all rider benefits payable by virtue of your disability due to a mental disorder and/or substance-related disorder;
- (c) any month in which benefits are paid for a mental disorder and/or substance-related disorder (regardless of whether paid under the base policy or any rider or both) shall count toward the 24-month limitation;
- (d) this limitation applies to this policy and all riders



under this policy.

However, subject to the indemnity period on the policy schedule page and all other provisions of the policy and any rider, we will pay a benefit for a covered overhead expense as long as you are continuously confined in a hospital for treatment of a disability due to mental disorder and are under the medical care of a physician.”

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

Mental Disorders  
and/or Substance  
Abuse Disorders:  
(*FL only*)

“Means any of the disorders classified in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association (APA). Such disorders include but are not limited to, psychotic emotional, or behavioral disorders, or disorders relatable to stress or to substance abuse dependency. If the Manual is discontinued, we will use the replacement chosen by the APA, or by an organization that succeeds it.”

Mental Disorders  
and/or Substance  
Abuse Disorders  
(*CA only*)

“Means any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM). Mental disorder includes but is not limited to, psychiatric, psychological, emotional, or behavioral disorders, or disorders related to stress or to substance abuse or dependency, including any complications thereof. Mental disorder does not include dementia or cognitive impairment resulting from stroke, trauma, infections, or a form of senility or irreversible dementia such as Alzheimer’s Disease, nor does it include substance abuse or dependency resulting from the use of controlled substances administered on the advice of a physician.

**Diagnostic and Statistical Manual of Mental Disorders or DSM** means the most recent version of the diagnostic manual as published by the American Psychiatric Association (APA) as of the start of your disability. If the DSM is discontinued, we will use the replacement chosen by the APA, or by an organization which succeeds it.”



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## **DI PRODUCT AND INFORMATION MANUAL**

***Business Products - Berkshire Overhead Expense (4100)***

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### **State Product Variations:**

California: Premiums 20% higher

Florida: Premiums 10% higher

Kansas: 30- and 60-day waiting periods unavailable under certain conditions

Montana: Unavailable

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Berkshire Overhead Expense (4100)****Optional Benefits – Residual Overhead Expense Benefits for Injury or Sickness**

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**Residual Overhead  
Expense Benefits  
For Injury or  
Sickness  
(Rider Form 4102)  
(05/05)**

This rider is designed to extend the benefits of the base overhead expense policy to situations involving residual (*partial in CA*) disability.

**Partial Overhead  
Expense Benefits  
for Injury or  
Sickness  
(Rider Form 4102  
CA) (07/06)**

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages:	Same as base policy
Occupation Classes:	Same as base policy
Waiting Periods:	Same as base policy
Benefit Periods:	Same as base policy
Issue Limits:	Same as base policy
Renewability:	Non-cancellable and guaranteed renewable until the policy anniversary that falls on or most nearly after the insured’s sixty-fifth birthday.

**Benefit Provisions:** *Refer to specimen contract for complete details.***Residual Monthly  
Overhead Expense  
Benefit:  
(excluding CA)**

“Is equal to: (1) your covered overhead expenses; minus (2) your current gross monthly revenue. If your covered overhead expenses include an amount attributable to the salary of a member of your profession who is hired to perform duties previously performed by you, such amount will not be considered a covered expense under this benefit. This benefit will not exceed the maximum monthly overhead expense benefit.”

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Berkshire Overhead Expense (4100)****Optional Benefits – Residual Overhead Expense Benefits for Injury or Sickness**

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Partial Monthly Overhead Expense Benefit: (CA only)	“Is equal to: (1) your covered expenses, minus (2) your current gross monthly revenue. If your covered overhead expenses include an amount attributable to the salary of a member of your profession who is hired to perform duties previously performed by you, such amount will not be considered a covered expense under this benefit. This benefit will not exceed the maximum monthly overhead expenses benefit.”
Residual Monthly Overhead Expense Benefit: (excluding CA)	“We will pay the residual overhead expense benefit if: <ol style="list-style-type: none"><li>1. You become continuously disabled for the waiting period, during which disability may be total, residual or both;</li><li>2. after the waiting period, you suffer a loss of gross monthly revenue;</li><li>3. such loss is a result of your residual disability;</li><li>4. you are not totally disabled (as defined in the policy); and</li><li>5. you continue to be residually disabled.”</li></ol>
Partial Monthly Overhead Expense Benefit: (CA only)	“We will pay the partial monthly overhead expense benefit if: <ol style="list-style-type: none"><li>1. You become continuously disabled for the waiting period, during which disability may be total, partial or both;</li><li>2. after the waiting period you suffer a loss of gross monthly revenue;</li><li>3. such loss is a result of your partial disability;</li><li>4. you are not totally disabled (as defined in the policy); and</li><li>5. you continue to be partially disabled.”</li></ol>

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Berkshire Overhead Expense (4100)****Optional Benefits – Future Purchase Option Rider**

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**Future Purchase  
Option Rider  
(Rider Form 4105)**

This rider provides for the purchase of additional amounts of Overhead Expense insurance and is available to issue at age 53 without evidence of medical insurability. The new policy(ies) will be similar to the original policy.

NOTE: The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

*Product provisions and features may vary by state; refer to “State Product Variations” Section and Specimen Contract for complete details.*

Issue Ages:	18-53
Occupation Classes:	Same as base policy
Waiting Periods:	Same as base policy
Benefit Periods:	Same as base policy
Issue Limits:	\$100 - \$1,500
Renewability:	55
Option Dates:	Every policy anniversary with the last option occurring on the policy anniversary nearest the insured’s age 55.
Option Period:	The period of time that begins 31 days before the option date and ends 31 days after the option date.
Premiums:	The premium for each additional policy will be based on the attained age of the insured, and the table of premium rates that is in use on the effective date of each such policy.
Policy Specifications:	<p>“Each additional policy that the owner buys under this agreement will be issued as of the option date on which it is bought. All policies are subject to the requirements listed as follows:</p> <ol style="list-style-type: none"><li>1. All additional insurance that is applied for will be subject to our issue and participation limits as of the date the option is exercised; your covered overhead expenses as defined in the policy to which this agreement is attached will be used to determine your eligibility for additional insurance;</li><li>2. each such policy will be issued only on a plan that</li></ol>

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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Berkshire Overhead Expense (4100)*

*Optional Benefits – Future Purchase Option Rider*

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- provides a monthly overhead expense benefit. Such indemnity must be of the type that is provided by this policy;
3. each such policy will be issued only on a policy form that we then use on a regular basis. The renewal provisions in each such policy must be no less favorable than those in this policy;
  4. each such policy will provide a monthly overhead expense benefit for total disability. Residual (*partial in CA*) benefits may be purchased under this agreement on each additional policy if they are included in the policy to which this agreement is attached;
  5. on each option date the owner can purchase additional coverage equal to the option amount (see “Policy Schedule” page);
  6. the sum of all additional monthly overhead expense benefits purchased on all option dates will be the lesser of (a) the maximum issue limit shown on the “Policy Schedule” page minus the maximum monthly overhead expense benefit for disability on the policy to which this agreement is attached and all other overhead expense benefit policies that you are covered under; or (b) two times the maximum monthly overhead expense benefit on the policy to which this agreement is attached;
  7. the waiting and maximum benefit periods in the additional policy will be: (a) the same as those in this policy; or (b) if we no longer issue policies with these periods, the closest waiting and maximum benefit periods issued;
  8. the premium for each such policy will be based on the table of premium rates that is in use on the effective date of each such policy. The premium will be based on the following factors: your age on the effective date of the policy; the occupational class of risk to which you belonged on the effective date of this agreement; and the plan of insurance that is issued. If the owner submits to us satisfactory evidence that your occupational class of risk on the effective date of the additional policy is more favorable than it was when this agreement went into effect, then we will apply the more favorable risk classification to the additional policy;
  9. under each such new policy, we will exclude from coverage any loss that results from any condition which is excluded from the terms of the policy to which this agreement is attached;
  10. except for representations made at the time of exercising any option under this agreement, the time period of the incontestable provision of the additional policy will be measured from either the effective date of the policy to



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**DI PRODUCT AND INFORMATION MANUAL**

*Business Products – Berkshire Overhead Expense (4100)*

*Optional Benefits – Future Purchase Option Rider*

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which this agreement is attached or the date of the last reinstatement of this policy, if later. We will modify the incontestable provision of the additional policy by endorsing it;

11. the effective date of each such policy will be the option date or the date on which the application and premium payment requirements are met, if later;
12. we must receive a written application and payment of the first premium for each additional policy during the option period;
13. any option not exercised during the option period is forfeited.”

**Disability  
Buy-Out  
(Form 3200)**

The Disability Buy-Out policy provides cash to assist in the purchase of a disabled partner's or shareholder's business interest by the remaining owners. The policyowner could be an insured's partner/co-owner or the business itself, depending on the buy-out agreement. The insured cannot be a policyowner for a DBO policy covering the insured's life.

**PRODUCT  
SPECIFICATIONS**

Definition of Total Disability: True Own-Occupation that includes "and You are not Gainfully Employed by the Business."

Issue Ages: 18-60 (age last birthday)

Classes of Risk: Preferred\*, Select, Standard

*\* unavailable with substandard risks*

Occupation Classes: 6, 5, 4, 3, 6M, 5M, 4M, 3M

Elimination Periods: 360, 540 or 720 days

An Elimination Period is the number of days that must elapse following the onset of Disability before benefits become payable. The shorter the Elimination Period chosen, the higher the premium will be. With Disability Buy-Out, different periods of Disability from the same – or a different – cause count toward the Elimination Period provided they occur within a specific Accumulation Period. See below chart for details:

Elimination Period	Accumulation Period
360 Days	540 Days
540 Days	720 Days
720 Days	900 Days

Funding Methods: Lump Sum, Monthly Installment, Down Payment

Benefit Periods: Lump Sum; Installment: 12, 24, 36, 48 or 60 Months; Down payment: combination of Lump Sum and Installment

Minimum Issue Limit: \$20,000

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Disability Buy-Out (3200)**

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Maximum Issue Limit:	We will issue up to 100% of the of the proposed insured’s share of the business or practice according to our published valuation methods, up to a maximum issue limit of \$2,000,000 regardless of funding method or elimination period.	
Maximum Aggregate Benefit:	The Maximum Aggregate Benefit is the maximum amount we may pay under the policy. The Maximum Aggregate Benefit remains level until age 61.  If your client becomes Totally Disabled after age 61, the Maximum Aggregate Benefit decreases annually by 20% of its original amount. A schedule of coverage reflecting these reductions is provided in the clients’ Schedule Page.	
Riders Available:	Future Increase Option Additional Benefit*  <i>* Available as an FIO exercise only. Refer to In-Force and FIO/FPO/GDR Option Exercise Section.</i>	
Discounts:	Multi-Client – A permanent, 10% discount is available when 3 or more policies are being issued for this product under the same buy-sell agreement.	
Premiums:	Gender-distinct rates	
Premium Structure:	Level	
Annual Policy Fee:	\$30	
Modal Premiums:	<u>Premium Term</u>	<u>Guaranteed Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly/List Billed	0.085833
	Monthly/GOM	0.083333
Substandard Premiums:	Applied on a policy level basis to all coverage, before policy fee and discount (if applicable). Increments are 25%, 50%, 75% or 100%.	
BASE POLICY FEATURES:	<i>Refer to Specimen Contract for full details.</i>	
Total Disability or Totally Disabled:	“Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed by the Business.”	

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Renewability:	<p>“This Policy is renewable by timely payment of premiums until the first of the following events or occurrences at which time the Policy will automatically terminate.</p> <ul style="list-style-type: none"><li>• The Policyowner, if an individual, no longer has an Ownership Interest in the Business;</li><li>• You no longer have an Ownership Interest in the Business;</li><li>• You are no longer Gainfully Employed Full Time by the Business for any reason other than Total Disability;</li><li>• You have actual and/or Constructive Ownership of more than 90% of the Business;</li><li>• You have an actual Ownership Interest of less than 5% of the Business;</li><li>• the Maximum Aggregate Benefit has been paid; or</li><li>• the first Policy Anniversary after Your 65th birthday.</li></ul> <p>As long as the Policy remains in force, We cannot change any provision, add any restriction, or increase the premiums above those shown in the Schedule Page without the Policyowner’s consent.”</p>
Business Valuation Amount:	Business Valuation Amount is calculated based upon formulas outlined in the contract. The Business Valuation endorsements help clients understand how the business is valued when they purchase the coverage and at the time of claim.
Transplant and Cosmetic Surgery:	As an added built-in benefit we also deem the insured to be Totally Disabled as a result of Sickness if more than six months after the Effective Date the insured is Totally Disabled due to Transplant and Cosmetic Surgery.
Waiver of Premium Benefit:	The last thing your clients should have to worry about during a Disability is paying their Policy premium. If the insured is Totally Disabled for the length of the Elimination Period due to Injury or Sickness not excluded from Coverage, We waive premiums during a period of Disability. What’s more, we also reimburse for premiums they may have paid that apply to the period of Disability – even if paid prior to their Disability.
Occupational Rehabilitation Benefit:	If the insureds are Totally Disabled, they may be eligible for Occupational Rehabilitation Benefits if they participate in a formal occupational rehabilitation program approved in advance by us to help them return to Gainful Employment in their Occupation. We will pay costs that are not otherwise covered by insurance, workers’ compensation, or any public fund or program, as set forth in a signed, written agreement,



and subject to periodic review by Us.

**Modification and Access Benefit:** While the insureds are Totally Disabled, they may also be eligible for the Modification and Access Benefit if a modification is appropriate and reasonable to help enable the insureds to perform their job. We will reimburse your clients for the cost they incur for such a modification contingent on a signed written agreement with Us.

**Transfer of Coverage Option:** This built-in option allows the insured to transfer coverage to a new business without having to be medically underwritten, subject to eligibility requirements.

**Conversion Option:** This option offers your clients a limited right to convert their business coverage, any time before age 55, to an individual disability income policy with a monthly indemnity up to \$3,000, subject to eligibility requirements.

**Exclusions and Limitations:** *Refer to Specimen contract for complete details.*

**Exclusions:** “We will not pay benefits for any Total Disability:

- caused by, contributed to, or which results from military training, military action, military conflict or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
- during any period of time in which You are incarcerated;
- caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
- caused by, contributed to, or which results from Your being engaged in an illegal occupation;
- caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
- caused by, contributed to, or which results from an intentionally self-inflicted injury; or
- due to any loss We have excluded by name or specific description.”

**Pre-existing Condition Limitation:** “We will not cover any loss that begins in the first two years after the Effective Date from a Pre-existing Condition.”



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Termination of the Policy: “The Ppolicy will terminate when the first of the following occurs:

- the premium for the Policy remains unpaid at the end of the Grace Period;
- the premium for the Policy remains unpaid for more than 90 days after the end of a Suspension Period notwithstanding the Grace Period;
- We receive the Policyowner’s written request to terminate the Policy;
- We issue a Conversion Policy pursuant to the Conversion Option provision;
- You attain Age 65;
- Your death;
- the Policyowner, if an individual, no longer has an Ownership Interest in the Business;
- You no longer have an Ownership Interest in the Business;
- You are no longer Gainfully Employed Full Time by the Business for any reason other than Total Disability;
- You obtain actual and/or Constructive Ownership of more than 90% of the Business;
- You have an Ownership Interest of less than 5% of the Business; or
- the Maximum Aggregate Benefit under the Policy has been paid.

Termination will not prejudice any claim for Total Disability which begins while the Policy is in force.”

**State Product Variations:**

Montana: Unisex rates

Nevada: Premiums 20% higher

**Underwriting Rules**

**Business:**  
Professional/Personal  
Service  
Organizations:

Between two and ten owners are acceptable for firms that have been in business for at least one year where each proposed insured has an ownership interest not exceeding 90% for any one person.

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## DI PRODUCT AND INFORMATION MANUAL

### *Business Products – Disability Buy-Out (3200)*

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Commercial Businesses:	Between two and five owners are acceptable for firms that have been in business for at least three years where each proposed insured has an ownership interest not exceeding 90%.
General Ownership Guidelines:	<p>Eligible owners must own a 5% interest or more in the business, but not more than a 90% interest.</p> <p>All eligible owners actively working full time in the business must apply for coverage. Two of three owners will be considered if the third owner is uninsurable.</p> <p>Unavailable when there are only two partners, they are more than 15 years apart in age, and the older partner is at least 51 years old.</p>
Family Owned:	Applicants who are related as parent and child or husband and wife and are sole owners of the business are not eligible for DBO coverage.
Multiple Business Organizations:	Refer to the home office.
<b>Individual:</b> Professional/Personal Service Organizations:	The applicant must have been in the business for at least one year. Exceptions may be considered for certain professional partnerships if an existing Buy-Out Agreement is in place.
Commercial Businesses:	The applicant must have been in the business for at least one year. No exceptions will be made.
<b>Other Considerations:</b> Participation With Other Companies:	<p>We will allow our DBO coverage to be layered on top of an owner's existing DBO coverage from another carrier; we will also consider coverage for new owners where the existing owners have DBO coverage in force with another carrier provided:</p> <ul style="list-style-type: none"><li>• the applicant confirms that the elimination period and funding method outlined in the buy-out agreement align with the new coverage; and</li><li>• the new coverage issued has the same elimination period, funding method and benefit period as the coverage in force.</li></ul>



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Disability Buy-Out (3200)**

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Actively At Work: All applicants must be actively at work on a full-time basis. All owners must apply unless uninsurable or not active in the business.

**Taxation Issues**

	<b>Entity Purchase</b>	<b>Cross Purchase</b>
Policy Owner	The Business	Individual Owners or Trustee
Premiums Paid by	The Business	Individual Owners or Trustee
	<i>tax treatment of premiums are non-deductible</i>	<i>tax treatment of premiums are non-deductible</i>
Benefits Paid to	The Business	Individual Owners or Trustee
	<i>tax treatment of benefits are tax-free</i>	<i>tax treatment of benefits are tax-free</i>

*This information is offered for the purpose of education and information only and should not be considered tax or legal advice. For information on your specific situation, please consult your legal or tax advisor.*

**Financial Valuation Requirements****Professional/Personal Service Organizations**

Three years of corporate tax returns will be required to establish the annual gross receipts of the business.

**Commercial Businesses**

Two years of corporate tax returns will be required to establish both the net worth of the business and the total owner compensation.

**Business Valuation**

The value of a business will be determined using one of the following methods:

- A. Professional Corporations and Personal Service Partnerships - one times the average annual gross receipts of the business over the last three years.
- B. Commercial Businesses – 100% of net worth\* plus two times total owner compensation\* all based on average of these figures over the last two years.

Each owner's share of this business value is proportional to his or her percentage of ownership in the business, according to the Business Valuation Endorsement attached to the insured's policy.

*\* Refer to specimen policy for definitions of net worth and total owner compensation.*



**Solicitation**

- Use the current edition of application being careful to complete the information for Disability Buy-Out insurance.
- If the Buy-Out Agreement is to be drafted after the date of issue, we will require proof that an agreement is in effect on the first policy anniversary or we will cancel the policy from date of issue and refund all premiums.

**The Buy-Out Agreement**

- Do not submit for underwriting review.
- Must be in existence by the end of the first policy year.
- Must be in existence at time of renewal.
- Must be in existence at time of disability.
- Must be provided as part of proof of loss.



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Disability Buy-Out (3200)****Optional Benefits – Future Increase Option**

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**Disability Buy-Out  
(Form 3200)  
– Optional Benefits****Future Increase  
Option  
(Form 3205)**

This rider provides for the purchase of additional coverage, in the form of an Additional Benefit\* (AB) rider or as a separate policy equal to the option amount, similar to the original policy without having to provide evidence of good health.

The option to purchase additional coverage cannot be exercised while the insured is disabled, receiving disability benefits, or eligible to receive disability benefits from any source.

*\*Refer to In Force Change and FIO/FPO/GDR Option Exercises Sections for additional information.*

**Summary**

***Product not available in all states and product provisions and features may vary by state. Refer to State Product Variations and Specimen Contracts for full details.***

Issue Ages: 18 - 50

Occupation Classes: Classes 6/6M – 3/3M

Premium Structure: Level

Elimination Periods: Same as base policy

Funding Methods: Same as base policy

Benefit Periods: Same as base policy

Issue Limits: \$10,000 - \$150,000

Policy Fee: \$0 when exercised with Additional Benefit Rider  
\$30 when exercised to a separate policy

Premiums: The premium for each additional policy will be based on the attained age of the insured, and the table of premium rates that is in use on the effective date of each such policy.

Renewability: The expiry date of the Future Increase Option rider is when the insured attains age 55.

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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Disability Buy-Out (3200)*

*Optional Benefits – Future Increase Option*

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**Benefit Provisions:** *Refer to Specimen contract for complete details.*

**Conditions and Limitations:** “All of the following conditions apply when the Policyowner exercises an Increase Option:

- We must receive a written application for an Option Amount during an Option Period
- The Increase Policy may either be issued on a separate policy form that is most like the Policy then in use on a regular basis in the place where You live or may be added to the Policy in the form of an Additional Benefit Rider.
- The Increase Policy must have the same Elimination Period and Monthly Installment Period, if applicable, as the Policy to which this rider is attached.
- We will not issue an Increase Policy with less than \$10,000 Maximum Aggregate Benefit.
- The Increase Policy may not include the same provisions and benefits as the Policy to which this rider is attached. The Increase Policy may only include those benefits that are part of the Policy to which this rider is attached if We are then offering such benefits to new applicants.
- The premium for each Increase Policy will be based on the following factors:
  - the rates in effect on the date of issue of the Increase Policy;
  - the Increase Policy amount;
  - Your Age and gender on the date of the issue of the Increase Policy;
  - the Class of Risk and Occupation Class of the Policy to which this rider is attached;
  - any special class rating that applies to the Policy to which this rider is attached; and
  - the policy form of the Increase Policy.

The Class of Risk and Occupation Class under the Increase Policy will not be less favorable than under the Policy to which this rider is attached.

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## **DI PRODUCT AND INFORMATION MANUAL**

***Business Products – Disability Buy-Out (3200)***

***Optional Benefits – Future Increase Option***

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If the Policyowner submits to Us satisfactory evidence that Your Class of Risk or Occupation Class on the Effective Date of the Increase Policy is more favorable to You than it was when the Policy went into effect, then We will apply the more favorable risk classification to the Increase Policy.

- Conditions that are excluded by name or specific description under the terms of the Policy to which this rider is attached will be excluded under the Increase Policy.”

Termination: “This rider will terminate when the first of the following events occurs:

- You attain Age 55;
- the total amount of allowable Maximum Aggregate Benefit has been issued;
- the premium for this rider remains unpaid for more than 31 days;
- the date of the Policyowner’s written request to terminate this rider; or
- the Policy terminates.”

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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Disability Buy-Out (3200)****Optional Benefits – Additional Benefit Rider**

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**Disability Buy-Out  
(Form 3200)  
– Optional Benefits****Additional Benefit  
Rider  
(Form 3206)**

This rider allows for an additional maximum aggregate benefit to be added to the originally issued policy, without the need for a separate policy with an additional policy fee. Additions can only result from a successful FIO exercise.

*This feature is only available as an add-on rider at attained age rates.*

*Only policies issued under this policy series will be allowed to add an additional benefit as a result of an FIO exercise. If an FIO/FPO rider is being exercised on a different policy series, a new policy will be issued.*

**Summary**

***Product not available in all states and product provisions and features may vary by state. Refer to State Product Variations and Specimen Contracts for full details.***

Issue Ages: 18 – 55

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level

Elimination Periods: Same as base policy

Funding Methods: Same as base policy, however, policies issued with a Down Payment funding method must be issued a new policy.

Benefit Periods: Same as base policy

Issue Limits: Minimum: \$10,000  
Maximum: Equal to the total option amount of the FIO Rider

Renewability: Conditionally renewable to age 65

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**DI PRODUCT AND INFORMATION MANUAL*****Business Products – Disability Buy-Out (3200)******Optional Benefits – Additional Benefit Rider***

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Termination: “This rider will terminate when the first of the following events occurs:

- You attain Age 65;
- the premium for this rider remains unpaid for more than 31 days;
- We receive the Policyowner’s written request to terminate this rider; or
- the Policy terminates.”

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**Disability Buy-Out (Form 3100)** The Disability Buy-Out policy provides cash to assist in the purchase of a disabled partner's or shareholder's business interest by the remaining owners. The policyowner could be an insured's partner/co-owner or the business itself, depending on the buy-out agreement. The insured cannot be a policyowner for a DBO policy covering the insured's life.

**PRODUCT SPECIFICATIONS**

**Definition of Total Disability:** True Own-Occupation and "the insured is not at work for the business."

Issue Ages: 18-59 (age **nearest** birthday)

Occupation Classes: 6, 5, 4, 3

Waiting Periods: 12, 18 or 24 Months

Funding Methods: Lump Sum, Monthly Installment, Down Payment

Benefit Periods: Lump Sum; Installment: 24 Months, 36 Months or 60 Months; Down payment: combination of Lump Sum and Installment

Minimum Issue Limit: \$20,000

Maximum Issue Limit: We will issue up to 100% of the fair market value of the proposed insured's share of the business or practice according to our published valuation methods. The maximum buy-out amount we will issue also depends upon the waiting period and funding method selected, according to the following schedules:

**Funding Method**

<b>Waiting Period</b>	<b>Lump Sum</b>	<b>Monthly/Down Payment</b>
12 months	\$ 750,000	\$1,250,000
18 months	\$1,000,000	\$1,500,000
24 months	\$1,500,000	\$2,000,000*

*\*Dentists, physicians and podiatrists are limited to a maximum of \$1,500,000.*

*\*Contact the Product Support Team for assistance generating quotes above the system limits currently in place.*

The lump sum amount payable as part of the Down Payment Funding Method is subject to the limits in the “Lump Sum” column. The maximum monthly amount is then the difference between the appropriate waiting period maximum and the lump sum selected.

Riders Available: Presumptive Permanent Disability (3110 and 3110 CA) and Future Purchase Option (3105 and 3105 CA)

Discounts: **Association** – A permanent, 10%, policy-level discount for pre-approved associations. Unavailable with the batch billed discount.

**Batch Billed** (aka list or group bill) – A 10% billing discount with a minimum of three (3) lives on the bill. If one of the three (3) lives is subsequently removed from the billing, the discount will be discontinued on all remaining policies effective with the next premium due date.

**Non-tobacco User** – A permanent, 20% discount applied on a coverage level to the standard premium to qualified applicants who have not used tobacco in any form during the past twelve months.

Annual Policy Fee: \$15

Premium Modes and Factors: Semi-Annual – 0.515  
Quarterly – 0.26265  
Automatic Payment Plan\* – 0.085833

*\* Premiums may be paid monthly under an automatic payment plan or a list billing arrangement. The minimum installment premium is \$10.*

Substandard Premiums: Substandard premiums are applied to the risk class premium and are a percentage of premium in one of the following increments: 25%, 50%, 75% or 100% above standard *smoker* rates.

BASE POLICY FEATURES: *Refer to Specimen Contract for full details.*

Total Disability or Totally Disabled: *(excluding CA)* “Totally Disabled or Total Disability means that (1) due to injury or sickness, the insured is unable to perform the substantial and material duties of his/her occupation, (2) the injury or sickness requires the regular attendance of a physician and (3) the insured is not at work for the business.”



Total Disability or Totally Disabled: (CA only) “Total Disability or Totally Disabled means that as a result of sickness or injury, the insured is unable to perform with reasonable continuity the material and substantial acts necessary to pursue his or her usual occupation in the usual and customary way and the insured is not at work for the business.”

**Waiver of Premium:** The last thing your clients should have to worry about during a Disability is paying their Policy premiums. If the insured is Totally Disabled for the length of the Waiting Period due to Injury or Sickness not excluded from coverage, We waive premiums that become due during a period of Disability. We also refund any premiums that became due and were paid after the disability commenced.

**Policy Death Benefit:** A death benefit may be paid should the insured die during the indemnity period.

**State Product Variations:**

California: Premiums 20% higher

Florida: Premiums 10% higher  
Step rate premium structure unavailable

Iowa: No 2 year waiting period

General: All eligible owners actively working full time in the business must apply for coverage. Two of three owners will be accepted if the third owner is uninsurable.

Unavailable when there are only two partners and they are more than 15 years apart in age.

**Underwriting Rules**

**Business:**  
Professional/Personal Service Organizations: Between two and ten owners are acceptable for firms that have been in business for at least one year where each proposed insured has an ownership interest not exceeding 90% for any one person.

Commercial Businesses: Between two and five owners are acceptable for firms that have been in business for at least three years where each proposed insured has an ownership interest not exceeding 90%.

Family Owned:	Applicants who are related as parent and child or husband and wife and are sole owners of the business are not eligible for DBO coverage.
Multiple Business Organizations:	Refer to the home office.
<b>Individual:</b>	
Professional/Personal Service Organizations:	The applicant must have been in the business for at least one year. Exceptions will be made for certain professional partnerships if an existing Buy-Out Agreement is in place.
Commercial Businesses:	The applicant must have been in the business for at least one year. No exceptions will be made.
<b>Other Considerations:</b>	
Participation With Other Companies: <i>(All states except CA and NY)</i>	We will allow our DBO coverage to be layered on top of an owner's existing DBO coverage from another carrier; we will also consider coverage for new owners where the existing owners have DBO coverage in force with another carrier provided: <ul style="list-style-type: none"><li>• the applicant confirms that the waiting period and funding method outlined in the buy-out agreement align with the new coverage; and</li><li>• the new coverage issued has the same waiting period, funding method and benefit period as the coverage in force.</li></ul>
Participation With Other Companies: <i>(CA and NY only)</i>	We will allow DBO to be issued to new partners/shareholders without replacing contracts previously issued to the other owners if the carrier providing those contracts is no longer offering DBO coverage. <i>However, additional coverage cannot be provided to those holding DBO policies with another carrier.</i>
Actively At Work:	All applicants must be actively at work on a full-time basis. All owners must apply unless uninsurable or not active in the business.



<u>Taxation Issues</u>	<b>Entity Purchase</b>	<b>Cross Purchase</b>
Policy Owner	Corporation	Individual Owners
Are premiums deductible to the owner?	No	No
Are insurance proceeds received by the owner/beneficiary income tax-free?	Yes	Yes
Do insurance proceeds affect the Alternative Minimum Tax (AMT)?	Possibly. The AMT formula is based upon regular taxable income plus adjustments and preferences stated in the Internal Revenue Code. DBO proceeds are considered a “business untaxed reported profit (BURP)” preference item when determining AMT.	No
The Buyer	The corporation must purchase all the disabled owner’s stock. If not, the transaction will be classified as a dividend, resulting in adverse tax consequences to both the owner and the business. The individual owner(s) do not receive an increase in their cost basis.	The individual owner will get an increase in his/her basis equal to the purchase price. This will reduce the taxable gain if the buyer decides to sell his/her business interest sometime in the future.
The Disabled Owner	The disabled owner will exchange his/her shares for cash as determined in the Buy-Out Agreement. Any amount received over and above the owner’s investment basis will be gain, subject to taxation at ordinary income tax levels.	



### **Financial Valuation Requirements**

#### **Professional/Personal Service Organizations**

Financial statements will be required to establish net worth. The statement must include the Business Balance Sheet and Income and Expense Statement (profit and loss).

Income verification will be necessary if multiple of salary is used in valuation process. Two year's tax returns with all schedules are required. Amounts up to \$500,000 will require at least one year's corporate tax returns profit and loss statement and business balance sheet. Amounts over \$500,000 will require two years' corporate tax returns including all schedules, profit and loss statements and business balance sheets.

#### **Commercial Businesses**

Amounts up to \$300,000 will require the Business Balance Sheet and Income and Expense Statement (profit and loss) and the business' tax return (including all schedules) for the last year.

Amounts of \$300,000 or more will require the Business Balance Sheet, Income and Expense Statement (profit and loss) and the business' tax return (including all schedules) for the last two years.

Regardless of amount, if multiple of salary method is used, earnings information must be verified. This includes the financial supplement and two years' income tax returns with all schedules.

#### **Business Valuation**

The value of a business will be determined using one of the following methods:

- B. Professional Corporations and Personal Service Partnerships - 100% of net worth plus 100% of earned income up to \$300,000 maximum plus 50% of earned income in excess of \$300,000.
- C. Life Insurance Agency - 100% of net worth plus one times new and renewal commissions.
- D. Casualty Agency - 100% of net worth plus two times new and renewal commissions.
- E. CPA Firms and Law Firms - 100% of net worth plus one times gross income.
- F. Commercial Businesses

The following methods apply:

- 1. Each owner's proportionate share of the business' net worth (assets minus liabilities); or
- 2. One times each owner's annual salary, or
- 3. Capitalization of earnings method as appropriate for the business as follows:
  - a) Firm has been in existence five years or less and has had a steady growth in earnings - value can be up to four times the average of the last two years' net earnings before taxes.



- b) Firm has been in existence more than five years and has experienced a stable, moderate growth in earnings - value can be up to five times the average of the last two years' net earnings before taxes.
- c) Firm has been in business more than five years and has doubled its earnings in each of the last three years - value can be up to eight times the average of the last two years' net earnings before taxes.
- d) Firm has been in existence more than five years and has experienced growth in earnings at a fluctuating rate - value can be up to four times the average of the last two years' net earnings before taxes.

These are the basic acceptable valuation formulas. The information required for the method chosen at time of application must be supplied or the application will be closed as incomplete.

The above multiples of income are the maximum amounts available. Underwriting reserves the right to use risk evaluation judgment on individual cases.

**Solicitation**

- Use the current edition of application being careful to complete the information for disability Buy-Out insurance.
- If the Buy-Out Agreement is to be drafted after the date of issue, we will require proof that an agreement is in effect on the first policy anniversary or we will cancel the policy from date of issue and refund all premiums.

**The Buy-Out Agreement**

- Need not be submitted for underwriting review, although in all cases we reserve the right to request one.
- Must be in existence at end of the first policy year.
- Must be in existence at time of renewal.
- Must be in existence at time of disability.
- Must be provided as part of proof of loss.



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**DI PRODUCT AND INFORMATION MANUAL****Business Products – Disability Buy-Out (3100)****Optional Benefits – Future Purchase Option**

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**Disability Buy-Out  
(Form 3100)  
– Optional Benefits****Future Purchase  
Option  
(Form 3105)**

This rider provides for the purchase of additional coverage, equal to the option amount, similar to the original policy without having to provide evidence of good health.

The option to purchase additional coverage can be exercised while the insured is totally disabled or after a period of total disability. However, the insured must again be actively employed as defined in this policy for at least six months before benefits will be payable for disability due to the same cause as the prior disability.

**Summary** *Product not available in all states and product provisions and features may vary by state. Refer to State Product Variations and Specimen Contracts for full details.*

Issue Ages: 18 - 53

Occupation Classes: 6, 5, 4, 3

Waiting Periods: Same as base policy

Benefit Periods: Same as base policy

Issue Limits: \$10,000 - \$150,000

Option Dates: Option dates occur on every policy anniversary, with the last option occurring on the anniversary nearest the insured's age 55.

Option Period: Means the period of time that begins 31 days before the option date and ends 31 days after the option date.

Premiums: The premium for each additional policy will be based on the attained age of the insured, and the table of premium rates that is in use on the effective date of each such policy.

Renewability: The expiry date of this rider is the policy anniversary nearest the insured's age 55.



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## DI PRODUCT AND INFORMATION MANUAL

*Business Products – Disability Buy-Out (3100)*

*Optional Benefits – Future Purchase Option*

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### Conditions and Limitations:

“Each additional policy that you buy under this agreement will be issued as of the option date on which it is bought. All such policies are subject to the requirements listed as follows:

1. All additional insurance that is applied for will be subject to our maximum issue and participation limits as of the date the option is exercised. Therefore, the amount of total disability buy-out coverage that has already been issued to the business organization or its owners or the current fair market value of the business organization limits your rights to exercise this option;
2. each such policy will be issued only in a form that provides disability buy-out coverage;
3. each such policy will be issued only on a policy form that we use on a regular basis. The renewal provisions in each such policy must be no less favorable than those in this policy;
4. the waiting and indemnity periods in the additional policy will be a) the same as those in the original policy; or b) if we no longer issue policies with these periods, the closest waiting and indemnity periods issued;
5. only those additional benefits added to the original policy by supplemental agreement are available with an option purchase; however, no further Supplementary Agreements for Future Purchase Option - Disability Buy-Out will be available with additional policies purchased by exercising the option hereunder;
6. subject to our maximum issue limits on each option date you may purchase additional coverage equal to the option amount. In addition, if you do not exercise an option on an option date, you may buy up to two times the option amount on the following option date. (This is a non-cumulative right.);
7. exercise of an option is subject to a minimum total benefit increase of \$10,000 (\$10,000 lump sum, \$278 per month for 36 months, \$417 per month for 24 months, or \$167 per month for 60 months would represent a minimum total benefit increase of \$10,000);
8. the premium for each such policy will be based on the table of premium rates that is in use on the effective date of each such policy. The premium will be based on the following factors; the age of the insured on the effective date of the new policy; the occupational class to which the insured belonged on the effective date of this agreement; the waiting period; amount of additional benefits; and the indemnity period. If you submit to us satisfactory evidence that the occupational class of risk



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**DI PRODUCT AND INFORMATION MANUAL*****Business Products – Disability Buy-Out (3100)******Optional Benefits – Future Purchase Option***

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on the effective date of the additional policy is more favorable than it was when this agreement went into effect, then we will apply the more favorable risk classification to the additional policy;

9. under each such new policy, we will exclude from coverage any loss that results from any condition that is excluded from the terms of the policy to which this agreement is attached;
10. except for representations made at the time of exercising any option under this agreement, the time period of the incontestable provision of the additional policy will be measured from either the effective date of the policy to which this agreement is attached or the date of the last reinstatement of this policy, if later. We will modify the incontestable provision of the additional policy by endorsing it;
11. the effective date of each such policy will be the option date or the date on which the application and premium payment requirements are met, if later;
12. we must receive a written application and payment of the first premium for each additional policy during the option period.”

Termination of this Agreement:

“This agreement will cease to be in effect on the date when any one of the following occurs: (1) the policy anniversary nearest the insured’s fifty-fifth birthday; (2) we receive written request to end this agreement; (3) the premium for this agreement remains unpaid for more than 31 days; (4) the maximum amount of additional insurance that is available under the terms of this agreement has been purchased; or (5) the policy to which this agreement is attached is terminated. After this agreement ends, the premium that is then in effect will not include a charge for this agreement.”

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**Disability Buy-Out  
(Form 3100)  
– Optional Benefits**

**Presumptive  
Permanent  
Disability  
(Form 3110)**

If the insured becomes totally disabled while the policy is in force, remains totally disabled throughout the waiting period and is otherwise entitled to benefit payments from the policy, we will pay policy benefits under this rider even if the insured recovers.

To avoid potential legal claims, it is important that on all monthly payout and down payment funding methods the Presumptive rider is included on all such DBO policies issued unless requested, in writing, that the rider be left off. The agent/broker and insured must understand that without the rider, payment will stop should the insured recover during the payout period.

This rider is not available with the Lump Sum funding method. If the Down Payment method is used, the Presumptive Permanent Disability rider premium applies only to benefits payable on a monthly basis.

**Presumptive  
Permanent  
Disability (Form  
3110 CA)**

If the insured becomes totally disabled while the policy is in force, remains totally disabled throughout the waiting period and is otherwise entitled to benefit payments from the policy, we will pay policy benefits even if the insured recovers from this total disability provided:

- a) the insured was actively employed by the business prior to the start of the disability period;
- b) you are obligated to purchase the insured's ownership interest in the business if disability occurs;
- c) you purchase the insured's ownership interest in the business

This rider is required with the Monthly and Down Payment funding methods only.

**Summary**

***Product not available in all states and product provisions and features may vary by state. Refer to State Product Variations and Specimen Contracts for full details.***

Issue Ages: 18 – 59

Occupation Classes: 6, 5, 4, 3

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**DI PRODUCT AND INFORMATION MANUAL**  
***Business Products – Disability Buy-Out (3100)***  
***Optional Benefits – Presumptive Permanent Disability***

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Waiting Periods: Same as base policy

Benefit Periods: Same as base policy

Policy Benefit Payment Provisions: If the insured becomes totally disabled while this policy is in force, remains totally disabled throughout the waiting period, and the policyowner is otherwise entitled to benefit payments from this policy, we will pay the policy benefits even if the insured recovers from this total disability provided:

- (a) The insured was actively employed by the business prior to the start of the disability period;
- (b) you are obligated to purchase the insured's ownership interest in the business if disability occurs;
- (c) you purchase the insured's ownership interest in the business.

The policy benefits will be paid under the terms of the funding method shown in the policy schedule.

**Business Reducing Term (Policy Form AH55-A):**

Business Reducing Term (BRT) disability income policy is designed to indemnify *business* contractual/financial obligations that require fixed periodic payments lasting five years or more. Some examples of these types of fixed payment obligations are business loans/leases, professional practice loans, medium-term loans dependent upon the business talents of a key individual for their repayment, contract performance guarantees, or purchase agreements.

BRT is also available to physicians, dentists and medical/dental residents to help protect repayment of student loans in the event of disability under the Student Loan Protection Program.

BRT benefits are paid to a loss payee other than the insured.

BRT is issued as a Guardian Life policy form.

**PRODUCT SPECIFICATIONS**

Definition of Total Disability: Modified Own Occupation

Issue Ages: 18 – 55 (age last birthday)

Occupation Classes: 5A, 4A, 3A, 2A

ProVider Plus (1400, 1500 & 1600)	BRT (AH55-A)
6M/6	5A
5M/5	5A
4M/4/3M	4A
3	3A
2M/2	2A
1M/1	Unavailable

Elimination Periods: 1, 2, 3, 6 or 12 months

Benefit Terms: A range of benefit terms, from 5 to 30 years, is available. In no event will a benefit term exceed the term of the obligation or the insured’s age 60.

If less than 12 months’ indemnity has been paid for a continuous disability that exists on the date of termination, indemnity payments will continue after such date while the insured remains totally disabled until not more than 12 months of indemnity have been paid from the start of such disability.



## DI PRODUCT AND INFORMATION MANUAL

### Business Products – Business Reducing Term

**Minimum Policy Size:** The minimum monthly benefit is \$1,000. If an applicant has other Berkshire or Guardian individual disability coverage in force, a minimum monthly benefit of \$500 may be available (at the discretion of underwriting). Coverage issued under the Student Loan Protection Program requires the insured to apply for or have other in-force Berkshire or Guardian individual disability coverage. Therefore, the minimum monthly benefit for BRT policies issued under the Student Loan Protection Program is \$500.

**Maximum Issue Limits:** The maximum monthly benefit we will issue under the Student Loan Protection Program is \$2,000.

The maximum monthly benefit we will issue for other business obligations appropriate for BRT coverage is dependent upon the benefit term selected according to the following schedule:

<u>Benefit Term (In Years)</u>	<u>Benefit Term (In Months)</u>	<u>Issue Limit</u>
5	60	\$22,500
6	72	19,500
7	84	17,100
8	96	15,300
9	108	14,100
10	120	12,900
11	132	12,000
12	144	11,400
13	156	10,800
14	168	10,200
15	180	9,600
16	192	9,300
17	204	9,000
18	216	8,700
19	228	8,400
20	240	8,100
21	252	7,860
22	264	7,740
23	276	7,500
24	288	7,380
25	300	7,260
26	312	7,140
27	324	7,020
28	336	6,900
29	348	6,780
30	360	6,660



Coverage is available to insure up to 100% of the monthly payments (principal and interest) of an applicant’s financial obligation, when 100% of the obligation rests with a single individual.

Note: For employment or performance contracts, up to 100% of the net after-tax cost of the contract payments can be considered.

Riders Available:	None						
Discounts Available:	None						
Premiums:	Gender-distinct rates, non-guaranteed						
Premium Structures	Level						
Annual Policy Fee:	\$15						
Modal Premiums:	Modal premiums are calculated by applying the following factors to the total annual premium rates: <table><tr><td>Semiannual:</td><td>.51</td></tr><tr><td>Quarterly:</td><td>.26</td></tr><tr><td>Monthly:</td><td>.085</td></tr></table>	Semiannual:	.51	Quarterly:	.26	Monthly:	.085
Semiannual:	.51						
Quarterly:	.26						
Monthly:	.085						
Substandard Premiums:	Substandard premiums are applied on a coverage level and are a percentage of premium in one of the following increments: 25%, 50%, 75%, or 100% above standard rates.						
BASE POLICY FEATURES	<i>Refer to Specimen Contract for full details.</i>						
Total Disability:	“Total disability means that, because of sickness or injury, the insured is unable to perform all the substantial and material duties of his or her occupation or profession; and is not actually at work in any occupation or profession.”						
Renewability:	BRT is conditionally renewable to the specified date of termination. The date of termination is determined at time of issue. Renewal can be refused only because there is no longer an insurable interest or an economic need for the policy.						



ADDITIONAL  
INFORMATION

Special Requirements:	A copy of the loan agreement, employment contract, or other financial obligation being indemnified is required for the purposes of financial underwriting and establishing the loss payee.
Variable Loans:	Monthly benefit is determined by dividing the total monthly payment amount over the payment period by the number of payments to obtain the insurable balance.
Balloon Payments:	Balloon payments themselves cannot be covered under this policy; however, the remaining level payment portion of the loan can be considered.
Taxation:	Premiums are not deductible as a business expense. Benefits will not be taxable to the insured. (Keep in mind that benefits are payable to a loss payee, other than the insured. An insured should contact his or her tax advisor regarding the tax treatment of payments to the loss payee made on the insured's behalf and attributable to benefits of the BRT contract.)
<b>Exclusions and Limitations:</b>	<b><i>Refer to Specimen Contract for complete details.</i></b>
Exclusions:	Intentionally self-inflicted injuries and normal uncomplicated pregnancy are not covered.
<b>State Product Variations:</b>	
Arkansas:	Maximum issue age is 49, minimum benefit term is 11 years
Florida:	Unavailable
Montana:	Unavailable
North Carolina:	Unavailable
South Carolina:	Unavailable
Virginia:	Unavailable





**Special Limits for New Professionals, Medical and Dental Students**

Regardless of current earnings, special limits are available for the following new professionals and medical/dental students (not intended for second specialty and all other normal underwriting requirements apply):

Status/Profession	Monthly Indemnity Maximum	Catastrophic Benefit Maximum*	RPP Benefit Maximum**	FIO Benefit Maximum***
<b>Physicians</b>				
<i>First-Year Physicians</i>				
General Practice Physicians (and non-invasive specialties not listed), Geneticists, Geriatricians and Psychiatrists (MD)	\$6,000	\$6,000		\$10,000
Allergists/Immunologists, Anesthesiologists, Anesthetists (MD or DO only), Dermatologists, Emergency Room Physicians, Endocrinologists, Family Practice Physicians, Gynecologists, Hematologists, Immunologists, Internists, Nephrologists, Neurologists, Obstetricians, Ophthalmologists, Oral Surgeons, Pain Management Physicians, Pathologists, Pediatricians, Psychiatrists (physical medicine, rehab), Plastic Surgeons, Pulmonologists, Rheumatologists and Surgeons (general and surgical specialties not listed)	\$6,500	\$6,500	\$1,000	\$9,500
Cardiologists, Gastroenterologists, Neonatologists, Neurosurgeons, Oncologists, Orthopedic Surgeons, Otolaryngologists, Radiologists and Urologists	\$7,500	\$7,500		\$8,500
<i>Fellows, Residents and Students</i>				
Fellows	\$5,000	\$5,000	N/A	\$11,000
<b>Medical Residents</b> – Note that first-year physician limits are available to medical residents that are within 6 months of graduation from their residency program. To qualify, the Application for Insurance must be received by the home office within 6 months prior to the program graduation date and the graduation date must be noted on the New Business Transmittal.				
Medical Resident (Year 3+)	\$5,000	\$5,000		\$11,000
Medical Resident (Year 2 or less)	\$4,000	\$4,000	N/A	\$12,000
Sr. Medical Student	\$2,500	\$2,500		\$7,500
<b>Dentists</b>				
<i>First-Year Dentists</i>				
Dentists (General)	\$4,000	\$4,000		\$12,000
Endodontists, Orthodontists, Pediatric Dentists, Periodontists, Prosthodontists	\$6,000	\$6,000	\$700	\$10,000
<i>Dental Residents and Students</i>				
Dental Specialty School (follows residency)	\$3,750	\$3,750	N/A	\$11,250
<b>Dental Residents</b> - Note that first-year dentist limits are available to dental residents that are within 6 months of graduation from their residency program. To qualify, the Application for Insurance must be received by the home office within 6 months prior to the program graduation date and the graduation date must be noted on the New Business Transmittal.				
Dental Resident	\$3,500	\$3,500		\$10,500
Sr. Dental Student	\$2,100	\$2,100	N/A	\$6,300
<b>Accountants/CPAs</b>				
First-Year Accountant/CPA	\$3,000	\$3,000	\$600	\$6,000
Accounting Student (final year)	\$1,500	\$1,500	N/A	\$3,000
<b>Architects</b>				
First-Year Architect	\$3,000	\$3,000	\$600	\$6,000
Architect Student (final year)	\$1,500	\$1,500	N/A	\$3,000
<b>Attorneys</b>				
First-Year Attorney			\$600	
Law School Student (final year)	\$3,000	\$3,000	N/A	\$6,000



## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Programs – Special Limits for New Professionals Program

<b>Business Professionals</b>				
First-Year MBA Professional	\$2,000	\$2,000	N/A	\$4,000
MBA Program Student (final year)				
<b>Computer Scientists</b>				
First-Year Computer Science	\$2,000	\$2,000	N/A	\$4,000
Computer Science Student (final year)	\$1,000	\$1,000		\$2,000
<b>Engineers</b>				
First-Year Degreed Engineer	\$3,000	\$3,000	\$600	\$6,000
Engineer Student (final year)	\$1,500	\$1,500	N/A	\$3,000
<b>Nurses and Physician Assistants</b>				
First-Year Nurse Practitioner—Certified	\$1,000	\$1,000	N/A	\$2,000
First-Year Physician Assistant (PA.) Certified	\$1,500	\$1,500		\$3,000
<b>Optometrists</b>				
First-Year Optometrist	\$3,500	\$3,500	\$500	\$7,000
Optometry School Student (final year)	\$3,000	\$3,000	N/A	\$6,000
<b>Pharmacists</b>				
First-Year Pharmacist	\$3,500	\$3,500	\$500	\$7,000
Pharmacy School Student (final year)	\$1,500	\$1,500	N/A	\$3,000
<b>Podiatrists</b>				
First-Year Podiatrist	\$2,000	\$2,000	N/A	\$4,000
Podiatry Resident	\$1,000	\$1,000		\$2,000
Podiatry Student (final year)				
<b>Psychologists</b>				
First-Year PhD Psychologist	\$3,000	\$3,000	N/A	\$6,000
<b>Veterinarians</b>				
First-Year Veterinarian	\$3,000	\$3,000	N/A	\$6,000
Veterinarian Student (final year)	\$2,000	\$2,000		\$4,000

*Note: Overall I & P maximums apply. Group LTD coverage is not considered when determining the amount of available coverage for those applying under the Special Limits for New Professionals Program. The Special Limits for New Professionals Program is not intended for a second specialty and cannot be combined with other special programs, such as Enhanced Quick Issue. Applicants who provide proof of income (i.e. employment contract) in order to obtain amounts above the New Professionals Program limits will not be considered under the Special Limits for New Professionals Program and normal underwriting guidelines will apply.*

*\*Catastrophic Disability Benefit Rider unavailable in California, Connecticut and Texas. Catastrophic Disability Benefit Rider is available (in approved states) in an amount equal to the monthly indemnity of the base policy.*

*\*\*Unavailable with Graded Lifetime Indemnity for Total Disability and Lump Sum Disability Benefit Riders. Unavailable if any in-force or applied-for lifetime benefits exist with any company. Future Increase Option (FIO) rider is available on stand-alone policies issued under the Retirement Protection Plus Program (RPP) in an amount equal to the monthly indemnity of the base policy.*

*\*\*\* First-Year physicians and dentists as well as medical and dental students, residents and fellows can be considered for FIO amounts up to three times the base policy benefit plus any in-force Guardian Group coverage (not to exceed the applicable issue and participation limits).*



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## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Programs – Retirement Protection Plus Program

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**Retirement Protection Plus Program** The Retirement Protection Plus (RPP) program provides disability insurance protection for retirement plan contributions. *The ProVider Plus policy is issued with a modified own-occupation definition under the program to help cover both employee and employer contributions.*

When a total disability occurs and after the policy elimination period has been satisfied, benefits are paid into an irrevocable trust. The trustee, Berkshire Bank, invests the funds at the direction of the insured and distributes them to the insured at age 65.

The RPP program is not a pension or retirement plan or a substitute for such a plan. For more information, consult the RPP Producer's packet. This program is not available with ProVider Plus Limited.

*Product not available in all states; refer to "State Product Variations" section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Definition of Total Disability: Modified Own Occupation

Premiums: Policy Form 1400 – Gender-distinct rates  
Policy Form 1500 – Unisex rates  
Policy Form 1600 – Unisex rates

Issue Ages: Level Premium Structure: 18 – 60  
Graded Premium Structure: 18 – 50

*Age is determined by age last birthday.*

Classes of Risk: Preferred, Select, Standard

*Preferred unavailable with substandard risks.*

Occupation Classes: 6, 5, 4, 3 (Non-medical markets)  
6M, 5M, 4M, 3M (Medical markets)

Elimination Periods: 6 months, 12 months

Benefit Periods: To age 65



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**DI PRODUCT AND INFORMATION MANUAL**

***Underwriting Programs – Retirement Protection Plus Program***

Eligible Retirement Plans\*: Money Purchase Plans, Profit Sharing Plans, Simplified Employee Pensions (SEPs), Employee Stock Ownership Plans (ESOPs), 401(k), 457 and 403(b) Plans, SARSEP Plans, IRAs and Roth IRAs, SIMPLE Plans, Keogh Plans.

Non-Qualified Deferred Compensation Arrangements will be considered on a case-by-case basis.

*\* Plan must have been in effect and funded for at least one year.*

Ineligible Retirement Plans: Defined Benefit plans, deferred stock option plans, and public retirement system plans (except for 457 and 403(b) plans), including those for federal, civil service, state public employees and teachers.

SERPs are not eligible, given the complexity of these plans and the uncertainty of funding from one year to the next.

Retirement plans that have a waiver of premium feature are also ineligible.

Minimum Policy Size: \$500

Maximum Issue Limits:

Issue Age	Premium Payor	% of Contributions	Maximum Issue Limit**
18-49	Employee	100%	\$4,170
50*-60	Employee	100%	\$4,630
18-49	Employer	133%	\$4,170
50*-60	Employer	133%	\$4,630

*\* Graded premium structure available through age 50 only.*

*\*\* For applicants whose current in-force coverage exceeds current I & P limits, the maximum benefit is reduced by the amount of over insurance less \$500.*

*For determination of overinsurance for RPP only, the maximum issue limit cap for some physicians and dentists in classes 6/6M, 5/5M and 4/4M is not applicable.*

*Higher amounts may be considered on a case-by-case basis.*

Limitations: Not available with any in-force or applied-for Lifetime benefits and/or Lump-sum benefits with any company



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## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Programs – Retirement Protection Plus Program

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- Riders Available:
- 3% Compound Cost of Living Adjustment Rider
  - 6% Maximum Cost of Living Adjustment Rider
  - Additional Monthly Benefit Rider (*available only as an add-on rider*)
  - Automatic Benefit Enhancement Rider (*unavailable if FIO rider is selected*)
  - Future Increase Option Rider (*limited to two times the basic benefit applied for, and one times base under the Special Limits for New Professionals Program*). The total of basic benefit and Future Increase Option rider may not exceed \$6,000. (*Unavailable with Automatic Benefit Enhancement Rider*)
- Underwriting Requirements: All normal medical and financial underwriting requirements apply. The amount of contributions up to 15% of annual earned income (19% when employer-paid) can be applied for without actual proof of retirement contributions or proof of existence of a qualified plan. This requires a “yes” response to the application question “Do you participate in a qualified plan?” and that all required details be supplied.
- Additional Information: The amount of qualifying contributions used to determine benefits under the RPP program cannot be considered income for the purpose of calculating an income protection benefit under ProVider Plus or any other IDI product.
- Investment Options: Berkshire Bank will act as the investment manager based on an investment allocation program that it will develop in consultation with the insured, or allow the insured to manage his or her own investments, selecting *any* marketing security or mutual fund.
- Premiums: Gender-distinct and unisex rates.
- Premium Structures: Level or Graded
- Level – guaranteed level to age 65.
- Graded – increases annually at guaranteed amounts until the policy anniversary following age 60. Premiums for issue ages 18 through 25 and ages 60 through 65 are level. Available to applicants up to issue age 50.
- Applicants have the right to convert from graded to level premium structure on any policy anniversary through age 50 at attained age premiums.
- Discounts: All current discounts allowable for the appropriate base policy form apply to policies issued through the RPP program. The Mental and/or Substance-Related Disorders discount is not available with this
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**DI PRODUCT AND INFORMATION MANUAL****Underwriting Programs – Retirement Protection Plus Program**

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program.

Renewability: The policy is non-cancellable and guaranteed renewable to age 65. Thereafter, the base contract is conditionally renewable to age 99 as long as the insured continues to work full time (30 hours a week minimum for at least 10 months a year) and pay the applicable attained age premiums.

*The benefit period is 24 months if the disability begins after age 65, but before age 75; and 12 months if the disability begins at or after age 75.*

Annual Policy Fees: \$1,000 and up: \$30  
\$500 - \$999: \$75

Modal Premiums:	<u>Premium Term</u>	<u>Modal Factor</u>
	Semiannual	0.515000
	Quarterly	0.262650
	Monthly (List Billed)	0.085833
	GOM	0.083333

Substandard Premiums: Applied on a policy level basis (before policy fee) to the class of risk premium rates in one of the following increments:  
25%, 50%, 75% or 100%

Total Disability or Totally Disabled: Total disability or totally disabled means that, solely due to injury or sickness, you are not able to perform the material and substantial duties of your occupation and you are not gainfully employed.  
*(excluding CA)*

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your occupation means the occupation (or occupations, if more than one) in which you are gainfully employed during the 12 months prior to the time you become disabled.

Total Disability or Totally Disabled : Total disability or totally disabled means that, as the result of sickness or injury, you are unable to perform with reasonable continuity, the substantial and material acts necessary to pursue your usual occupation in the usual and customary way and you are not working in any occupation.  
*(CA only)*

Your usual occupation means the occupation (or occupations, if more than one) in which you are actively engaged and regularly performing when your disability begins.



Taxation:	Premiums Paid By:	Taxation
	Insured	If premiums are paid by the insured, policy benefits paid to the trust are not taxable to the insured.
	Employer	If premiums are paid by the employer, benefits will be taxable.

Policy benefits and trust earnings under the RPP program are subject to the normal rules that govern the taxation of trusts and individual disability income insurance.

If taxable investments are chosen, trust earnings are taxable to the *insured* as beneficiary of the trust. The trust will provide the insured with a 1099 form each year, reporting capital gains and interest. Upon request, the trust will also reimburse the insured for any taxes paid. There will be no federal income tax due on funds distributed by the trust at age 65 on which taxes have been paid.

***The applicant or insured, however, should consult his or her personal legal or tax advisor for guidance on his or her particular situation.***

Trustee Assets Upon Recovery or Death: If the insured recovers from a disability before age 65, he or she may continue the trust as is, or instruct the trust to purchase a single premium deferred annuity (SPDA). The trust will be the owner and the insured will be the beneficiary. Proceeds from the annuity will be payable to the insured when he or she reaches age 65.

If the insured dies before age 65, trust assets will be paid to the estate or to designated beneficiaries. If an annuity was purchased and the insured dies prior to age 65, any payout is contingent on the option chosen and the contract language after 65.



**Example 1: Sample Calculation for Retirement Protection Plus program – no other in-force coverage**

**The Facts**

The prospect, age 35, has an annual income of \$110,000 and has no other individual disability coverage in force. The prospect contributes \$50,000 annually to an eligible\* retirement plan and would like to apply for employee-paid disability insurance coverage under the RPP program.

\* Refer to eligible retirement plans list in this section of the manual for complete list of qualifying plans.

<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine the monthly contributions made to the retirement plan and round to the next highest \$10 increment, not to exceed maximum issue limit	Berkshire will not issue more than 100% of contributions	\$50,000/12 = \$4,167  Rounded to the next highest \$10 increment = \$4,170	Limits shown in this section of product manual
Step 2	Determine if there is any other disability coverage in force and if that coverage makes the prospect overinsured	Verifies that the client does not become overinsured with this additional RPP disability insurance coverage being applied for	None	
<b>Conclusion:</b> The issue limit for this scenario is \$4,170 of monthly benefit issued under the Retirement Protection Plus program.				





**Example 2: Sample Calculation for Retirement Protection Plus program – prospect has IDI and group coverage in force**

**The Facts**

The prospect, age 35, Class 6, has an annual income of \$240,000, individual coverage of \$9,400 and employer-paid group coverage of \$3,000. The prospect would like to apply for employer-paid disability insurance coverage under the RPP program to cover annual contributions of \$24,000.

<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine the monthly contributions made to the retirement plan and round to the next highest \$10 increment, not to exceed maximum issue limit	\$24,000/12	\$2,000	Limits shown in this section of product manual
Step 2	Determine who will be paying the premium for this coverage	Determines what percentage of contribution Berkshire will cover	Employer, therefore 133% of contributions, rounded to the nearest \$10 increment, not to exceed maximum issue limit, will be covered. \$2,000 x 1.33 = \$2,660	Retirement Protection Plus program section of the DI Product and Information Manual
Step 3	Determine if the prospect is already overinsured	To verify if client falls within issue and participation limits	No	See Example 2, Employer Paid, has employer paid group LTD in force. Issue and Participation Limits section of the DI Product and Information Manual
<p><b>Conclusion:</b> Because the prospect is not overinsured and the new policy will be employer-paid, Berkshire will issue \$2,660 of disability insurance coverage under the RPP program.</p>				



**Enhanced Quick Issue Program** This program provides for up to \$5,000\* of total coverage with no financial documentation, labs or paramed exams. Only the TeleMed interview is required. Coverage issued under this program will have no occupation class or policy feature restrictions, and no change to maximum issue and participation limits.

Quick Issue means expedited and streamlined underwriting and is only available with ProVider Plus or ProVider Plus Limited. Quick Issue applications cannot be combined with other special programs. Quick Issue does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. State variations and restrictions apply.

*\* \$6,000 for Inner Circle producers and \$7,000 for Platinum Level Inner Circle producers (issue ages 18 – 40 only)*

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Definition of Total Disability: True Own Occupation  
Modified Own Occupation

Issue Ages: 18 - 50

Classes of Risk: Select, Standard

Occupation Classes: 6M/6 – 1M/1

Discounts: Association Discount  
Employer-Sponsored Discount  
Professional Group Discount  
Student and Resident Discount  
Mental and/or Substance-Related Disorders Limitation  
Discount

Limitations: The Benefit Purchase Rider is unavailable with this program.

Riders Available\*: Residual Disability Benefit Rider  
Basic Residual Disability Benefit Rider  
Lump Sum Disability Benefit Rider  
Graded Lifetime Indemnity for Total Disability Rider  
Retirement Protection Plus Disability Benefit Rider  
Future Increase Option Rider

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## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Programs – Enhanced Quick Issue Program

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Automatic Benefit Enhancement Rider  
Catastrophic Disability Benefit Rider  
Cost of Living Adjustment Rider (3% Maximum, 3%  
Compound, 6% Maximum, Four-Year Delayed)  
Social Insurance Substitute Rider  
Unemployment Waiver of Premium Rider  
Partial Disability Benefit Rider  
Additional Monthly Benefit Rider

\*Limitations apply please contact Underwriting for more information.

Maximum Monthly Issue Ages 18 – 40: \$5,000\*  
Benefit/Total Issue Ages 41 – 50: \$3,000  
Coverage:

*Total coverage is the sum of all in-force and applied-for monthly benefit (excluding Group LTD coverage), Social Insurance Substitute rider, and one-half of Future Increase Option rider amounts. Normal issue and participation limits apply.*

*\* \$6,000 for Inner Circle producers and \$7,000 for Platinum Level Inner Circle producers (issue ages 18 – 40 only)*

Medical Requirements: TeleMed Interview

*We reserve the right to request medical records based on TeleMed Interview results.*

Financial Requirements: Financial returns are not required; however, the financial section of the application must be fully completed.

**Start Up Savvy Underwriting Program** This program allows new business owners to financially qualify for benefits based on prior W2 income earned over the last full calendar year in the same occupation, eliminating the need for hard-to-obtain financial documents such as profit and loss statements or client contracts.

This underwriting approach, specifically for newly self-employed business owners, is designed to deliver more favorable benefit offers, while at the same time eliminating the need for hard-to-obtain financial documents (such as profit and loss statements or client contracts). The following, along with the application and usual medical underwriting requirements, is the information needed to underwrite under this program.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Financial Requirements: W-2 from prior employer

- Additional Required Information:
- the applicant’s age and experience
  - the nature of both the current as well as prior industry/occupation
  - whether the new business is located outside the applicant’s home
  - whether the applicant holds any advanced industry or professional degrees
  - whether the new business was started as a voluntary entrepreneurial leap or as a result of adverse events at the prior employer
  - the amount of time between the end of the prior employment and the start of the new business
  - the likelihood of existing clients following the applicant to the new business
  - any indication of high net worth, substantial earned income, or bankruptcy

New business owners who grade out favorably under these criteria should qualify for a monthly benefit of 50 – 60% of prior W-2 earnings. Information not included in the application should be provided via a cover letter.

The Company reserves the right to request additional financial information based on the information provided by the applicant. This underwriting approach does not modify underwriting requirements other than those specifically stated herein.

State variations and restrictions apply.

Only available with ProVider Plus and ProVider Plus Limited policy forms 1400, 1500 and 1600.

**Overhead Expense for Newly Self-Employed Physicians/Dentists** Newly self-employed physicians and dentists can financially qualify for up to \$10,000 (including in-force coverage) of Overhead Expense coverage with no expense verification with the following requirement:

Financial Requirements: Completed Overhead Expense Insurance Supplement



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## DI PRODUCT AND INFORMATION MANUAL

### *Underwriting Programs – Business Owner Advantage Program*

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**Business Owner Advantage Program** Under the Business Owner Advantage Program, non-medical/non-dental business owners qualify for a monthly DI benefit up to a maximum of \$2,000 above normal issue limits. It is available with ProVider Plus and ProVider Plus Limited.

Note: Coverage under the CAT rider may not exceed 100% of earned income.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

**Eligible Business Owners:** Business owners eligible for BOA include sole proprietors; self-employed individuals; and owners of S-Corps, C-Corps, LLCs and partnerships.

**Ineligible Business Owners:** Those **not** eligible include owners classified as medical/dental in the occupation classification listing, those meeting the criteria of a home-based business owner and those applying under the Enhanced Quick Issue Program.

**Financial Requirements:** Business owners applying under this program must provide tax documentation verifying at least one full year in business. Otherwise, normal underwriting requirements apply.



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## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Programs – Home Based Business Owners Program

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**Home Based Business Owners Program** This program is intended for home based business owners in some occupations who do not have to leave their home on a regular basis or have clients come to their home to conduct business. It is available with ProVider Plus and ProVider Plus Limited.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual*

Definition of Total Disability: True Own Occupation  
Modified Own Occupation

Issue Ages: Level Premium Structure: 18 – 55 (age last birthday)  
Graded Premium Structure: 18 – 50 (age last birthday)

Classes of Risk: Preferred, Select, Standard

Occupation Classes: 6M/6-3M/3

Elimination Periods: 90, 180 or 360 days

Benefit Periods: To age 67, To age 65, 10 years, 5 years, 2 years

Minimum Policy Size: \$1,000 (base monthly benefit minimum is \$200 – policy size is combination of base and Social Insurance Substitute)

Riders Available: Future Increase Option Rider  
Catastrophic Disability Benefit Rider  
Cost of Living Adjustment Rider (*3% Maximum, 3% Compound, 6% Maximum, 4-year delayed*)  
Social Insurance Substitute Rider  
Automatic Benefit Enhancement Rider

Underwriting Requirements: All applicants must show at least a three year earning pattern on the application and submit normal financial requirements.



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**DI PRODUCT AND INFORMATION MANUAL****Underwriting Programs – Student Loan Protection Program**

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**Student Loan Protection Program**

The Student Loan Protection Program covers up to 100% of the monthly payment on student loan debt in the event of total disability up to a maximum of \$2,000 per month. Coverage is only available to eligible occupations that purchase, or already own, Berkshire or Guardian individual disability insurance with a minimum monthly benefit of \$500 (\$1,500 for attorneys).

Student loan protection is available on Business Reducing Term Policy Form AH55-A. Program benefits are above regular issue and participation limits for individual disability insurance.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Issue Ages: 18-55 (age last birthday)

Classes of Risk: Standard

Occupation Classes: 5A, 4A, 3A, 2A

ProVider Plus (1400, 1500 & 1600)	BRT (AH55-A)
6M/6	5A
5M/5	5A
4M/4/3M	4A
3	3A
2M/2	2A
1M/1	Unavailable

Elimination Periods: 1, 2, 3, 6, 12 months

Benefit Periods: 5 – 30 years, not to exceed age 60

Minimum Issue Limits: \$500

Maximum Issue Limits: \$2,000

Riders Available: None

Discounts: None

Premiums: Gender-distinct rates



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**DI PRODUCT AND INFORMATION MANUAL****Underwriting Programs – Student Loan Protection Program**

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Premium Structures:	Level						
Annual Policy Fees:	\$15						
Modal Premiums:	Modal premiums are calculated by applying the following factors to the total annual premium rates: <table><tr><td>Semiannual:</td><td>.51</td></tr><tr><td>Quarterly:</td><td>.26</td></tr><tr><td>Monthly:</td><td>.085</td></tr></table>	Semiannual:	.51	Quarterly:	.26	Monthly:	.085
Semiannual:	.51						
Quarterly:	.26						
Monthly:	.085						
Total Disability or Totally Disabled:	Total disability means that, because of sickness or injury, the insured: <ul style="list-style-type: none"><li>• is unable to perform all the substantial and material duties of his or her occupation or profession; and</li><li>• is not actually at work in any occupation or profession.</li></ul>						
Renewability:	Conditionally renewable						
Program Eligibility:	<ul style="list-style-type: none"><li>• Physicians, Dentists, Medical/Dental Residents, Pharmacists, Veterinarians and Attorneys who apply for, or already own Berkshire or Guardian individual disability insurance</li><li>• Each loan obligation must be covered with a separate Reducing Term policy</li><li>• Each policy covering a student loan must have a minimum monthly benefit of \$500</li><li>• To apply, include a completed Reducing Term Insurance Supplement and Business Reducing Term disclosure with the Application for Insurance, and provide a copy of the loan document</li></ul>						
<b>State Product Variations:</b>							
Arkansas:	Maximum issue age is 49, minimum benefit period is 11 years						
Florida:	Unavailable						
Montana:	Unavailable						
North Carolina:	Unavailable						
South Carolina:	Unavailable						
Virginia:	Unavailable						

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**DI PRODUCT AND INFORMATION MANUAL****Underwriting Programs – Government Employees Program**

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**Government Employees Program**

Coverage can be issued to state, municipal, county and town employees (excluding active duty military personnel and postal employees) when the following guidelines are met. This program is available with ProVider Plus and ProVider Plus Limited.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Definition of Total Disability:	True Own Occupation Modified Own Occupation
Issue Ages:	18 - 49
Occupation Classes:	6M - 3M, 6 - 3
Maximum Years of Service:	10
Minimum Annual Earned Income:	\$50,000
Maximum Monthly Benefit:	\$2,000*  <i>* includes in-force and applied-for coverage with all companies, excluding state, municipal, county and town disability benefits. Excludes coverage issued under the Retirement Protection Plus program.</i>
Maximum Benefit Period:	To Age 65
Minimum Elimination Period:	90 Days
Riders Available:	Basic Residual Disability Benefit Rider Residual Disability Benefit Rider Catastrophic Disability Benefit Rider ( <i>where available</i> )
Programs Available:	Retirement Protection Plus
Premiums:	Gender distinct

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**Federal Employees Program**

Coverage can be issued to federal employees that are covered under the Federal Employee Retirement System (FERS) with a combination of two DI policies that supplement existing FERS benefits. This program is available with ProVider Plus and ProVider Plus Limited.

These policies will have different elimination periods to coincide with the end of the FERS short-term disability benefits. To accommodate the FERS coverage, the first policy is available with a 90-day elimination period and the second with a 360-day elimination period. This must be illustrated in two separate illustrations. We will waive the policy fee on the second policy for coverage issued under the FERS program.

*For further information, refer to the “Federal Employee Disability Worksheet” on Berkshire Life Tools.*

***Product not available in all states and product provisions and features may vary by state. Refer to State Product Variations and Specimen Contracts for full details.***

Definition of Total Disability Available:

True Own Occupation  
Modified Own Occupation

Issue Ages:

Level Premium Structure: 18 – 60  
Graded Premium Structure: 18 – 50

Classes of Risk:

Preferred, Select, Standard

Occupation Classes:

6/6M – 3/3M

Minimum Elimination Period:

90 days for first policy  
360 days for second policy

Maximum Benefit Period:

To age 67

Riders Available:

Residual Disability Benefit Rider  
Basic Residual Disability Benefit Rider  
Future Increase Option Rider  
Benefit Purchase Rider  
Catastrophic Disability Benefit Rider (*where available*)  
Cost of Living Adjustment Rider (3% Maximum, 3% Compound, 6% Maximum, Four-Year Delayed)

Qualified Sick Pay  
Program

**Qualified Sick Pay Program**

A Qualified Sick Pay Plan enables the business to continue making salary payments to disabled employees. Premiums are a tax-deductible business expense.

If a C-Corporation owner or a key employee becomes disabled, the firm cannot continue to pay wages and deduct them as a business expense unless a Qualified Sick Pay Plan is in place prior to the disability.

- Policies sold under this program are list billed to the employer.

A permanent, 10% discount is available with three or more issued lives when coverage is employer paid.

**Executive Bonus Plan**

An Executive Bonus Plan (or Section 162 Plan) is a way to combine employer-paid coverage with a tax-free benefit for an employee. The employer provides a bonus to selected employees in the value of the policy premium. The employee is taxed on the value of the premium. The benefit paid is tax-free.

A permanent, 10% discount is available with three or more issued lives.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Issue Ages: 18 – 74\*

*\* Maximum issue age for 10-year benefit period is 55. For plans with applicants over age 60, 50% of the applicants must be under age 60 and in occupation classes 6/6M – 3/3M.*

Occupation Classes: 6/6M – 3/3M

Policy Forms: Policy Form 1500 (1500-F in New York) - Unisex rates

As a convenience, you may use the 1500 for a partner, S-Corporation owner or sole proprietor who wants to buy a personal policy and sets up a QSPP for one or more employees; however, individual issue and participation limits will apply.

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## DI PRODUCT AND INFORMATION MANUAL

### *Employer Sponsored Programs – Qualified Sick Pay Program*

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Discounts:	A permanent, 10% discount is available with three or more issued lives in an employer-sponsored program. This applies in all states.
Premium Structures:	Level Graded (maximum issue age is 50)
Support for Marketing QSPP and Executive Bonus Programs:	We provide field representatives with a variety of tools in support of the sale, installation and administration of employer-sponsored programs, most of which can be found on <a href="http://BerkshireLifetools.com">BerkshireLifetools.com</a> . These include: <ul style="list-style-type: none"><li>• Prospecting tools</li><li>• Sales presentations</li><li>• Training resources</li><li>• Sample installation documents</li></ul>
Producer Rights:	Multiple levels of exclusivity are available. Please contact a Guardian IDI agency wholesaler or Guardian IDI internal wholesaler for more details.

**Voluntary Income Protection Program**

A Voluntary Income Protection Program can provide income protection to employees\* at no expense to a business. This program can also supplement existing group Long Term Disability (LTD) benefits, helping participants to cover a greater portion of their income in the event of a disabling sickness or accident.

Under a Voluntary Income Protection program, there is no out-of-pocket expense to the company, because premiums are paid by the participants. Individual disability insurance is made available to all eligible employees, and participants choose the amount of coverage and policy options appropriate for their individual situation. A permanent, 10% discount is offered on plans with three or more issued lives. Policies can be purchased through payroll deduction, and any benefits paid are tax-free.

**Voluntary Income Protection (VIP) Program** - Under voluntary programs, the employer makes the program available to employees by allowing them to pay for DI coverage on a voluntary basis. Usually this is done by payroll deduction and list-billed to the employer, but may be individually billed.

*\* Unavailable to student and resident groups*

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Issue Ages: 18 – 65\*

*\* Maximum issue age for 10-year benefit period is 55. For plans with applicants over age 60, 50% of the applicants must be under age 60 and in occupation classes 6/6M – 3/3M.*

Occupation Classes: 6/6M – 1/1M

*Classes 2/2M and 1/1M are only available in employer-sponsored situations with a mix of other occupation classes (at least 50% of participants must be classes 6/6M through 3/3M), level premium structure only.*

Policy Forms: Policy Form 1600 (1600-F in New York) – Unisex rates

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## DI PRODUCT AND INFORMATION MANUAL

### *Employer Sponsored Programs – Voluntary Income Protection Program*

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Discounts:	A permanent, 10% discount is available with three or more issued lives in an employer-sponsored program. This applies in all states.
Premium Structures:	Level Graded (maximum issue age is 50)
Support for VIP Programs:	We provide field representatives with a variety of tools in support of the sale, installation and administration of employer-sponsored programs, most of which can be found on <a href="http://BerkshireLifetools.com">BerkshireLifetools.com</a> . These include: <ul style="list-style-type: none"><li>• Prospecting tools</li><li>• Sales presentations</li><li>• Training resources</li></ul> Sample installation documents
Producer Rights:	Multiple levels of exclusivity are available. Please contact a Guardian IDI agency wholesaler or Guardian IDI internal wholesaler for more details.

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## DI PRODUCT AND INFORMATION MANUAL

### Multi-Client Programs – Student and Resident Discount Program

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**Student and Resident Discount Program** The Student and Resident Discount Program provides discounted individual disability income protection to students and residents affiliated with a university, college, school or hospital that has previously been approved by Guardian.

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Definition of Total Disability: True Own-Occupation  
Modified Own-Occupation

Issue Ages: 18 – 60 (age last birthday)

Classes of Risk: Preferred, Select, Standard

Occupation Classes: Classes 6/6M – 3/3M

Premium Structures: Level  
Graded (maximum issue age is 50)

Elimination Periods: 30, 60, 90, 180, 360, 720 days

*720-day elimination period unavailable with 2-year and 5-year benefit periods.*

*720-day elimination period unavailable in some states regardless of benefit period.*

*360-day elimination period is unavailable with a 2-year benefit period in some states.*

*Refer to State Product Variations for complete combination availability details.*

Benefit Periods: To age 67, to age 65, 10 years\*, 5 years, 2 years

*Graded premium structure unavailable with a 2-year or 5-year benefit period.*

*To age 67 and to age 65 benefit periods are unavailable for clients whose net worth exceeds \$6 million.*

*\*Maximum issue age for 10-year benefit period is 55.*



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## DI PRODUCT AND INFORMATION MANUAL

### Multi-Client Programs – Student and Resident Discount Program

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- Discounts: A permanent, 10% policy-level discount for qualifying pre-approved multi-client programs.
- Riders Available: All riders available with this program.
- Policy Forms: Policy Form 1400 will be issued in all states where approved (1400-F in New York).
- Approval Requirements:
- Submit a letter from the institution leader specifying the name of the agent/agency agreeing to formally announce the program and provide access to participants.
  - Program may be offered if there is no active Voluntary Income Protection (VIP) Program available to the same population.
  - New Business Transmittal with each application for insurance noting the group and assigned plan number is required.
- Participation Requirements:
- First Year: at least 10% of eligible lives\*
  - Second Year and each year thereafter: at least 25% of eligible lives\*
  - Failure to meet production requirements in any year may result in a notice of intent to terminate the underperforming program.
- \* Policies from Group Conversion Program will be included in lives count*
- Producer Rights: Multiple levels of exclusivity are available. Please contact a Guardian IDI agency wholesaler or Guardian IDI internal wholesaler for more details.
- Annual Review: The named agency or agent(s) will be required to provide and obtain approval, from the Manager of Endorsed Programs, of a detailed plan to increase sales and meet the production requirements within one year. Failure to meet production requirements in two consecutive years will result in the termination of the underperforming program.

#### State Product Variations:

Montana: Available on Policy Form 1600.

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## DI PRODUCT AND INFORMATION MANUAL

### Multi-Client Programs – Professional Group Discount Program

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#### Professional Group Discount Program

The Professional Group Discount Program provides individual disability income protection to groups\* of employees with the same employer.

*\* Unavailable to student and resident groups*

***Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.***

Definition of Total Disability:

True Own-Occupation  
Modified Own-Occupation

Issue Ages:

18 – 60 (age last birthday)

Classes of Risk:

Preferred, Select, Standard

Occupation Classes:

Classes 6/6M – 3/3M

Premium Structures:

Level  
Graded (maximum issue age is 50)

Elimination Periods:

30, 60, 90, 180, 360, 720 days

*720-day elimination period unavailable with 2-year and 5-year benefit periods.*

*720-day elimination period unavailable in some states regardless of benefit period.*

*360-day elimination period is unavailable with a 2-year benefit period in some states.*

*Refer to ProVider Plus State Product Variations for complete combination availability details.*

Benefit Periods:

To age 67, to age 65, 10 years\*, 5 years, 2 years

*Graded premium structure unavailable with a 2-year or 5-year benefit period.*

*To age 67 and to age 65 benefit periods are unavailable for clients whose net worth exceeds \$6 million.*

*\*Maximum issue age for 10-year benefit period is 55.*

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**DI PRODUCT AND INFORMATION MANUAL**  
***Multi-Client Programs – Professional Group Discount Program***

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- Riders Available: All riders available with this program.
- Discounts: A permanent, 10%, policy-level discount is available with three or more lives in a qualifying pre-approved multi-client program.
- Policy Forms: Policy Form 1400 (1400-F in New York) will be issued in all states where approved.
- Approval Requirements:
- Submit a request for a group to New Business.
  - Program may be offered if there is no active Voluntary Income Protection (VIP) program available to the same population.
  - New Business Transmittal with each application for insurance noting the group and assigned plan number.
  - Applicant must attest to working for employer on application for insurance.
- Participation Requirements: A minimum of three or more issued lives.
- State Product Variations:**
- Montana: Available on Policy Form 1600.



**Association Discount Program**

Approved associations can offer Individual Disability and Overhead Expense policies with a 10% discount. No underwriting concessions are available for the association program.

## Association Criteria:

- Local, county, state or regional associations only.
- National\* and multi-state associations are ineligible.
- Medical and dental associations are ineligible except for veterinarians, pharmacists and optometrists.
- Maximum size should be appropriate for the producer or team of producers to personally solicit business as described in the producer's marketing plan. For example, in large states, it would not be possible for a single agent to effectively market statewide. Marketing by county could provide better results.
- The association must be in existence for at least two years and have a constitution or bylaws limiting membership to individuals in the same occupation.
- The association must have been formed to promote the professional or trade interests of its members.
- Associations formed for the purpose of obtaining insurance are not eligible.
- Limited to homogeneous associations representing occupation classes 6, 6M, 5, 5M, 4, 3 and 3M.
- Associations sponsoring multiple carriers in the same product line will not be eligible.
- Other groups may be limited or excluded, as necessary, based on claims experience or portfolio concentration.
- OH requires 10 or more lives issued for the discount

*\* Berkshire has approved the National Association of Women Business Owners (NAWBO) for all products that have the association discount available.*

## To Initiate the Approval Process:

- Submit an Approval to Approach form 7151 (available on Berkshire Life Tools) to the Manager of Endorsed Programs at the Berkshire Home Office.
- The association request is reviewed for compatibility with the program profile. If it fits, a preliminary approval notice is sent to the producer.



- Sponsorship Requirements: To obtain final case approval we need the following:
- A copy of the letter sponsoring the agent(s)/agency and Berkshire.
    - The executive director or president of the association must sign the letter. The director must also announce the program offerings to the membership.
    - It is recommended that the agency also be named in the endorsement of the association for continuity of the marketing process within the association.
  - Include a written explanation of your marketing plan and influence within the association (e.g. relationship with the executive director, insurance committee, existing client/members, etc.)
  - A copy of the association’s bylaws or constitution.
  - A current association membership roster and information on how the roster will be updated as new members join.

With the receipt of this information, a final authorization letter will be sent to the producer. The letter will include a 6-digit number that has been assigned to the association and should be referenced on any subsequent correspondence submitted to the home office.

- Policy Form: Policy Form 1400 (1400-F in New York) will be issued for ProVider Plus and ProVider Plus Limited in all states except in Montana, where Policy Form 1600 will be issued. Policy Form 4200 will be issued for Overhead Expense in all states where approved.
- Definition of Total Disability: True Own-Occupation  
Modified Own-Occupation
- Occupation Classifications: 6, 6M, 5, 5M, 4, 3, 3M
- Riders Available: All riders available with this program.
- Discounts: A 10% permanent policy discount is applied at a policy level.
- Producer Rights: Multiple levels of exclusivity are available. Please contact a Guardian IDI agency wholesaler or Guardian IDI internal wholesaler for more details.
- Premium Modes: Annual, Semiannual, Quarterly, Guard-O-Matic.

- Annual Review: Sixty (60) days prior to the anniversary of the association approval, the association activity will be reviewed. One of the two actions will be taken:
- If association sales are on pace with expectations, a new marketing plan and current roster, and a calendar of the marketing events for the next twelve (12) months will be requested.
    - Thirty (30) days later, a follow-up request will be sent if new marketing plan and current roster are not received.
    - Thirty (30) days after that, notification of closure of the association will be sent if requirements are not received; or
  - if association sales are not on target, a letter will be sent warning of impending closure of the program

The following information will also be part of the review process:

- total number of policies written in the last 12 months;
- total first year annualized premium for the last 12 months;
- the morbidity and persistency of the association from actuarial.

First Year Annual  
Association Renewal  
Criteria:

In reviewing solicitation activity and in determining potential renewal of an association endorsement, the following guidelines will be used:

The minimum requirement is the lesser of:

- (a) policies written on 10% of membership; or
- (b) 50 contracts written on membership (could be higher for large associations); or
- (c) \$50,000 of first year annualized premium (could be higher for large associations).



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**DI PRODUCT AND INFORMATION MANUAL*****Multi-Client Programs – Association Discount Program***

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Association Annual  
Renewal Criteria for  
Subsequent Years:

The minimum requirement is the lesser of:

- (a) additional policies written on 5% of membership; or
- (b) 25 contracts written on membership (could be higher for large associations); or
- (c) \$25,000 of first year annualized premium (could be higher for large associations).

In addition, expected persistency based on the average duration of business and loss ratio for the association must be at least the company average and within expectations of pricing.

Based on these criteria, we will determine whether to continue the endorsement as is, continue the endorsement on a one-year probationary period or terminate the endorsement.



**Group Conversion Program for New Professionals:** The Group Conversion Program provides Group LTD coverage during residency/student years for medical, dental and veterinary students and residents. Upon completion of their program, there is an opportunity to convert to a ProVider Plus individual disability policy.

The program requires that a Guardian Group LTD\* plan *with a conversion option* be installed at an approved institution. Once the LTD plan is in place, medical, dental and veterinary students and residents covered under the plan will be eligible to convert their group coverage at the end of their medical residencies or upon graduation from the student programs.\*For complete details, refer to the Producer’s Guide (Pub# E1003), which is available on Berkshire Life Tools.

*\*AbilityGuard Group LTD underwritten by The Guardian Life Insurance Company of America, New York, NY.*

*\*\*Podiatric students or residents are not eligible for conversion to ProVider Plus.*

*Product not available in all states; refer to “State Product Variations” section to determine appropriate product series. Product provisions and features may vary by state and are noted within this manual.*

Definition of Total Disability: True Own-Occupation

Maximum Conversion Limits: Medical residents: The standard maximum conversion amount is \$4,000/per month.

Dental and veterinary students: \$2,000/per month

*Coverage above these limits may be available with full underwriting. Limits assume compliance with current Issue and Participation Limits.*

Enhanced Maximum Conversion Limits: Medical residents may apply for a maximum conversion amount of \$5,000 with prior approval with Guardian Group as the *AbilityGuard* group contract may need to be re-negotiated to receive any conversions over \$4,000/per month.

Policy Parameters: For straight (non-underwritten) conversions, coverage may be in the form of:

- an all-base ProVider Plus policy, or
- a combination of base policy, Future Increase Option, and Social Insurance Substitute rider\*
- Riders that are exclusively available with ProVider Plus Limited are unavailable (Benefit Purchase Rider, Basic



Residual Disability Benefit Rider and 3% Maximum Cost of Living Adjustment Rider).

The Future Increase Option total increase amount must be no more than three times the base policy plus Social Insurance Substitute rider\*. The base policy must be at least \$500 per month and the Social Insurance Substitute rider maximum is \$1,500 per month. The total of base, Future Increase Option, and Social Insurance Substitute rider cannot exceed the maximum conversion limit. No other riders are available.

All straight conversion policies are issued with a 24-month mental and/or substance-related disorder limitation and an endorsement that removes the Presumptive Total Disability Benefit provision.

All straight conversion policies are also issued with an amendment that must be signed by the proposed insured as a requirement of policy delivery stating that the individual has completed the educational or training program through which he or she was covered under the group plan.

*\*where available*

Elimination Period: Must be the same or longer than the group LTD plan elimination period.

Benefit Period: 2 years, 5 years, 10 years, to age 65

Application Deadline: Applications may be submitted 60 days prior to graduation and within 31 days post graduation.

*There are no application submission restrictions on when a person who is in a conversion eligible group can apply for fully underwritten coverage.*

Group Plan Participant Conversion Criteria: To convert the Group LTD plan to a ProVider Plus individual disability policy, upon completion of their program, students and residents must meet the following conversion criteria:

- (1) covered for at least 12 consecutive months under the Group LTD plan immediately prior to the date he/she completes the program of training  
*(Note: eligibility for conversion will not apply if Guardian group coverage ends for all individuals or the individual fails to make a required contribution or changes to a class not eligible under the group plan)*
- (2) completed the medical residency or student program in which he/she was enrolled
- (3) not be disabled under the terms of the group plan
- (4) apply in writing within 31 days of leaving the group

program

Policy Forms: Policy Form 1400 will be issued in all states where approved except in Montana, where Policy Form 1500 will be issued. ProVider Plus Limited (and the riders that are exclusively available with that package) is unavailable under the Conversion Program. For information on available riders, see Policy Parameters.

Discounts: None

Student Loan Protection Program: Medical residents may also apply for a Guaranteed Standard Issue (GSI) Business Reducing Term (BRT) policy under the Student Loan Protection Program as part of the conversion. BRT is issued on Guardian policy form AH55-A.

*Maximum BRT Benefit Amounts*

The BRT benefit amount will depend on whether the Guardian Group LTD plan accommodates the standard maximum conversion amount or enhanced maximum conversion amount.

Maximum BRT benefit amount with the standard maximum conversion amount:

- $(\text{ProVider Plus Conversion Benefit}) + \frac{1}{2} (\text{BRT Benefit}) = \$4,000$

Maximum BRT benefit amount with the enhanced maximum conversion amount:

- $(\text{ProVider Plus Conversion Benefit}) + \frac{1}{2} (\text{BRT Benefit}) = \text{or} < \$5,500$

The maximum BRT benefit amount available on a GSI basis for Student Loan Protection coverage is \$1,500/per month.

In all circumstances, the maximum monthly benefit of a ProVider Plus conversion policy is \$5,000/per month.

*BRT Policy Parameters*

Coverage under the Student Loan Protection Program is available only to physicians, medical residents and dentists in states where BRT is approved. BRT is not available in Florida, Montana, North Carolina, South Carolina and Virginia.

The following BRT policy parameters apply:

Issue Ages	18-55
Elimination Periods	1, 2, 3, 6, and 12 months
Benefit Periods	5 – 30 years, not to exceed age 60
Riders Available	None
Premiums	Gender-distinct; age last birthday; level
Discounts	None

**Case Approvals:** To obtain approval for the conversion program, complete and submit the Request for Case Approval (form #AA1127) to either the Guardian Group Department or the Manager of Endorsed Programs.

**Producer Rights:** Only the endorsed producer(s) may market the availability of the program and its features to eligible residents or students.

Occasionally a Guardian agent or broker other than the endorsed producer may have a client who is eligible for a conversion. All inquiries by such an agent or broker will be directed to the endorsed producer(s).

## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Guidelines – Classes of Risk

There are three risk classes offered with the ProVider Plus, ProVider Plus Limited, Disability Buy-Out 3200 and Overhead Expense 4200 products: Preferred, Select and Standard. The following outlines the qualification and disqualification criteria for each.

#### ProVider Plus, ProVider Plus Limited, Disability Buy-Out 3200 and Overhead Expense 4200 Preferred Premium Risk Class Underwriting Criteria

<b>General Qualification Criteria</b>	
Issue Ages:	Up to 60
Occupation Classes:	6, 5, 4, 3, and 6M, 5M, 4M, 3M
<b>General Disqualification Criteria</b>	
Motor Vehicle Record:	History of driving/operating while under the influence or reckless driving in the past five years, and not more than two moving violations in the past three years
Claims History:	History of a claim for disability
<b>Medical Qualification Criteria</b>	
Blood Pressure:	Must not exceed the threshold level of 120/80 regardless of issue age
Cholesterol:	Must not exceed the threshold levels of: <ul style="list-style-type: none"><li>• 200 for issue ages 20 to 44, inclusive</li><li>• 220 for issue ages 45 &amp; higher</li></ul> A cholesterol to HDL ratio of 4.0 or lower may be used to offset other lipid elevations and allow for consideration
Height & Weight:	See table on the following page for maximums
All Other Lab Requirements:	Must fall within the normal range as prescribed by the lab
<b>Medical Disqualification Criteria</b>	
Blood Pressure:	Use of blood pressure medication
Cholesterol:	Use of cholesterol-lowering medication is acceptable, but resulting cholesterol levels must be within normal parameters
Tobacco Use:	Any use of tobacco in any form in the last 12 months
History:	Any history of: <ul style="list-style-type: none"><li>• drug or alcohol abuse or dependency</li><li>• cancer</li><li>• mental or nervous disorders</li><li>• diabetes</li><li>• disease of the heart, kidneys, liver or lungs</li></ul> Any deaths of parent prior to age 60 due to: <ul style="list-style-type: none"><li>• diabetes</li><li>• cardiovascular</li><li>• kidney</li><li>• pulmonary system</li><li>• liver</li></ul>
Exclusions or Extra Premiums:	Any of the following scenarios requiring a restrictive rider or exclusion: <ul style="list-style-type: none"><li>• physical or mental condition</li></ul> Any insurance policies issued with a rating



**Please note:** There may be a situation where prior health history restricts us from considering an applicant as a preferred risk class, yet allows the applicant to qualify for the Select or Standard risk classifications.

**ProVider Plus, ProVider Plus Limited, Disability Buy-Out 3200 and Overhead Expense 4200 Preferred Premium Risk Class Build Table**

The same build table is applicable to both males and females – there is no height adjustment for females.

<u>Height</u>	<u>Maximum Weight</u>
4' 6"	122
4' 7"	125
4' 8"	129
4' 9"	133
4' 10"	136
4' 11"	139
5' 0"	150
5' 1"	153
5' 2"	155
5' 3"	160
5' 4"	165
5' 5"	170
5' 6"	175
5' 7"	180

<u>Height</u>	<u>Maximum Weight</u>
5' 8"	185
5' 9"	190
5' 10"	195
5' 11"	200
6' 0"	205
6' 1"	210
6' 2"	215
6' 3"	220
6' 4"	225
6' 5"	230
6' 6"	235
6' 7"	240
6' 8"	245

**ProVider Plus, ProVider Plus Limited, Disability Buy-Out 3200 and Overhead Expense 4200 Select Premium Risk Class Underwriting Criteria**

<b>General Qualification Criteria</b>	
Issue Ages:	18-60*
Occupation Classes:	6, 5, 4, 3, 2, 1** (non-medical markets) 6M, 5M, 4M, 3M, 2M, 1M** (medical markets)
<b>Disqualification Criteria</b>	
Tobacco Use:	Any use of tobacco in any form in the last 12 months

\*where available

**ProVider Plus, ProVider Plus Limited, Disability Buy-Out 3200 and Overhead Expense 4200 Standard Premium Risk Class Underwriting Criteria**

<b>General Qualification Criteria</b>	
Issue Ages:	18-60*
Occupation Classes:	6, 5, 4, 3, 2, 1** (non-medical markets) 6M, 5M, 4M, 3M, 2M, 1M** (medical markets)

\*Maximum issue age for VIP is 65 and maximum issue age for QSPP is 74

\*\*where available

**Issue and Participation Limit Maximums for ProVider Plus and ProVider Plus Limited  
(Policy Forms 1400, 1500 and 1600)\***

**Medical Occupation Classes**

Occupation Class	Issue Ages (Determined by age last)	Maximum Issue Limit***	Maximum Participation with Other Company's Individual Coverage#	Maximum Participation with Group LTD
6M & 5M	18-55	\$16,000	\$20,000	\$25,000
	56-60	\$15,000	\$15,000	\$15,000
	61+	\$10,000	\$10,000	N/A
4M & 3M	18-55	\$16,000	\$20,000	\$25,000
	56-60	\$10,000	\$15,000	\$15,000
	61+	\$10,000	\$10,000	N/A
2M & 1M**	18-60	\$7,500	\$7,500	N/A
	61+	\$6,000	\$6,000	N/A

**Non – Medical Occupation Classes**

Occupation Class	Issue Ages (Determined by age last)	Maximum Issue Limit***	Maximum Participation with Other Company's Individual Coverage#	Maximum Participation with Group LTD
6 & 5	18-55	\$20,000 <sup>##</sup>	\$20,000	\$30,000 <sup>##</sup>
	CA only 18-55	\$16,000	\$20,000	\$25,000
	56-60	\$15,000	\$15,000	\$15,000
	61+	\$10,000	\$10,000	N/A
4	18-55	\$16,000	\$20,000	\$25,000
	56-60	\$15,000	\$15,000	\$15,000
	61+	\$10,000	\$10,000	N/A
3	18-60	\$10,000	\$10,000	\$15,000
	61+	\$10,000	\$10,000	N/A
2 & 1**	18-60	\$7,500	\$7,500	N/A
	61+	\$6,000	\$6,000	N/A

- Product provisions and features may vary from state to state.
- Refer to Special Limits for New Professionals, Business Owner Advantage Program, Government Employees (federal, state, municipal, county and town), Retirement Protection Plus, Home Based and PayGuard for special issue limits.

*Please note that Lifetime benefits from all sources are limited to \$10,000 per month for medical market occupation classes 3M - 6M listed in the Medical Market – MDs, DOs, DDSs, DMDs category in the Occupation Classification Guide. When an applicant has Lifetime benefits in force, any combination of Lifetime and Lump Sum benefits will also be limited to \$10,000 per month. Otherwise, there is no limitation on Lump Sum benefits for these occupations; regular issue and participation limits will apply.*



\* Several factors are considered in determining the amount of disability coverage available to an applicant and considered by the Company in using the Issue and Participation tables. These factors include, but are not limited to: 1) earned income; 2) unearned income; 3) employment status (business owner or employee); 4) disability insurance in force at the time of application with Berkshire, Guardian, and all other insurers; 5) disability insurance or coverage provided by the employer; 6) disability insurance benefits available to the applicant within 12 months of the policy date; and 7) the tax treatment of all in-force disability insurance. Disability coverage that an insured is eligible to obtain, but which is not in force pursuant to Berkshire and Guardian policies containing the following riders, will count as in-force coverage in determining overall participation limits: Automatic Increase Rider; Automatic Benefit Enhancement Rider; Future Increase Option Rider (FIO); and Future Purchase Option Rider (FPO). The terms “earned income” and “unearned income” for purposes of this paragraph have the same meaning as they have in the insured’s application for coverage, or in the insured’s application to exercise a Future Purchase Option or Future Increase Option, respectively.

All of the above factors are also considered in the underwriting of an application to exercise an FIO or FPO, as they relate to an insured at the time the insured applies for additional coverage through an FIO or FPO. These factors may be different than at the time the insured applies for additional coverage through an FIO or FPO, in comparison with the same factors as they existed at the time the insured applied for the policy to which the FIO or FPO is attached.

For FIO or FPO exercises while an insured is on claim, the amount of the insured’s Participation reflected in the Issue and Participation tables will include all disability insurance in force with all insurers (including but not limited to Berkshire or Guardian), as well as disability insurance or benefits provided by any employer, regardless of whether any claim pursuant to such insurance is payable. As per the Issue and Participation Table, the amount of coverage available to an insured through the exercise of an FIO or FPO may be reduced by virtue of the insured’s disability coverage in force with Berkshire, Guardian, any other insurer or insurers, the disability coverage provided by the insured’s employer, and the tax treatment afforded all such coverage. The amount of coverage available to an insured at the time of exercising an FIO or FPO may also be impacted by virtue of changes to the Issue and Participation Tables made after the issuance of the policy from which the option is being exercised.

\*\* Classes 2/2M and 1/1M are available only in employer-sponsored situations with a mix of other occupations (at least 50% of participants must be classes 6/6M through 3/3M). Classes 2 and 2M are also available for business owners who have owned the business for at least five years and whose income is at least \$50,000.

Social Insurance Substitute rider is required (where available) after the first \$500 of base monthly indemnity issued for all 2/2M and 1/1M classes. The next \$1,500 will be composed of coverage issued under the SIS rider (offset by any other in-force SIS or GLTD coverage). Any additional coverage thereafter will be issued as base monthly indemnity to the stated maximum.

\*\*\* Social Insurance Substitute rider, Future Increase Option rider amounts, and the Berkshire applied for coverage amount are included in the “Maximum Issue Limit.”

# Social Insurance Substitute rider, Future Increase Option rider amounts, the Berkshire applied for coverage amount, and any in-force, non-group coverage, including Association, are included in the “Maximum Participation with Other Company’s Individual Coverage.”

## Occupations in class 5 and 6 with in-force or applied-for Lifetime benefits are limited to a \$16,000 maximum issue limit for all coverage and \$25,000 maximum participation with Group LTD.



### **Overview**

We will consider issuing a disability policy when the applicant's total disability income coverage, including in-force, applied-for, and for which the applicant is eligible to receive from all companies (including Berkshire Life and Guardian), does not exceed the limits given in the Issue and Participation Limit tables. If earnings fall between those shown on the table, interpolate between table income amounts listed.

**Issue** means the maximum amount of monthly indemnity that we will consider issuing, including any disability coverage already in force with Berkshire Life and Guardian.

**Participation** means the maximum amount of monthly indemnity applied for and in force with all companies, including, but not limited to, Berkshire Life and Guardian (for details about participation with Employer Paid Group LTD, refer to the Participation with Group LTD heading in this section).

The maximum Issue and Participation amounts include base and, if included on the policy, Future Increase Option, Automatic Benefit Enhancement (it is assumed the first offer will be accepted), and Social Insurance Substitute riders, as well as any in-force coverage.

There are special limits for new professionals, medical and dental students, some business owners and government employees (federal, state, municipal, county and town), with issue limits that are not tied to income. See the appropriate tab in the underwriting section for details.

### **Calculating the Issue Amount**

The issue amount can be calculated using the illustration system, or it can be manually calculated by using the Issue and Participation limit tables themselves. The manual calculation involves a number of different columns based on the type of in-force or applied-for coverage, such as Group LTD or individual, and if the premiums for the in-force and applied-for coverage are paid by the individual/applicant or the employer.

The "Individual Pay Issue and Participation" column should be used in the following circumstances:

- When all in-force and applied-for coverage is paid by the individual/applicant and there is no in-force or applied-for Group LTD coverage.
- When there is no in-force or applied-for Group LTD coverage and the individual/applicant's earned income is generated from any of the following business entities:
  - Sole Proprietorship
  - Partnership
  - S-Corporation
  - Limited Liability Company\*
  - Limited Liability Partnership\*

*\*A Limited Liability Company or a Limited Liability Partnership may in rare instances file as a C-Corporation and thereby qualify to use the Employer-Paid column. In such a situation, contact the Underwriting Department for assistance.*



**Calculating the Maximum Issue Limit**

The maximum issue limit can be calculated using the illustration system or you can calculate the amount yourself using the tables. Here are some examples of such calculations:

<b>Example 1: Sample Calculation Employee-Paid Scenario, No In-force Coverage</b>				
<b>The Facts</b>				
Employee-paid coverage: The prospect is a 42-year-old attorney with an annual income of \$220,000 and a MA resident. The prospect has no other coverage currently in force. What is the maximum monthly indemnity for which the prospect qualifies?				
<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See facts supplied above
Step 2	Determine whether there is Employer Paid Group LTD in-force	Determines which column in the Issue and Participation table to use	No	See facts supplied above
Step 3	Determine client's income	To be used in Step 4	\$220,000	See facts supplied above
Step 4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$10,000	Individual Pay Issue and Participation Tax-Free Monthly Indemnity column
Step 5	Determine occupation classification	To be used in Step 6	6	Occupation Classification Guide
Step 6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$16,000	ProVider Plus product descriptions or Individual Products Underwriting Guidelines, Issue and Participation Limits
Step 7	Use the lesser of the amount from Step 4 or Step 6	Determines the amount client is eligible to purchase based on current income and occupation classification	\$10,000	



<b>Calculation for Maximum FIO for \$9,040 Base Coverage</b>				
<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where Do I Find This?</b>
Step 8	Determine prospect's age	Verify prospect is between the issue ages of 18-50 for FIO eligibility	Yes	See facts supplied above
Step 9	Subtract Step 7 from Step 6	Ensure maximum issue and participation limits have not been exceeded (FIO rule 2x base, 3x for residents)	\$6,000*	
<b>Conclusion</b>				
The issue limit for this scenario is \$10,000 base coverage and maximum FIO rider is \$6,000. The maximum base plus FIO rider is equal to the maximum issue and participation limits.				
* <i>Keep in mind when requesting FIO, the prospect must have the potential to earn the salary listed to financially qualify.</i>				

<b>Example 2: Sample Calculation Employee-Paid Scenario, Has Other Coverage In Force</b>				
<b>The Facts</b>				
Employee-paid coverage: The prospect is a 35-year-old auditor who has an annual income of \$37,500 plus a guaranteed bonus of \$2,500. Currently, the prospect has employee-paid, in-force coverage of \$1,400. What is the maximum monthly indemnity for which the prospect qualifies?				
<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See facts supplied above
Step 2	Determine whether there is Employer Paid Group LTD in-force	Determines which column in the Issue and Participation table to use	No	See facts supplied above



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Step	Process	Purpose	Conclusion	Where do I find this?
Step 3	Determine client's income	To be used in Step 4	\$40,000 (annual income plus guaranteed bonus)	See facts supplied above
Step 4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$2,300	Individual Pay Issue and Participation Tax-Free Monthly Indemnity column
Step 5	Determine occupation classification	To be used in Step 6	5	Occupation Classification Guide
Step 6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$16,000	ProVider Plus product descriptions or Individual Products Underwriting Guidelines, Issue and Participation Limits
Step 7	Subtract in-force coverage from participation amount	Determines the amount client is eligible to purchase based on the current income and occupation classification	\$2,300 - <u>\$1,400</u> \$900	
Step 8	Verify Minimum Issue Policy Size	To confirm \$900 is not under issue limit	The minimum issue limit is \$500*	
<b>Conclusion</b> The issue limit for this scenario is \$900 of monthly indemnity.				

*\*Monthly benefit amounts under \$1,000 require a \$75 policy fee.*



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### **Employer-Paid Limits**

Generally, if the employer pays the entire premium for disability coverage, the benefits paid under the policy are taxable.

To help compensate for the reduction in benefits due to taxes, increased limits are available in an employer-paid program.

To use the Employer-Paid limits follow these ground rules:

1. These limits are intended for all non-owner employees of any business entity, and for employee/owners of C-Corporations. Sole Proprietors, partners of partnerships, and principals of S-Corporations, Limited Liability Companies, and Limited Liability Partnerships are not eligible for employer-paid limits
2. For these limits to apply, the employer must pay the premiums for **all** disability income coverage (existing and applied-for with all companies) in such a way that the **premiums** are not taxable to employees.
3. The additional coverage available through an employer-paid plan must fall within the maximum issue and participation limits for the class being insured.
4. These limits must always be used when the business has a qualified sick pay plan and is deducting the premium, or is a plan funded in accordance with IRC – Section 125 - Cafeteria Plan (pre-tax)
5. The application question that asks for the portion of premium paid by the employer must be completed. The employer-pay credit will not increase the maximum issue and participation limit, benefit period, or occupation class.

“Split Dollar” or “Co-pay” arrangements between employer and employee will be reviewed by underwriting on a case-by-case basis; however, usually the amount attributable to each table is proportionate to the amount that is taxable vs. non-taxable.

Sample calculations are shown on the following pages.

**Example 1: Sample Calculation Employer-Paid Scenario, No In-force Coverage**

**The Facts**

Employer-paid coverage: The prospect is a 28-year-old jewelry store manager with an annual income of \$130,000. The prospect has no other coverage currently in force. What is the maximum monthly indemnity for which the prospect qualifies?

<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Employer	See facts supplied above
Step 2	Determine whether there is taxable Employer-Paid Group LTD in-force	Determines which column in the Issue and Participation table to use	No	See facts supplied above
Step 3	Determine client's income	To be used in Step 4	\$130,000	See facts supplied above
Step 4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$8,100	Employer-Paid Issue and Participation Taxable Monthly Indemnity column
Step 5	Determine occupation classification	To be used in Step 6	4	Occupation Classification Guide
Step 6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$16,000	ProVider Plus product descriptions or Individual Products Underwriting Guidelines, Issue and Participation Limits
Step 7	Use the lesser of the amount from Step 4 or Step 6	Determines the amount client is eligible to purchase based on current income and occupation classification	\$8,100	

**Conclusion**

The issue limit for this scenario is \$8,100 of monthly indemnity.



**Participation with other Companies’ Individual Coverage**

For occupation classes 6M-3M and 6-4, issue ages 18-55, Berkshire will participate with other companies’ individual coverage up to \$20,000 per month.

For other occupation classes and issue ages, refer to the maximum Issue and Participation Limit Tables on page one of this section.

PayGuard and Association coverage are treated as individual coverage for subtraction from issue and participation limits

The participation amount is determined using the monthly indemnity limit amount on the Issue and Participation charts.

<b>Example 1: Sample Calculation Employee-Paid Scenario, Has Other Coverage In Force</b>				
<b>The Facts</b>				
Employee-paid coverage: The prospect is a 40-year-old attorney who has an annual income of \$800,000. Currently, the prospect has employee-paid, in-force coverage of \$8,000. What is the maximum monthly indemnity for which the prospect qualifies?				
<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See facts supplied above
Step 2	Determine whether there is Employer-Paid Group LTD in force	Determines which column in the Issue and Participation table to use	No	See facts supplied above
Step 3	Determine client’s income	To be used in Step 4	\$800,000	See facts supplied above
Step 4	Find client’s income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$20,000	Individual Pay Issue and Participation Tax-Free Monthly Indemnity column
Step 5	Determine occupation classification	To be used in Step 6	6	Occupation Classification Guide
Step 6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$16,000	ProVider Plus product descriptions or Individual Products Underwriting Guidelines, Issue and Participation Limits



**DI PRODUCT AND INFORMATION MANUAL**  
*Underwriting Guidelines - Issue and Participation Limits*

Step	Process	Purpose	Conclusion	Where do I find this?
Step 7	Subtract in-force coverage from participation amount	Determines the amount for which client qualifies	\$20,000 -\$8,000 \$12,000	
Step 8	Use the lesser of the amount from Step 6 or Step 7	Determines the amount client is eligible to purchase based on the current income and occupation classification	\$12,000	
<b>Conclusion</b>				
The issue limit for this scenario is \$12,000 of monthly indemnity.				



## Participation with Group LTD

Some companies provide group disability insurance coverage for their employees. Group long-term disability plans usually provide for integration of the benefits with disability income benefits payable to the insured from other individual disability income sources.

For issue ages 18-60, if the applicant has in-force or applied-for group coverage, and occupation classes 6/6M thru 3/3M are illustrated, the following will outline which Issue and Participation column to use in the given situation:

1. When the applied-for individual coverage is being paid by the applicant, and the group coverage is employer-paid, discount the group by 25% and subtract the discounted group amount from the “Individual Pay Participation with Group LTD” column. Use the lower of this amount or the amount calculated without factoring in the group coverage, but based on the “Individual Pay Issue and Participation” column.
2. When both the individual and group coverage are being paid by the applicant, subtract the non-discounted group amount from the “Individual Pay Participation with Group LTD” column. Use the lower of this amount or the amount calculated without factoring in the group coverage, but based on the “Individual Pay Issue and Participation” column.
3. When the owner of an S-Corp, Partnership, Sole Proprietorship, Limited Liability Company\* or Limited Liability Partnership\* has Group LTD coverage, always subtract the non-discounted group amount from the “Individual Pay Participation with Group LTD” column. Use the lower of this amount or the amount calculated without factoring in the group coverage, but based on the “Individual Pay Issue and Participation” column.
4. When all in-force and applied-for individual and Group LTD coverage are employer-paid and therefore fully taxable, subtract 100% of the group amount from the “Employer-Paid Participation with Taxable Group LTD” column. Use the lower of this amount or the amount calculated without factoring in the group coverage, but based on the “Employer Pay Participation” column.

*\*A Limited Liability Company or a Limited Liability Partnership may in rare instances file as a C-Corporation and thereby qualify to use the Employer-Paid column. In such a situation, contact the Underwriting Department for assistance.*



**Example 1: Individual Paid, has taxable employer-paid group LTD in-force**

**The Facts**

The prospect, occupation class 4M, has an annual W-2 income of \$320,000 and a taxable employer-paid group LTD plan of \$15,000 in force. What is the maximum monthly indemnity for which the prospect qualifies?

Step	Process	Purpose	Conclusion	Where do I find this?
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See facts supplied above
Step 2	Determine whether there is Employer-Paid Group LTD in force	Determines which column in the Issue and Participation table to use	Yes, \$15,000 of monthly indemnity	See facts supplied above
Step 3	Determine client's income	To be used in Step 4	\$320,000	See facts supplied above
Step 4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$16,250	Individual Pay Participation with Group LTD column
Step 5	Discount existing group coverage by 25%*	To be used in Step 6	\$15,000 x .75 \$11,250	
Step 6	Subtract Step 5 from Step 4	Determines how much the prospect may purchase	\$16,250 - \$11,250 \$5,000	
Step 7	Compare amount from Step 6 with the amount in the Individual Pay Issue and Participation Tax-Free Monthly Indemnity column	Use whichever is less	\$5,000	Issue and Participation Limit Table

**Conclusion**

The issue limit for this scenario is \$5,000 of monthly indemnity.

\* The 25% Group LTD discount is only available when individually paid for non-cancellable disability income is written in conjunction with existing or new taxable non-cancellable Group LTD. Discount the group amount by 25% and subtract the balance from the "Individual Pay Participation with Group LTD" column. For S-corporation owners, partners, sole proprietors or others with non-taxable group LTD, the non-discontinued group LTD amount should be subtracted from the "Individual Pay Participation with Group LTD" column.



**Example 2: Sample Calculation Employer-Paid Scenario, Has Employer-Paid Group LTD In Force**

**The Facts**

Employer-paid coverage: The prospect is a 39-year-old designer with an annual income of \$190,000 and an employer-paid group LTD of \$6,400 in force. What is the maximum monthly indemnity for which the prospect qualifies?

<b>Step</b>	<b>Process</b>	<b>Purpose</b>	<b>Conclusion</b>	<b>Where do I find this?</b>
Step 1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Employer	See facts supplied above
Step 2	Determine whether there is Employer-Paid Group LTD in force	Determines which column in the Issue and Participation table to use	Yes, \$6,400 of monthly indemnity	See facts supplied above
Step 3	Determine client's income	To be used in Step 4	\$190,000	See facts supplied above
Step 4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$12,000	Employer-Paid Participation with Taxable Group LTD column
Step 5	Determine occupation classification	To be used in Step 6	4	Occupation Classification Guide
Step 6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$16,000	Provider Plus product descriptions or Individual Products, Underwriting Guidelines Issue and Participation Limits
Step 7	Subtract Step 2 from Step 4	Determines how much the prospect may purchase	$\begin{array}{r} \$12,000 \\ - \$6,400 \\ \hline \$5,600 \end{array}$	
Step 8	Use the lesser of the amount from Step 6 or Step 7	Determines the amount client is eligible to purchase based on the current income and occupation classification	\$5,600	

**Conclusion**

The issue limit for this scenario is \$5,600 of monthly indemnity.



### **Minimum Issue Limits**

- \$500\* (\$200 for Future Increase/Purchase Option exercises)

The following are included in calculating minimum issue limit:

- monthly indemnity of the base policy (minimum \$200) plus
- monthly indemnity of Social Insurance Substitute rider (if applicable) (minimum \$200)

*The minimum policy size can be achieved with a combination of base and Social Insurance Substitute rider. For Classes 2/2M and 1/1M, SIS is required (where available) after the first \$500 of base monthly indemnity issued. The next \$1,500 will be composed of coverage issued under the SIS rider (offset by any other in-force SIS or GLTD coverage). Any additional coverage thereafter will be issued as base monthly indemnity to the stated maximum.*

\*Amount applied for must always be a multiple of \$10. The policy fee for amounts under \$1,000 is \$75.

*This section is provided for informational purposes only and should not be considered tax or legal advice. Your client should contact their tax or legal advisor regarding the tax treatment of the policy and policy benefits. Your client should consult with their own independent tax and legal advisors regarding their particular set of facts and circumstances. The information provided is not intended or written to be used, and cannot be relied upon, to avoid penalties imposed under the Internal Revenue Code or state and local tax law provisions.*

**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables****Issue and Participation Limit Tables\***

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
\$18,000	1,100	1,100	1,150	1,150
19,000	1,150	1,150	1,200	1,200
20,000	1,200	1,200	1,250	1,250
21,000	1,250	1,250	1,350	1,350
22,000	1,300	1,300	1,450	1,450
23,000	1,350	1,350	1,500	1,500
24,000	1,400	1,400	1,600	1,600
25,000	1,450	1,450	1,650	1,650
26,000	1,550	1,550	1,750	1,750
27,000	1,600	1,600	1,850	1,850
28,000	1,700	1,700	1,900	1,900
29,000	1,750	1,750	2,000	2,000
30,000	1,800	1,800	2,050	2,050
31,000	1,850	1,850	2,150	2,150
32,000	1,900	1,900	2,200	2,200
33,000	1,950	1,950	2,300	2,300
34,000	2,000	2,000	2,350	2,350
35,000	2,050	2,050	2,400	2,400
36,000	2,100	2,100	2,500	2,500
37,000	2,150	2,150	2,550	2,550
38,000	2,200	2,200	2,650	2,650
39,000	2,250	2,250	2,700	2,700
40,000	2,300	2,300	2,750	2,750
41,000	2,400	2,400	2,850	2,850
42,000	2,450	2,450	2,900	2,900
43,000	2,500	2,500	3,000	3,000
44,000	2,550	2,550	3,050	3,050
45,000	2,600	2,600	3,100	3,100
46,000	2,650	2,650	3,200	3,200
47,000	2,700	2,700	3,250	3,250
48,000	2,750	2,750	3,300	3,300
49,000	2,800	2,800	3,350	3,350
50,000	2,850	2,850	3,400	3,400
51,000	2,900	2,950	3,500	3,500
52,000	2,960	3,010	3,550	3,550
53,000	3,010	3,060	3,600	3,600

**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
54,000	3,070	3,120	3,650	3,650
55,000	3,120	3,170	3,700	3,700
56,000	3,180	3,280	3,800	3,800
57,000	3,230	3,330	3,850	3,850
58,000	3,280	3,380	3,900	3,900
59,000	3,340	3,440	3,950	3,950
60,000	3,390	3,500	4,000	4,000
61,000	3,450	3,560	4,050	4,100
62,000	3,500	3,620	4,100	4,150
63,000	3,550	3,680	4,150	4,200
64,000	3,610	3,730	4,200	4,300
65,000	3,610	3,790	4,250	4,350
66,000	3,670	3,850	4,300	4,400
67,000	3,720	3,910	4,350	4,500
68,000	3,780	3,970	4,400	4,550
69,000	3,830	4,030	4,450	4,600
70,000	3,830	4,080	4,500	4,650
71,000	3,890	4,140	4,550	4,700
72,000	3,890	4,200	4,600	4,750
73,000	3,950	4,260	4,650	4,800
74,000	3,950	4,300	4,700	4,800
75,000	4,000	4,320	4,750	4,850
76,000	4,040	4,340	4,810	4,900
77,000	4,080	4,390	4,870	4,950
78,000	4,120	4,430	4,930	5,010
79,000	4,160	4,480	4,990	5,070
80,000	4,200	4,520	5,050	5,130
81,000	4,240	4,560	5,110	5,190
82,000	4,280	4,620	5,170	5,250
83,000	4,320	4,670	5,230	5,310
84,000	4,360	4,730	5,290	5,370
85,000	4,400	4,780	5,350	5,430
86,000	4,440	4,830	5,410	5,490
87,000	4,480	4,890	5,470	5,550
88,000	4,520	4,940	5,530	5,610
89,000	4,560	5,000	5,590	5,670
90,000	4,600	5,050	5,650	5,730
91,000	4,640	5,100	5,710	5,790



**DI PRODUCT AND INFORMATION MANUAL**

***Underwriting Guidelines – Issue and Participation Limit Tables***

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
92,000	4,680	5,160	5,770	5,850
93,000	4,720	5,210	5,830	5,910
94,000	4,760	5,270	5,890	5,970
95,000	4,800	5,320	5,950	6,030
96,000	4,840	5,370	6,010	6,090
97,000	4,880	5,430	6,070	6,150
98,000	4,920	5,450	6,130	6,210
99,000	4,960	5,480	6,150	6,270
100,000	5,000	5,490	6,150	6,320
101,000	5,040	5,530	6,220	6,390
102,000	5,080	5,590	6,290	6,460
103,000	5,120	5,640	6,360	6,530
104,000	5,160	5,700	6,430	6,600
105,000	5,200	5,750	6,500	6,670
106,000	5,240	5,800	6,570	6,740
107,000	5,280	5,860	6,640	6,810
108,000	5,320	5,910	6,710	6,880
109,000	5,360	5,970	6,780	6,950
110,000	5,400	6,020	6,850	7,020
111,000	5,440	6,070	6,920	7,090
112,000	5,480	6,130	6,990	7,160
113,000	5,520	6,180	7,060	7,230
114,000	5,560	6,240	7,130	7,300
115,000	5,600	6,290	7,200	7,370
116,000	5,640	6,340	7,270	7,440
117,000	5,680	6,400	7,340	7,510
118,000	5,720	6,450	7,410	7,580
119,000	5,760	6,510	7,480	7,650
120,000	5,800	6,560	7,550	7,720
121,000	5,840	6,610	7,620	7,790
122,000	5,880	6,670	7,690	7,860
123,000	5,920	6,720	7,760	7,930
124,000	5,960	6,780	7,780	8,000
125,000	6,050	6,860	7,800	8,000
126,000	6,090	6,910	7,860	8,060
127,000	6,130	6,970	7,920	8,120
128,000	6,170	7,020	7,980	8,180
129,000	6,210	7,080	8,040	8,240



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
130,000	6,250	7,130	8,100	8,300
131,000	6,290	7,180	8,160	8,360
132,000	6,330	7,240	8,220	8,420
133,000	6,370	7,290	8,280	8,480
134,000	6,410	7,350	8,340	8,540
135,000	6,450	7,400	8,400	8,600
136,000	6,490	7,460	8,460	8,660
137,000	6,530	7,510	8,520	8,720
138,000	6,570	7,560	8,580	8,780
139,000	6,610	7,620	8,640	8,840
140,000	6,650	7,670	8,700	8,900
141,000	6,690	7,730	8,760	8,960
142,000	6,730	7,780	8,820	9,020
143,000	6,770	7,830	8,880	9,080
144,000	6,810	7,890	8,940	9,140
145,000	6,850	7,940	9,000	9,200
146,000	6,890	8,000	9,060	9,260
147,000	6,930	8,050	9,120	9,320
148,000	6,970	8,100	9,180	9,380
149,000	7,010	8,160	9,240	9,440
150,000	7,150	8,210	9,400	9,520
151,000	7,190	8,260	9,460	9,580
152,000	7,230	8,320	9,520	9,640
153,000	7,270	8,370	9,580	9,700
154,000	7,310	8,430	9,640	9,760
155,000	7,350	8,480	9,700	9,820
156,000	7,390	8,530	9,760	9,880
157,000	7,430	8,590	9,820	9,940
158,000	7,470	8,640	9,880	10,000
159,000	7,510	8,700	9,940	10,060
160,000	7,550	8,750	10,000	10,120
161,000	7,590	8,800	10,060	10,180
162,000	7,630	8,860	10,120	10,240
163,000	7,670	8,910	10,180	10,300
164,000	7,710	8,960	10,240	10,360
165,000	7,750	9,020	10,300	10,420
166,000	7,790	9,070	10,360	10,480
167,000	7,830	9,130	10,420	10,540



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
168,000	7,870	9,180	10,480	10,600
169,000	7,910	9,230	10,540	10,660
170,000	7,950	9,290	10,600	10,720
171,000	7,990	9,340	10,660	10,780
172,000	8,030	9,390	10,720	10,840
173,000	8,070	9,450	10,780	10,900
174,000	8,110	9,500	10,840	10,950
175,000	8,150	9,550	10,850	10,950
176,000	8,190	9,610	10,910	11,020
177,000	8,230	9,660	10,970	11,100
178,000	8,270	9,720	11,030	11,160
179,000	8,310	9,770	11,090	11,230
180,000	8,350	9,820	11,150	11,300
181,000	8,390	9,880	11,210	11,370
182,000	8,430	9,930	11,270	11,440
183,000	8,470	9,980	11,330	11,510
184,000	8,510	10,040	11,390	11,580
185,000	8,550	10,090	11,450	11,650
186,000	8,590	10,140	11,510	11,720
187,000	8,630	10,200	11,570	11,790
188,000	8,670	10,250	11,630	11,860
189,000	8,710	10,300	11,690	11,930
190,000	8,750	10,360	11,750	12,000
191,000	8,790	10,410	11,810	12,070
192,000	8,830	10,460	11,870	12,140
193,000	8,870	10,520	11,930	12,210
194,000	8,910	10,570	11,990	12,280
195,000	8,950	10,620	12,050	12,350
196,000	8,990	10,680	12,110	12,420
197,000	9,030	10,730	12,170	12,490
198,000	9,070	10,780	12,230	12,560
199,000	9,110	10,840	12,290	12,580
200,000	9,200	10,890	12,400	12,590
201,000	9,240	10,940	12,460	12,660
202,000	9,280	11,000	12,520	12,730
203,000	9,320	11,050	12,580	12,800
204,000	9,360	11,100	12,640	12,870
205,000	9,400	11,160	12,700	12,940





**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
206,000	9,440	11,210	12,760	13,010
207,000	9,480	11,260	12,820	13,080
208,000	9,520	11,320	12,880	13,150
209,000	9,560	11,370	12,940	13,220
210,000	9,600	11,420	13,000	13,290
211,000	9,640	11,480	13,060	13,360
212,000	9,680	11,530	13,120	13,430
213,000	9,720	11,580	13,180	13,500
214,000	9,760	11,640	13,240	13,570
215,000	9,800	11,690	13,300	13,640
216,000	9,840	11,740	13,360	13,710
217,000	9,880	11,800	13,420	13,780
218,000	9,920	11,850	13,480	13,850
219,000	9,960	11,900	13,540	13,920
220,000	10,000	11,960	13,600	13,990
221,000	10,040	12,010	13,660	14,060
222,000	10,080	12,060	13,720	14,130
223,000	10,120	12,120	13,780	14,200
224,000	10,160	12,170	13,840	14,230
225,000	10,250	12,220	14,000	14,250
226,000	10,290	12,270	14,040	14,320
227,000	10,330	12,330	14,080	14,390
228,000	10,370	12,380	14,120	14,460
229,000	10,410	12,430	14,160	14,530
230,000	10,450	12,490	14,200	14,600
231,000	10,490	12,540	14,240	14,670
232,000	10,530	12,590	14,280	14,740
233,000	10,570	12,650	14,320	14,810
234,000	10,610	12,700	14,360	14,880
235,000	10,650	12,750	14,400	14,950
236,000	10,690	12,800	14,440	15,020
237,000	10,730	12,860	14,480	15,090
238,000	10,770	12,910	14,520	15,160
239,000	10,810	12,960	14,560	15,230
240,000	10,850	13,020	14,600	15,300
241,000	10,890	13,070	14,640	15,370
242,000	10,930	13,120	14,680	15,440
243,000	10,970	13,170	14,720	15,510



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
244,000	11,010	13,230	14,760	15,580
245,000	11,050	13,280	14,800	15,650
246,000	11,090	13,330	14,840	15,720
247,000	11,130	13,390	14,880	15,790
248,000	11,170	13,440	14,920	15,860
249,000	11,210	13,490	14,960	15,890
250,000	11,350	13,540	15,000	15,920
251,000	11,390	13,600	15,020	15,990
252,000	11,430	13,650	15,040	16,060
253,000	11,470	13,700	15,070	16,130
254,000	11,510	13,750	15,090	16,200
255,000	11,550	13,810	15,110	16,270
256,000	11,590	13,860	15,130	16,340
257,000	11,630	13,910	15,160	16,410
258,000	11,670	13,970	15,180	16,480
259,000	11,710	14,020	15,200	16,550
260,000	11,750	14,070	15,220	16,620
261,000	11,790	14,120	15,240	16,690
262,000	11,830	14,180	15,270	16,760
263,000	11,870	14,230	15,290	16,830
264,000	11,910	14,280	15,310	16,900
265,000	11,950	14,330	15,330	16,970
266,000	11,990	14,390	15,360	17,040
267,000	12,030	14,440	15,380	17,110
268,000	12,070	14,490	15,400	17,180
269,000	12,110	14,540	15,420	17,250
270,000	12,150	14,600	15,440	17,320
271,000	12,190	14,650	15,470	17,390
272,000	12,230	14,700	15,490	17,460
273,000	12,270	14,750	15,510	17,530
274,000	12,310	14,810	15,530	17,600
275,000	12,400	14,860	15,560	17,650
276,000	12,440	14,910	15,580	17,720
277,000	12,480	14,960	15,600	17,790
278,000	12,520	15,020	15,620	17,860
279,000	12,560	15,070	15,640	17,930
280,000	12,600	15,120	15,670	18,000
281,000	12,640	15,170	15,690	18,070



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
282,000	12,680	15,230	15,710	18,140
283,000	12,720	15,280	15,730	18,210
284,000	12,760	15,330	15,760	18,280
285,000	12,800	15,380	15,780	18,350
286,000	12,840	15,440	15,800	18,420
287,000	12,880	15,490	15,820	18,490
288,000	12,920	15,540	15,840	18,560
289,000	12,960	15,590	15,870	18,630
290,000	13,000	15,650	15,890	18,700
291,000	13,040	15,700	15,910	18,770
292,000	13,080	15,750	15,930	18,840
293,000	13,120	15,800	15,960	18,910
294,000	13,160	15,850	15,980	18,980
295,000	13,200	15,910	16,000	19,050
296,000	13,240	15,960	16,020	19,120
297,000	13,280	16,010	16,040	19,190
298,000	13,320	16,060	16,070	19,260
299,000	13,360	16,120	16,090	19,330
300,000	13,500	16,170	16,110	19,430
301,000	13,540	16,220	16,130	19,500
302,000	13,580	16,270	16,160	19,570
303,000	13,620	16,320	16,180	19,640
304,000	13,660	16,380	16,200	19,710
305,000	13,700	16,430	16,220	19,780
306,000	13,740	16,480	16,240	19,850
307,000	13,780	16,530	16,270	19,920
308,000	13,820	16,590	16,290	19,990
309,000	13,860	16,640	16,310	20,060
310,000	13,900	16,690	16,330	20,130
311,000	13,940	16,740	16,360	20,200
312,000	13,980	16,790	16,380	20,270
313,000	14,020	16,850	16,400	20,340
314,000	14,060	16,900	16,420	20,410
315,000	14,100	16,950	16,440	20,480
316,000	14,140	17,000	16,470	20,550
317,000	14,180	17,050	16,490	20,620
318,000	14,220	17,110	16,510	20,690
319,000	14,260	17,160	16,530	20,760



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
320,000	14,300	17,210	16,560	20,830
321,000	14,340	17,260	16,580	20,900
322,000	14,380	17,310	16,600	20,970
323,000	14,420	17,370	16,620	21,040
324,000	14,460	17,420	16,640	21,070
325,000	14,550	17,470	16,670	21,100
326,000	14,570	17,520	16,690	21,170
327,000	14,590	17,570	16,710	21,240
328,000	14,610	17,630	16,730	21,310
329,000	14,630	17,680	16,760	21,380
330,000	14,650	17,730	16,780	21,450
331,000	14,670	17,780	16,800	21,520
332,000	14,690	17,830	16,820	21,590
333,000	14,710	17,880	16,840	21,660
334,000	14,730	17,940	16,870	21,730
335,000	14,750	17,990	16,890	21,800
336,000	14,770	18,040	16,910	21,870
337,000	14,790	18,090	16,930	21,940
338,000	14,810	18,140	16,960	22,010
339,000	14,830	18,200	16,980	22,080
340,000	14,850	18,250	17,000	22,150
341,000	14,870	18,300	17,020	22,220
342,000	14,890	18,350	17,040	22,290
343,000	14,910	18,400	17,070	22,360
344,000	14,930	18,450	17,090	22,430
345,000	14,950	18,510	17,110	22,500
346,000	14,970	18,560	17,130	22,570
347,000	14,990	18,610	17,160	22,640
348,000	15,000	18,660	17,180	22,710
349,000	15,000	18,710	17,200	22,720
350,000	15,000	18,760	17,220	22,730
351,000	15,020	18,820	17,240	22,800
352,000	15,040	18,870	17,270	22,870
353,000	15,050	18,920	17,290	22,940
354,000	15,070	18,970	17,310	23,010
355,000	15,090	19,020	17,330	23,080
356,000	15,110	19,070	17,360	23,150
357,000	15,130	19,130	17,380	23,220



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
358,000	15,140	19,180	17,400	23,290
359,000	15,160	19,230	17,420	23,360
360,000	15,180	19,280	17,440	23,430
361,000	15,200	19,330	17,470	23,500
362,000	15,220	19,380	17,490	23,570
363,000	15,230	19,430	17,510	23,640
364,000	15,250	19,490	17,530	23,710
365,000	15,270	19,540	17,560	23,780
366,000	15,290	19,590	17,580	23,850
367,000	15,310	19,640	17,600	23,920
368,000	15,320	19,690	17,620	23,990
369,000	15,340	19,740	17,640	24,060
370,000	15,360	19,790	17,670	24,130
371,000	15,380	19,850	17,690	24,200
372,000	15,400	19,900	17,710	24,270
373,000	15,410	19,950	17,730	24,340
374,000	15,430	20,000	17,760	24,360
375,000	15,450	20,050	17,780	24,370
376,000	15,470	20,100	17,800	24,400
377,000	15,490	20,150	17,820	24,430
378,000	15,500	20,210	17,840	24,460
379,000	15,520	20,260	17,870	24,490
380,000	15,540	20,310	17,890	24,520
381,000	15,560	20,360	17,910	24,550
382,000	15,580	20,410	17,930	24,580
383,000	15,590	20,460	17,960	24,610
384,000	15,610	20,510	17,980	24,640
385,000	15,630	20,560	18,000	24,670
386,000	15,650	20,620	18,020	24,700
387,000	15,670	20,670	18,040	24,730
388,000	15,680	20,720	18,070	24,760
389,000	15,700	20,770	18,090	24,790
390,000	15,720	20,820	18,110	24,820
391,000	15,740	20,870	18,130	24,850
392,000	15,760	20,920	18,160	24,880
393,000	15,770	20,970	18,180	24,910
394,000	15,790	21,030	18,200	24,940
395,000	15,810	21,080	18,220	24,970



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
396,000	15,830	21,130	18,240	25,020
397,000	15,850	21,180	18,270	25,060
398,000	15,860	21,230	18,290	25,110
399,000	15,880	21,280	18,310	25,160
400,000	15,900	21,330	18,330	25,200
401,000	15,910	21,380	18,360	25,250
402,000	15,920	21,440	18,380	25,300
403,000	15,940	21,490	18,400	25,340
404,000	15,950	21,540	18,420	25,390
405,000	15,960	21,600	18,440	25,430
406,000	15,970	21,650	18,470	25,480
407,000	15,990	21,700	18,490	25,530
408,000	16,000	21,760	18,510	25,570
409,000	16,010	21,810	18,530	25,620
410,000	16,020	21,860	18,560	25,660
411,000	16,040	21,920	18,580	25,710
412,000	16,050	21,970	18,600	25,750
413,000	16,060	22,020	18,620	25,810
414,000	16,070	22,080	18,640	25,880
415,000	16,090	22,130	18,670	25,940
416,000	16,100	22,180	18,690	26,000
417,000	16,110	22,240	18,710	26,060
418,000	16,120	22,290	18,730	26,130
419,000	16,140	22,340	18,760	26,190
420,000	16,150	22,400	18,780	26,250
421,000	16,160	22,450	18,800	26,310
422,000	16,170	22,500	18,820	26,380
423,000	16,190	22,560	18,840	26,440
424,000	16,200	22,610	18,870	26,500
425,000	16,210	22,660	18,890	26,560
426,000	16,220	22,720	18,910	26,630
427,000	16,230	22,770	18,930	26,690
428,000	16,250	22,820	18,960	26,750
429,000	16,260	22,880	18,980	26,810
430,000	16,270	22,930	19,000	26,880
431,000	16,280	22,980	19,020	26,940
432,000	16,300	23,040	19,040	27,000
433,000	16,310	23,090	19,070	27,060



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
434,000	16,320	23,140	19,090	27,130
435,000	16,330	23,200	19,110	27,190
436,000	16,350	23,250	19,130	27,250
437,000	16,360	23,300	19,160	27,310
438,000	16,370	23,360	19,180	27,380
439,000	16,380	23,410	19,200	27,440
440,000	16,400	23,460	19,220	27,500
441,000	16,410	23,520	19,240	27,560
442,000	16,420	23,570	19,270	27,630
443,000	16,430	23,620	19,290	27,690
444,000	16,450	23,680	19,310	27,750
445,000	16,460	23,730	19,330	27,810
446,000	16,470	23,780	19,360	27,880
447,000	16,480	23,840	19,380	27,940
448,000	16,500	23,890	19,400	28,000
449,000	16,510	23,940	19,420	28,060
450,000	16,520	24,000	19,440	28,130
451,000	16,540	24,050	19,470	28,190
452,000	16,560	24,100	19,490	28,250
453,000	16,580	24,160	19,510	28,310
454,000	16,600	24,210	19,530	28,380
455,000	16,620	24,260	19,560	28,440
456,000	16,640	24,320	19,580	28,500
457,000	16,650	24,370	19,600	28,560
458,000	16,670	24,420	19,620	28,630
459,000	16,690	24,480	19,640	28,690
460,000	16,710	24,530	19,670	28,750
461,000	16,730	24,580	19,690	28,810
462,000	16,750	24,640	19,710	28,880
463,000	16,770	24,690	19,730	28,940
464,000	16,790	24,740	19,760	29,000
465,000	16,810	24,800	19,780	29,060
466,000	16,830	24,850	19,800	29,130
467,000	16,850	24,900	19,820	29,190
468,000	16,870	24,960	19,840	29,250
469,000	16,880	25,010	19,870	29,310
470,000	16,900	25,060	19,890	29,380
471,000	16,920	25,120	19,910	29,440



**DI PRODUCT AND INFORMATION MANUAL**

**Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
472,000	16,940	25,170	19,930	29,500
473,000	16,960	25,220	19,960	29,560
474,000	16,980	25,280	19,980	29,630
475,000	17,000	25,330	20,000	29,690
476,000	17,020	25,380	20,000	29,750
477,000	17,040	25,440	20,000	29,810
478,000	17,060	25,490	20,000	29,880
479,000	17,080	25,540	20,000	29,940
480,000	17,100	25,600	20,000	30,000
481,000	17,120	25,650	20,000	30,000
482,000	17,130	25,700	20,000	30,000
483,000	17,150	25,760	20,000	30,000
484,000	17,170	25,810	20,000	30,000
485,000	17,190	25,860	20,000	30,000
486,000	17,210	25,920	20,000	30,000
487,000	17,230	25,970	20,000	30,000
488,000	17,250	26,020	20,000	30,000
489,000	17,270	26,080	20,000	30,000
490,000	17,290	26,130	20,000	30,000
491,000	17,310	26,180	20,000	30,000
492,000	17,330	26,240	20,000	30,000
493,000	17,350	26,290	20,000	30,000
494,000	17,360	26,340	20,000	30,000
495,000	17,380	26,400	20,000	30,000
496,000	17,400	26,450	20,000	30,000
497,000	17,420	26,500	20,000	30,000
498,000	17,440	26,560	20,000	30,000
499,000	17,460	26,610	20,000	30,000
500,000	17,480	26,660	20,000	30,000
501,000	17,500	26,720	20,000	30,000
502,000	17,510	26,770	20,000	30,000
503,000	17,530	26,820	20,000	30,000
504,000	17,540	26,880	20,000	30,000
505,000	17,560	26,930	20,000	30,000
506,000	17,570	26,980	20,000	30,000
507,000	17,590	27,040	20,000	30,000
508,000	17,610	27,090	20,000	30,000
509,000	17,620	27,140	20,000	30,000





**DI PRODUCT AND INFORMATION MANUAL**

***Underwriting Guidelines – Issue and Participation Limit Tables***

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
510,000	17,640	27,200	20,000	30,000
511,000	17,650	27,250	20,000	30,000
512,000	17,670	27,300	20,000	30,000
513,000	17,690	27,360	20,000	30,000
514,000	17,700	27,410	20,000	30,000
515,000	17,720	27,460	20,000	30,000
516,000	17,730	27,520	20,000	30,000
517,000	17,750	27,570	20,000	30,000
518,000	17,760	27,620	20,000	30,000
519,000	17,780	27,680	20,000	30,000
520,000	17,800	27,730	20,000	30,000
521,000	17,810	27,780	20,000	30,000
522,000	17,830	27,840	20,000	30,000
523,000	17,840	27,890	20,000	30,000
524,000	17,860	27,940	20,000	30,000
525,000	17,880	28,000	20,000	30,000
526,000	17,890	28,050	20,000	30,000
527,000	17,910	28,100	20,000	30,000
528,000	17,920	28,160	20,000	30,000
529,000	17,940	28,210	20,000	30,000
530,000	17,950	28,260	20,000	30,000
531,000	17,970	28,320	20,000	30,000
532,000	17,990	28,370	20,000	30,000
533,000	18,000	28,420	20,000	30,000
534,000	18,020	28,480	20,000	30,000
535,000	18,030	28,530	20,000	30,000
536,000	18,050	28,580	20,000	30,000
537,000	18,060	28,640	20,000	30,000
538,000	18,080	28,690	20,000	30,000
539,000	18,100	28,740	20,000	30,000
540,000	18,110	28,800	20,000	30,000
541,000	18,130	28,850	20,000	30,000
542,000	18,140	28,900	20,000	30,000
543,000	18,160	28,960	20,000	30,000
544,000	18,180	29,010	20,000	30,000
545,000	18,190	29,060	20,000	30,000
546,000	18,210	29,120	20,000	30,000
547,000	18,220	29,170	20,000	30,000



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
548,000	18,240	29,220	20,000	30,000
549,000	18,250	29,280	20,000	30,000
550,000	18,270	29,330	20,000	30,000
551,000	18,290	29,380	20,000	30,000
552,000	18,300	29,440	20,000	30,000
553,000	18,320	29,490	20,000	30,000
554,000	18,330	29,540	20,000	30,000
555,000	18,350	29,600	20,000	30,000
556,000	18,360	29,650	20,000	30,000
557,000	18,380	29,700	20,000	30,000
558,000	18,400	29,760	20,000	30,000
559,000	18,410	29,810	20,000	30,000
560,000	18,430	29,860	20,000	30,000
561,000	18,440	29,920	20,000	30,000
562,000	18,460	29,970	20,000	30,000
563,000	18,480	30,000	20,000	30,000
564,000	18,490	30,000	20,000	30,000
565,000	18,510	30,000	20,000	30,000
566,000	18,520	30,000	20,000	30,000
567,000	18,540	30,000	20,000	30,000
568,000	18,550	30,000	20,000	30,000
569,000	18,570	30,000	20,000	30,000
570,000	18,590	30,000	20,000	30,000
571,000	18,600	30,000	20,000	30,000
572,000	18,620	30,000	20,000	30,000
573,000	18,630	30,000	20,000	30,000
574,000	18,650	30,000	20,000	30,000
575,000	18,670	30,000	20,000	30,000
576,000	18,680	30,000	20,000	30,000
577,000	18,700	30,000	20,000	30,000
578,000	18,710	30,000	20,000	30,000
579,000	18,730	30,000	20,000	30,000
580,000	18,740	30,000	20,000	30,000
581,000	18,760	30,000	20,000	30,000
582,000	18,780	30,000	20,000	30,000
583,000	18,790	30,000	20,000	30,000
584,000	18,810	30,000	20,000	30,000
585,000	18,820	30,000	20,000	30,000



**DI PRODUCT AND INFORMATION MANUAL****Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
586,000	18,840	30,000	20,000	30,000
587,000	18,850	30,000	20,000	30,000
588,000	18,870	30,000	20,000	30,000
589,000	18,890	30,000	20,000	30,000
590,000	18,900	30,000	20,000	30,000
591,000	18,920	30,000	20,000	30,000
592,000	18,930	30,000	20,000	30,000
593,000	18,950	30,000	20,000	30,000
594,000	18,970	30,000	20,000	30,000
595,000	18,980	30,000	20,000	30,000
596,000	19,000	30,000	20,000	30,000
597,000	19,010	30,000	20,000	30,000
598,000	19,030	30,000	20,000	30,000
599,000	19,040	30,000	20,000	30,000
600,000	19,060	30,000	20,000	30,000
601,000	19,070	30,000	20,000	30,000
602,000	19,080	30,000	20,000	30,000
603,000	19,080	30,000	20,000	30,000
604,000	19,090	30,000	20,000	30,000
605,000	19,100	30,000	20,000	30,000
606,000	19,110	30,000	20,000	30,000
607,000	19,110	30,000	20,000	30,000
608,000	19,120	30,000	20,000	30,000
609,000	19,130	30,000	20,000	30,000
610,000	19,140	30,000	20,000	30,000
611,000	19,140	30,000	20,000	30,000
612,000	19,150	30,000	20,000	30,000
613,000	19,160	30,000	20,000	30,000
614,000	19,170	30,000	20,000	30,000
615,000	19,170	30,000	20,000	30,000
616,000	19,180	30,000	20,000	30,000
617,000	19,190	30,000	20,000	30,000
618,000	19,200	30,000	20,000	30,000
619,000	19,200	30,000	20,000	30,000
620,000	19,210	30,000	20,000	30,000
621,000	19,220	30,000	20,000	30,000
622,000	19,230	30,000	20,000	30,000
623,000	19,230	30,000	20,000	30,000



**DI PRODUCT AND INFORMATION MANUAL**

**Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
624,000	19,240	30,000	20,000	30,000
625,000	19,250	30,000	20,000	30,000
626,000	19,260	30,000	20,000	30,000
627,000	19,270	30,000	20,000	30,000
628,000	19,270	30,000	20,000	30,000
629,000	19,280	30,000	20,000	30,000
630,000	19,290	30,000	20,000	30,000
631,000	19,300	30,000	20,000	30,000
632,000	19,300	30,000	20,000	30,000
633,000	19,310	30,000	20,000	30,000
634,000	19,320	30,000	20,000	30,000
635,000	19,330	30,000	20,000	30,000
636,000	19,330	30,000	20,000	30,000
637,000	19,340	30,000	20,000	30,000
638,000	19,350	30,000	20,000	30,000
639,000	19,360	30,000	20,000	30,000
640,000	19,360	30,000	20,000	30,000
641,000	19,370	30,000	20,000	30,000
642,000	19,380	30,000	20,000	30,000
643,000	19,390	30,000	20,000	30,000
644,000	19,390	30,000	20,000	30,000
645,000	19,400	30,000	20,000	30,000
646,000	19,410	30,000	20,000	30,000
647,000	19,420	30,000	20,000	30,000
648,000	19,420	30,000	20,000	30,000
649,000	19,430	30,000	20,000	30,000
650,000	19,440	30,000	20,000	30,000
651,000	19,450	30,000	20,000	30,000
652,000	19,460	30,000	20,000	30,000
653,000	19,460	30,000	20,000	30,000
654,000	19,470	30,000	20,000	30,000
655,000	19,480	30,000	20,000	30,000
656,000	19,490	30,000	20,000	30,000
657,000	19,490	30,000	20,000	30,000
658,000	19,500	30,000	20,000	30,000
659,000	19,510	30,000	20,000	30,000
660,000	19,520	30,000	20,000	30,000
661,000	19,520	30,000	20,000	30,000



**DI PRODUCT AND INFORMATION MANUAL**

**Underwriting Guidelines – Issue and Participation Limit Tables**

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
662,000	19,530	30,000	20,000	30,000
663,000	19,540	30,000	20,000	30,000
664,000	19,550	30,000	20,000	30,000
665,000	19,550	30,000	20,000	30,000
666,000	19,560	30,000	20,000	30,000
667,000	19,570	30,000	20,000	30,000
668,000	19,580	30,000	20,000	30,000
669,000	19,580	30,000	20,000	30,000
670,000	19,590	30,000	20,000	30,000
671,000	19,600	30,000	20,000	30,000
672,000	19,610	30,000	20,000	30,000
673,000	19,610	30,000	20,000	30,000
674,000	19,620	30,000	20,000	30,000
675,000	19,630	30,000	20,000	30,000
676,000	19,640	30,000	20,000	30,000
677,000	19,650	30,000	20,000	30,000
678,000	19,650	30,000	20,000	30,000
679,000	19,660	30,000	20,000	30,000
680,000	19,670	30,000	20,000	30,000
681,000	19,680	30,000	20,000	30,000
682,000	19,680	30,000	20,000	30,000
683,000	19,690	30,000	20,000	30,000
684,000	19,700	30,000	20,000	30,000
685,000	19,710	30,000	20,000	30,000
686,000	19,710	30,000	20,000	30,000
687,000	19,720	30,000	20,000	30,000
688,000	19,730	30,000	20,000	30,000
689,000	19,740	30,000	20,000	30,000
690,000	19,740	30,000	20,000	30,000
691,000	19,750	30,000	20,000	30,000
692,000	19,760	30,000	20,000	30,000
693,000	19,770	30,000	20,000	30,000
694,000	19,770	30,000	20,000	30,000
695,000	19,780	30,000	20,000	30,000
696,000	19,790	30,000	20,000	30,000
697,000	19,800	30,000	20,000	30,000
698,000	19,800	30,000	20,000	30,000
699,000	19,810	30,000	20,000	30,000



**DI PRODUCT AND INFORMATION MANUAL**

***Underwriting Guidelines – Issue and Participation Limit Tables***

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
700,000	19,820	30,000	20,000	30,000
701,000	19,820	30,000	20,000	30,000
702,000	19,830	30,000	20,000	30,000
703,000	19,830	30,000	20,000	30,000
704,000	19,830	30,000	20,000	30,000
705,000	19,840	30,000	20,000	30,000
706,000	19,840	30,000	20,000	30,000
707,000	19,850	30,000	20,000	30,000
708,000	19,850	30,000	20,000	30,000
709,000	19,850	30,000	20,000	30,000
710,000	19,860	30,000	20,000	30,000
711,000	19,860	30,000	20,000	30,000
712,000	19,860	30,000	20,000	30,000
713,000	19,870	30,000	20,000	30,000
714,000	19,870	30,000	20,000	30,000
715,000	19,870	30,000	20,000	30,000
716,000	19,880	30,000	20,000	30,000
717,000	19,880	30,000	20,000	30,000
718,000	19,880	30,000	20,000	30,000
719,000	19,890	30,000	20,000	30,000
720,000	19,890	30,000	20,000	30,000
721,000	19,900	30,000	20,000	30,000
722,000	19,900	30,000	20,000	30,000
723,000	19,900	30,000	20,000	30,000
724,000	19,910	30,000	20,000	30,000
725,000	19,910	30,000	20,000	30,000
726,000	19,910	30,000	20,000	30,000
727,000	19,920	30,000	20,000	30,000
728,000	19,920	30,000	20,000	30,000
729,000	19,920	30,000	20,000	30,000
730,000	19,930	30,000	20,000	30,000
731,000	19,930	30,000	20,000	30,000
732,000	19,940	30,000	20,000	30,000
733,000	19,940	30,000	20,000	30,000
734,000	19,940	30,000	20,000	30,000
735,000	19,950	30,000	20,000	30,000
736,000	19,950	30,000	20,000	30,000
737,000	19,950	30,000	20,000	30,000



## DI PRODUCT AND INFORMATION MANUAL

### Underwriting Guidelines – Issue and Participation Limit Tables

Annual Earned Income	Individual Paid Issue and Participation Tax-Free Monthly Indemnity	Individual Paid Participation with Group LTD**	Employer Paid Issue and Participation Taxable Monthly Indemnity	Employer Paid Participation with Taxable Group LTD Monthly Indemnity***
738,000	19,960	30,000	20,000	30,000
739,000	19,960	30,000	20,000	30,000
740,000	19,960	30,000	20,000	30,000
741,000	19,970	30,000	20,000	30,000
742,000	19,970	30,000	20,000	30,000
743,000	19,970	30,000	20,000	30,000
744,000	19,980	30,000	20,000	30,000
745,000	19,980	30,000	20,000	30,000
746,000	19,990	30,000	20,000	30,000
747,000	19,990	30,000	20,000	30,000
748,000	19,990	30,000	20,000	30,000
749,000	20,000	30,000	20,000	30,000
750,000 and up	20,000	30,000	20,000	30,000

- Always observe maximum issue and participation limits for the appropriate occupation class shown in Underwriting Guidelines - Issue and Participation Limits Section.
- Refer to New Professionals Program, Business Owner Advantage Program, Government Employee Program, Retirement Protection Plus, Home Based and PayGuard for special issue limits.
- Social Insurance Substitute Rider, Future Increase Option Rider amounts, and the Berkshire applied for coverage amount are included in the “Maximum Issue Limit.”

\*Several factors are considered in determining the amount of disability coverage available to an applicant and considered by the Company in using the Issue and Participation tables. These factors include, but are not limited to: 1) earned income; 2) unearned income; 3) employment status (business owner or employee); 4) disability insurance in force at the time of application with Berkshire, Guardian and all other insurers; 5) disability insurance or coverage provided by the employer; 6) disability insurance benefits available to the applicant within 12 months of the policy date; and 7) the tax treatment of all in-force disability insurance. Disability coverage for which an insured is eligible to obtain, but which is not in force pursuant to Berkshire and Guardian policies containing the following riders will count as in-force coverage in determining overall participation limits: Automatic Increase Rider; Automatic Benefit Enhancement Rider; Future Increase Option Rider (FIO); and Future Purchase Option Rider (FPO). The terms “earned income” and “unearned income” for purposes of this paragraph have the same meaning as they have in the insured’s application for coverage, or in the insured application to exercise a Future Purchase Option or Future Increase Option, respectively.

All of the above factors are also considered in the underwriting of an application to exercise an FIO or FPO, as they relate to an insured at the time the insured applies for additional coverage through an FIO or FPO. These factors may be different than at the time the insured applies for additional coverage through an FIO or FPO, in comparison with the same factors as they existed at the time the insured applied for the policy to which the FIO or FPO is attached.

For FIO or FPO exercises while an insured is on claim, the amount of the insured’s Participation reflected in the Issue and Participation tables will include all disability insurance in force with all insurers (including but not limited to Berkshire or Guardian), as well as disability insurance or benefits provided by any employer, regardless of whether any claim pursuant to such insurance is payable. As per the Issue and Participation Table, the amount of coverage available to an insured through the exercise of an FIO or FPO may be reduced by virtue of the insured’s disability coverage in force with Berkshire, Guardian, any other insurer or insurers, the disability coverage provided by the insured’s employer, and the tax treatment afforded all such coverage. The amount of coverage available to an insured at the time of exercising an FIO or FPO may also be impacted by virtue of changes to the Issue and Participation Tables made after the issuance of the policy from which the option is being exercised.



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## DI PRODUCT AND INFORMATION MANUAL

### *Underwriting Guidelines – Issue and Participation Limit Tables*

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\*\*When individually paid for non-cancellable disability income is written in conjunction with existing or new **taxable** non-cancellable Group LTD, discount the group amount by 25% and subtract the balance from the “*Individual Pay Participation with Group LTD*” column. For S-Corp owners, partners, sole proprietors or others with non-taxable Group LTD, the non-discounted Group LTD amount should be subtracted from the “*Individual Pay Participation with Group LTD*” column.

\*\*\*When all coverage is taxable, use the “*Employer-Paid Participation with Taxable Group LTD Monthly Indemnity*” column. Subtract 100% of the group benefit.



**Occupation Classification**

Proper classification of occupations is of primary importance in the disability income risk selection process. It is the basis for establishing the premium to be charged for the risk.

Generally, a particular job is classified according to the occupational hazard presented by the actual duties performed. In addition to duties, several other factors influence the ultimate classification. Among these factors are: educational background, experience, working conditions and environment, moral hazard, stability, size of organization, income level (both personal and corporate), motivation, time spent traveling, etc. In addition, consideration is given to Company-wide and industry-wide claims experience.

Determination of all classifications is the final decision of the Home Office Underwriter.

In accordance with policy terms and provisions, the occupation at the time of claim prevails for benefit purposes.

**Job Title vs. Duties**

In most instances, job title alone is not sufficient to determine proper classification. It, therefore, is imperative that a full description of the applicant's duties be given on the application. If travel or supervision is involved, the percentage of time spent on these functions should be indicated, as well as the amount of time spent on manual or selling duties. Conflicting information concerning duties may require additional documentation.

**Part-Time and Dual Occupations**

All applicants must be employed on a full-time basis year round. Thirty hours per week is the generally accepted, minimum standard for full-time employment. If an applicant has more than one occupation, the classification will be based on the more hazardous occupation. Part-time work in an uninsurable occupation may cause us to decline issuing coverage on any basis.

**Business and Residence Address the Same (Home-Based)**

Applicants who use their home as their primary business location, leave the home on a regular basis to conduct business, or have clients come to the home on a regular basis, continue to be eligible for disability insurance under our usual underwriting guidelines.

Home-based business owners who do not have to leave their home on a regular basis, or have clients come to their residence, may be eligible for individual disability insurance. Please refer to the Underwriting Programs section entitled "Home Based Business Owners Program" for additional details.

**Recent Changes in Occupations**

Applicants who recently changed occupations or are employed by companies less than six months old are generally not eligible for disability income coverage.

Consideration will be given on an individual basis to applicants who take over an existing business or have prior experience in the same or a closely related field and have established some long-term contracts for the new business. Residual coverage will generally not be issued because of the lack of an earnings pattern.

**General Occupation Class Descriptions**

The occupations listed in this chart fall into twelve classes. Below is a general description of each class, with an alphabetical listing of the most often encountered occupations and their class.

If someone from an undefined occupation applies for coverage, the underwriter will utilize the class definitions and the merits of the case to determine the appropriate occupation class.

“M” classes are for individuals in the health care industry. These professions include, but are not limited to, physicians, dentists, nurses, pharmacists, optometrists, etc.

We will continue to monitor the performance of the portfolio. Any future occupation changes will be made in accordance with good risk management.

**Lifetime and Lump Sum Limitations**

Please note that Lifetime benefits from all sources are limited to \$10,000 per month for medical market occupation classes 3M – 6M listed in the Medical Market – MDs, DOs, DDSs, DMDs category in the Occupation Classification Guide.

The Lump Sum Disability Benefit Rider and the Graded Lifetime Indemnity for Total Disability Rider cannot be issued together on the same policy, but, they can be issued on multiple policies for the same applicant. When an applicant has Lifetime benefits in-force, any combination of Lifetime and Lump Sum benefits will also be limited to \$10,000 per month. Otherwise, there is no limitation on Lump Sum benefits for these occupations; regular issue and participation limits will apply.

The Lump Sum Indemnity Rider is not available to dentists, dental specialists or oral surgeons in California.

**Class 6 & 6M**

Available to the following occupations which have the most favorable experience: actuaries, architects, attorneys, CPAs, engineers (degreed – office and administrative duties only), and business owners or corporate executives who meet the following requirements:

- is employed full time in a business that is financially sound, has been in existence for five years, and has prospects for a stable future;
- works at a business location other than his or her personal residence;
- the business has 10+ full-time employees other than the owner, with at least five employees qualifying for occupation Class 5 or Class 4;
- daily duties are: office, managerial, administrative, or technical; little or no sales or travel, no physical or manual duties; and
- \$150,000 salary and bonus for the past two years.

**Class 5 & 5M**

Class 5 includes those professional and executive occupations that qualify for preferential classification and underwriting limits because of stability of employment and income; the demand for their service, educational, training and experience qualifications; whose duties

are primarily office-only, who would not be totally disabled if unable to travel, and who meet the following requirements:

- is employed full time in a business that is financially sound, has been in existence for five years, and has prospects for a stable future;
- the business has 5+ full-time employees and cannot be supervising anyone with manual duties;
- \$100,000 salary and bonus for the past two years.

**Class 4 & 4M**

Those who do not qualify for Class 5 but are engaged in office, clerical, executive, professional or semi-professional occupations requiring a high degree of stability and responsibility. Duties generally limited to office, sales and travel with no manual duties involved.

- \$75,000 salary and bonus for the past two years.

**Class 3 & 3M\***

Includes occupations that require more physical activity than Class 4, plus certain occupations that may not be hazardous but where the claim experience has not been the same as Class 4.

**Class 2 & 2M**

Includes occupations where light manual duties or skilled work are involved, including small businesses where the proprietor has specialized skills. These are uninsurable except in employer-sponsored situations with a mix of other occupation classes (at least 50% of participants must be classes 6/6M – 3/3M) unless the applicant is a business owner. Business owners who have owned the business for at least five years and whose income is at least \$50,000 may be issued individual coverage.

**Class 1 & 1M**

Includes occupations requiring heavy manual duties or where there are real accidents or environmental hazards. These are uninsurable except in employer-sponsored situations with a mix of other occupation classes (at least 50% of participants must be classes 6/6M – 3/3M).

\*Dental students, medical students, and undeclared medical residents will be considered an occupation class 3M.

**Determining Occupation Classifications for Residents/Fellows**

Most hospitals have a four-year residency program. Residents in their third and fourth year have declared their specialties and should be classed accordingly. Residents in their first and second year usually have not declared their specialty as they will go through various rotations for the first two years. They are, however, placed in either a “Medical” or “Surgical” residency program. Those residents in a medical residency program will be classified 4M or 5M while those in surgical residency programs will be classified 3M. A fellow who enters a training program in a medical specialty after completing residency will be classified according to his or her specialty. Fellows in a medical fellowship program will be classified as a 4M or 5M while those in a surgical fellowship program will be classified as a 3M. Please question the client carefully so he or she can be properly classified.

**Overhead Expense, Disability Buy-Out, Business Reducing Term**

Overhead Expense (4100) and Disability Buy-Out (3100) are available to occupation Classes 6, 5, 4, and 3.

Overhead Expense (4200) and Disability Buy-Out (3200) are available to occupation Classes 6, 5, 4, 3, 6M, 5M, 4M, and 3M.

Business Reducing Term (AH55-A) is available to Occupation Classes 5A, 4A, 3A and 2A

**Move-Up Options**

The Move-Up Option is used to recognize certain occupations that, through ownership, income level, stability, experience and business environment, can be considered at a higher classification. Occupations that qualify for move-up options will be given the highest class they qualify for. They would need to meet the criteria for the higher class. The occupations that are eligible to move up are indicated in the alphabetical listing of occupations along with the criteria to qualify for the move-up option.

**Move-Up Option Criteria**

- A. Is employed full time in a business that is financially sound, has been in existence for five years, and has prospects for a stable future.
- B. Works at a business location other than his or her personal residence.
- C. The business has 10+ full-time employees other than the owner, with at least five employees qualifying for occupation Class 5 or Class 4.
- D. Daily duties are: office, managerial, administrative, or technical; little or no sales or travel, no physical or manual duties.
- E. Salary and bonus of \$150,000 for the past two years.
- F. Salary and bonus of \$100,000 for the past two years.
- G. Salary and bonus of \$75,000 for the past two years.
- H. Travel required less than 25% of time.
- I. Few or no selling duties involved.
- J. Supervisor of Class 4 risks only.
- K. Organization of at least five full-time employees and is not supervising anyone with manual duties.



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- L. Income in excess of \$100,000, at least five years in the insurance business, and has at least one of the following designations: CFP, ChFC, CLTC, CLU, CPCU, MDRT, RHU.
- M. Has at least three years' experience in occupation.
- N. Owner of business for at least five years.
- O. 90% or more of duties are in an office setting.
- P. Has at least five years' experience in occupation.\*

*\* For medical specialties, experience does not include medical training in a residency program or fellowship*

All of the criteria indicated for a particular occupation must be met in order to qualify to move up. The Underwriting department reserves the right to require documentation of each criterion when deemed necessary.

For any risk whose classification cannot be determined from the following list, contact the Underwriting Department.

The Underwriting Department reserves the right to change classification based on information received at the time of underwriting.

**Mapping Medical "M" Occupation Classification among Products**

This guide lists the occupation classifications for the 1400, 1500, 1600, 3100, 3200, 4100, 4200, NC56-A and AH55-A policy forms. The following table can be used to translate:

<b>Provider Plus (1400/1500/1600)</b>	<b>OE (4200) DBO (3200)</b>	<b>BRT (AH55-A)</b>	<b>PayGuard (NC56-A)</b>
6M	6M	5A	5A
5M	5M	5A	5A
4M	4M	4A	4A
3M	3M	4A	4A
2M	Unavailable	2A	2A
1M	Unavailable	Unavailable	Unavailable

*\*Refer to the occupation guide for classification.*

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**DI PRODUCT AND INFORMATION MANUAL***Occupation Classification – Occupation Classification Guide*

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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Accountants</b>		
Certified Public Accountant.....	6	
College Degree.....	5	P
Others.....	4	
<b>Actuaries</b> .....	6	
<b>Adjusters</b> ( <i>See Insurance</i> )		
<b>Administrative Assistants</b> (office duties only) .....	4	
<b>Advertising</b>		
Account Executives (advertising).....	5	
Advertising Representatives .....	3	
Art Directors (print media) .....	5	
Artists or Graphic Artists (full time, salaried) .....	4	
Commercial Artists (full time, salaried) .....	4	
Graphic Artists/Designers (office only, salaried) .....	4	
Print Space Salesmen.....	3	
Writers (full time, salaried).....	4	
<b>Agents</b> ( <i>See specific industry</i> )		
<b>Air Conditioning</b>		
Engineers (office and consulting only).....	5	
Engineers (superintending and inspecting).....	4	
Installers, Repairmen, Servicemen .....	2	
<b>Airport Personnel</b>		
Managers (office and supervisor duties).....	4	
Dispatchers (office duties only).....	1	
Operations Clerks, Passenger Agents .....	3	
Reservation Clerks.....	3	
<b>Antique Dealers</b>		
Sales Only .....	3	
Purchasing, Repairing, Collecting or Delivering.....	2	
<b>Appraisers</b> .....	5	
<b>Architects</b>		
College or Professional Degree (in office duties).....	6	
Landscape Architects .....	4	P

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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Artists, Graphic Designers</b>		
Commercial (working full time away from residence).....	4	
Others.....		<i>Contact your Underwriter for home-based business owner consideration</i>
<b>Assayers (not in mine).....</b>	3	
<b>Assessors .....</b>	4	
<b>Attorneys.....</b>	6	
Paralegals .....	4	
<b>Auctioneers .....</b>	3	
<b>Auditors.....</b>	5	
<b>Authors (See Writers)</b>		
<b>Automobile Industry</b>		
Dealers, Salesmen		
Dealership Owners (new vehicles) .....	3	A, G, K, N
Owners of Multiple Dealerships .....	4	
Salesmen (new vehicles).....	3	
Used Vehicles Only .....	2	
Garages, Filling and Service Stations and Parking Lot		
Proprietors, Managers (not repairing).....	2	
Repairmen, Painters, Bodymen, Mechanics .....	1	
Car Wash Proprietors and Managers .....	2	
<b>Bakeries</b>		
Managers, Proprietors.....	3	
All Others.....	2	
<b>Banks</b>		
Officers .....	5	
Portfolio Managers.....	4	F, M
Loan Officers .....	4	F, M
Tellers, Clerks .....	3	
<b>Booking Agents</b>		
(full-time, office away from home) .....	2	
<b>Bookkeepers.....</b>	3	

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*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Brokers</b>		
Futures-Option .....	<i>Contact your Underwriter for consideration.</i>	
Insurance ( <i>See Insurance</i> )		
<u>Merchandise</u>		
- Office Duties Only (not visiting market or handling goods).....	3	
- Others.....	2	
<b>Brokers - Continued</b>		
<u>Real Estate</u>		
- Commercial.....	3	G, M
- Residential .....	3	G, M
<u>Stocks , Bonds, Securities</u>		
- Office duties only.....	4	
<b>Building or Apartment House</b>		
Owners or Managers (supervising only).....	3	
<b>Building Industry (<i>See Construction</i>)</b>		
<b>Business Machines Sales and Service</b>		
Owners .....	4	A, F, K, N
Managers, Salesmen .....	3	A, K, G
Servicemen.....	2	
<b>Buyers (department store)</b>		
Office duties only.....	4	
Others.....	3	
<b>Cabinet Makers</b> .....	2	
<b>Cantors</b> .....	3	
<b>Carpenters</b> .....	1	
<b>Cashiers</b>		
Office and Sales only .....	3	
<b>Caterers (no food prep or serving)</b>		
Office and Sales only .....	3	
<b>Chemical Industry</b>		
Foremen Engaged in Process Work .....	3	
<b>Civil Engineers (<i>See Engineers</i>)</b>		





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*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Claims Adjusters (Insurance)</b>		
Not Fire or Marine .....	4	
Fire or Marine .....	3	
<b>Clergymen</b> .....	3	
<b>Clerks (office)</b> .....	3	
<b>Clothing Manufacturers</b>		
Proprietors, Managers, Clerks, Inspectors, Designers, Supervisors (office and supervising only) .....	4	
Other Workers.....	2	
<b>Collection Industry</b>		
Office Only .....	3	
<b>Comptrollers</b> .....	4	F, M
<b>Computer Industry</b>		
Owners, Proprietors (no sales duties) .....	5	
Systems Engineers, Design Engineers.....	5	
Computer Analysts.....	4	A, F, K
Consultants.....	4	P
Librarians, Programmers.....	4	
Salesmen (duties primarily inside home office) .....	4	
Salesmen (duties outside home office) .....	3	G, M
Skilled Repairmen, Servicemen, Installers .....	2	
<b>Construction Industry</b>		
Owners, Contractors (executive duties only).....	5	
Owners, Contractors, Estimators (supervising and on-site inspection).....	4	
Construction Engineers (see Engineers)		
Owners, Contractors (working) .....	<i>Classify according to duties.</i>	
Foremen, Supervisors (on-site).....	2	
Skilled workers .....	<i>Classify according to trade.</i>	
<b>Consultants</b>	4	P
<b>Couriers/Express Mail Service</b>		
Executives .....	4	A, F, H, I, J, K
Supervisors.....	3	
Others .....	1	



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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Curators-Art Gallery/Library/Museum</b> .....	4	
<b>Decorators (interior)</b>		
Consulting Duties only (minimum income \$50,000) .....	5	
Window and Display.....	2	
<b>Designers</b>		
In Office or Studio (away from home) .....	4	
Industrial .....	4	A, F, K
<b>Dieticians</b>		
Not Preparing Food.....	3M*	
Others .....	2M	
<b>Draftsmen (office away from home)</b> .....	4	
<b>Dry Cleaning</b>		
Clerks, Managers .....	3	
Foremen .....	2	
Deliverymen.....	1	
<b>Editors-Magazine, Newspapers</b>		
Office Duties Only .....	4	A, F, H, I, J, K
<b>Efficiency Experts or Industrial Engineers</b>		
Office Duties Only .....	4	
<b>Electrical Industry</b>		
<u>General</u>		
- Electrical Engineers (degree, office and consulting only)...	6	
- Engineers (consulting and designing).....	5	
- Meter Readers.....	1	
- Installers and Repairmen.....	1	
- Electricians.....	2	
<b>Employment Agency</b>		
Owners, Managers, Recruiters .....	4	A, F, K, N

\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3

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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Engineers</b> (degree-registered professional)		
Office and Consulting Duties Only.....	6	
Computer Engineers.....	5	
Construction Engineers (primarily office duties) .....	4	G, M
Manufacturing Engineers (non-hazardous industry) .....	5	
Non-Hazardous Industry (field duties) .....	4	
<b>Event Planners</b> (no manual duties).....	3	
<b>Executives</b>		
To upgrade see Occ-Classes 6, 5 and Move Up Options.....	4	A, F, H, I, J, K
<b>Exporters/Importers</b>		
Office and Sales Only (no travel) .....	4	
Others .....	2	
<b>Express, Motor Freight, or Warehouse</b>		
Agents, Estimators, Owners, Managers (office and sales only) .....	4	
Owners, Managers (supervisory) .....	3	
Dispatchers, Expressmen, Foremen, Packers .....	2	
<b>Farmers</b>		
Proprietors, Farmers (supervisor only) .....		<i>Contact your Underwriter for consideration</i>
<b>Fire Arms</b>		
Inspectors, Repairers, Sales Dealers .....	2	
<b>Fishing Industry</b>		
<u>Hatcheries</u>		
- Managers, Owners, Superintendents (supervising only) .....	3	
<u>Processing and Packing</u>		
- Foremen .....	2	
<b>Florists</b>		
Merchants, Managers .....	4	
Clerks .....	3	
Floral Arrangers (office only).....	2	
Greenhouse-Artificial Flower Makers .....	1	
<b>Funeral Directors</b>		
Proprietors, Directors (not embalming) .....	4	
<b>Furniture Designers</b> .....	4	



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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Glaziers</b> .....	1	
<b>Golf</b>		
Owners, Proprietors, Managers of Golf Courses, Country Clubs (Executive duties only).....		<i>Contact your Underwriter for consideration.</i>
<b>Harbor Masters</b> ( <i>See Marine Industry</i> )		
<b>Heating Apparatus</b>		
Dealers or Salesmen (no installing or servicing) .....	3	
Installers, Servicemen .....	2	
<b>Hospitals, Nursing Homes, Long Term Care Facilities</b>		
Administrators, Executives .....	5	
Dietitians (not cooking) .....	3M*	
Managers, Superintendents, Clerks.....	3	
Nurses – RNs .....	3M*	
Nurses – LPNs .....	1M	
Technicians (medical, X-ray).....	3M*	
<b>Hotels, Motels, Inns</b> (open year-round)		
<u>First Class</u>		
- Owners, Managers .....	4	
- Clerks.....	3	
<u>Small Operation</u>		
- Owners, Managers .....	3	
- Clerks.....	2	
- All Others .....	1	
<b>Household Appliances</b>		
Dealers, Salesmen .....	3	
Installers and Repairers.....	1	
<b>Income Tax Service</b>		
Executives, Owners.....	4	F, H, I, K, N
Supervisors.....	4	
<b>Insurance</b>		
Adjusters (not fire or marine), Office Managers .....	4	

\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Insurance - Continued</b>		
Surveyors, Underwriters, Clerical Help, Claims Examiners (office only) .....	4	
Agents, General Agents, Brokers, Financial Planners .....	4	L
Other Adjusters .....	3	
<b>Jewelry (excluding diamond merchants)</b>		
<u>Retail Stores</u>		
- Owners, Managers .....	4	
- Clerks .....	3	
- Makers, Repairers .....	2	
<u>Manufacturing-Wholesale</u>		
- Owners, Managers .....	3	
<b>Judges (law degree needed)</b> .....	<i>Contact your Underwriter for consideration.</i>	
<b>Landscape and Horticultural Services</b>		
Office Only .....	4	
Supervisors.....	3	
Landscape Architects .....	4	P
<b>Lawyers</b> .....	6	
<b>Librarians</b> .....	4	
<b>Liquor Industry</b>		
<u>Manufacturers</u>		
- Office Only.....	4	
- Others.....	2	
<u>Distribution</u>		
- Office and Salesmen .....	2	
- Retail Stores (no delivery).....	2	
<b>Literary Agents</b> .....	3	
<b>Lobbyists</b> .....	4	
<b>Locksmiths</b> .....	2	
<b>Lumber Industry</b>		
<u>Logging</u>		
- Proprietors, Managers (not in woods) .....	3	
<u>Lumber Yards</u>		
- Office Only .....	3	

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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Machine Shops</b>		
Owners, Managers (office duties only).....	4	
Foremen, Machinists, Skilled Workers.....	2	
<b>Manufacturing</b> (non-hazardous product or industry)		
Professional Engineers.....	5	
Executives, Owners (office duties only).....	5	
Designers, Manufacturers, Representatives, Draftsmen .....	4	
Superintendents, Managers, Foremen (supervisory duties only) .....	3	
Working Foremen, Electricians, Mechanics, Pipe Fitters, Shipping and Receiving Clerks.....	2	
Other Skilled Workers .....	<i>See specific trade</i>	
<b>Marine Industry</b>		
Harbor Masters.....	3	
Harbor Pilots .....	2	
<u>Marina</u>		
- Owners, Managers .....	3	
- Skilled Workers .....	<i>See specific trade</i>	
<b>Market Research</b>		
Executives, Owners.....	5	
Others (office duties only) .....	4	
Others .....	3	
<b>Mechanics</b> .....	1	
<b>Medical Laboratories</b>		
Office Only .....	4	
Others .....	3M*	
<b>Medical Market – MDs, DOs, DDSs, DMDs</b>		
Allergists/Immunologists.....	4M	
Anesthesiologists .....	3M**	
Anesthetists (MD or DO only).....	3M**	
Cardiologists .....	4M	
Cardiovascular Surgeons .....	3M**	

\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3

\*\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 4

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<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Medical Market – MDs, Dos, DDSs, DMDs - Continued</b>		
Dentists (General) .....	3M**	
Dermatologists .....	4M	
Emergency Room Physicians .....	3M**	
Endocrinologists .....	4M	
Endodontists.....	4M+,**	
Family Practice Physicians .....	4M	
Gastroenterologists .....	5M***	
General Practice Physicians .....	4M	
Geneticists.....	4M	
Geriatricians.....	4M	
Gynecological Oncologists .....	3M**	
Hematologists .....	4M	
Hospitalists.....	4M	
Immunologists.....	4M	
Internists.....	4M	
Neonatologists.....	4M	
Nephrologists.....	4M	
Neurologists .....	4M	
Neurosurgeons .....	3M**	
Obstetricians and/or Gynecologists .....	3M**	
Oncologists .....	4M	
Ophthalmologists .....	4M	
Oral Surgeons.....	4M+,**	
Orthodontists.....	4M+,**	
Orthopedic Surgeons.....	3M**	
Osteopaths.....	<i>Classed according to their specialty</i>	
Otolaryngologists.....	3M**	
Pain Management Physicians .....	3M**	
Pathologists.....	4M	
Pediatric Dentists.....	4M+,**	
Pediatricians.....	5M***	
Periodontists.....	4M+,**	

+All California and Nevada policies or ProVider Plus 2010 policies with Lifetime Rider will be issued as class 3M

\*\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 4

\*\*\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 5

**DI PRODUCT AND INFORMATION MANUAL**

*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Medical Market – MDs, Dos, DDSs, DMDs - Continued</b>		
Physiatrists (physical medicine, rehab).....	4M	
Plastic Surgeons.....	3M**	
Prosthodontists.....	4M+,**	
Psychiatrists (MD).....	4M	
Pulmonologists.....	4M	
Radiologists.....	4M	P
Residents (medical).....	<i>Classed according to their specialty#</i>	
Rheumatologists.....	4M	
Students (medical).....	<i>Classed according to their specialty#</i>	
Surgeons (all specialties)	3M**	
Urologists.....	4M	

*# Maximum limits based on specialty occupation classification.*

**Medical Market – Other**

Acupuncturists (not MDs, licensed) .....	3M*	
Audiologists .....	4M	
Chiropractors.....	2M	
Dental Assistants.....	1M	
Dental Hygienists.....	1M	
Dental Lab Workers, Technicians.....	2M	
Embalmers .....	2M	
Epidemiologists.....	<i>Classed according to duties.</i>	
Geneticists (non-MD or non-DO).....	4M	
Lab Workers (in hospital) .....	3M*	
Medical Assistants .....	3M*	
Midwives (RN-certified, in hospital or clinic) .....	3M*	
Naturopaths.....	3M*	
Nurse Anesthetists (CRNAs) .....	3M*	
Nurses – RNs (in hospital or nursing home), Instructors, Directors.....	3M*	
Nurses – RNs (MD office).....	3M*	
Nurses – LPNs .....	1M	
Nurse Practitioners (degreed) .....	3M*	
Occupational Therapists.....	3M*	
Opticians .....	4M	

+All California and Nevada policies or ProVider Plus 2010 policies with Lifetime Rider will be issued as class 3M

\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3

\*\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 4





<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Medical Market – Other - Continued</b>		
Optometrists.....	6M	
Paramedics (In hospital) .....	3M*	
Pharmacists .....	5M	
Phlebotomists.....	3M*	
Physical Therapists (Salaried).....	3M*	
Physician Assistants.....	4M	
Physiotherapists .....	3M*	
Podiatrists.....	3M*	
Psychologists (PhD) .....	5M	P
Psychologists (Masters) .....	4M	P
Psychologists – Counselors (others).....	3M*	
Respiratory Therapists .....	3M*	
<b>Social Workers (office only, no investigation)</b>		
PhD (MSW – Masters of Social Work).....	5M	
Private Agency.....	4M	
No Master’s (MSW) Degree.....	3M*	
Speech Therapists.....	3M*	
Surgical Assistants/Technicians.....	3M*	
Ultrasound Technicians .....	3M*	
<b>X-Ray Technicians</b> .....	3M*	P

*Physicians or Osteopaths not listed – contact your Underwriter for appropriate classification.*

**Merchants (See Sales)**

**Mining**

Office Only .....	3	
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**Mortgage Bankers/Brokers**

Salaried.....	5	
Commission .....	3	A, G, K, M

**Motion Picture Industry (See Radio and TV)**

**Moving and Storage**

Executives.....	3	A, G, H, I, K, N
Supervisory.....	2	

**Musicians**

Symphony Orchestra, Conductors (full time, salaried) .....	3	
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\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3



**DI PRODUCT AND INFORMATION MANUAL**

*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Newspaper Industry</b>		
Advertising, Business or Circulation Managers, Editors.....	4	
Correspondents, Photographers, Reporters, Proofreaders .....	3	
<b>Photographers (salaried)</b>		
Commercial (studio) .....	4	
On Site .....	2	
<b>Piano Repairers or Tuners .....</b>	2	
<b>Pipefitters .....</b>	1	
<b>Plasterers.....</b>	1	
<b>Plumbers .....</b>	2	
<b>Printing and Publishing Industry</b>		
Compositors, Layout.....	4	
Linotype Operators, Photoengraving, Lithographers, Proofreaders .....	3	
Job Printers, Monotype Operators, Pressmen, Stenotypers, Type Casters.....	2	
Machine Repairmen, Photoengraving Printers or Routers .....	2	
Typesetters.....	2	
<b>Programmers (data processing) .....</b>	4	
<b>Proofreaders .....</b>	3	
<b>Prosthetic Limb Manufacturers</b>		
Dealers (not making or repairing).....	4	
Makers or Repairers.....	2M	
<b>Publicity Agents or Managers.....</b>	3	
<b>Publishers.....</b>	4	A, F, K
<b>Purchasing Agents.....</b>	4	
<b>Radio, Television, Motion Pictures, Stage-Theater</b>		
Announcers, Film or Sound Editors, Radio or TV Production Managers or Program Directors (studio duties only), Radio or TV Engineers (master control) .....	3	
Theater Owners or Managers (office and supervising only) ...	3	



<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Radio, Television, Motion Pictures, Stage-Theater – Continued</b>		
Film Developers or Colorists, Directors, Producers, Stage Managers, Projectionists, Radio or TV Reporters; Radio or TV Engineers (office, supervisor, not maintenance or transmitting), Sound Engineers.....	3	
Boom Men – Cameramen (not aerial or stunt), Property Men, Scenery Shifters, Sound Effects Men.....	2	
<b>Real Estate Agents (See Brokers)</b>		
<b>Restaurants</b>		
<u>First Class – Liquor Sales Secondary</u>		
- Proprietors, Managers, Hosts or Hostesses, Maitre D’s (not cooking or tending bar).....	3	
- Head Chefs (primarily supervisory duties).....	3	
- Establishments Catering Primarily to Liquor Sales (no food prep) Proprietors, Managers (not tending bar).....	3	
- All Others.....	1	
<b>Sales</b>		
<u>Retail (inside, not delivering)</u>		
- Merchants, Proprietors.....	4	
- Managers, Cashiers.....	3	
- Assistant Managers, Sales Clerks, Supervisors with Sales Duties.....	3	
- Stock Clerks (light articles).....	2	
- Delivering, Stock Clerks (heavy goods).....	1	
<u>Outside Sales (no delivery)</u>		
- Manufacturers Representatives.....	4	
- Other Traveling Sales.....	3	A, G, M
- Other Sales.....	3	
- Clothing and Garment Sales.....	3	
- Liquor Sales.....	2	
<b>Sales Managers</b>		
(salaried, executive duties, incidental travel).....	4	A, F, J, K
<b>Scientists</b>		
Anthropologists.....	5	O
Astronomers.....	5	O
Bacteriologists.....	5	O
Biochemists		



**DI PRODUCT AND INFORMATION MANUAL**

*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Scientists - Continued</b>		
Biologists .....	5	P
Botanists		
- Office Duties Only .....	6	
- Others .....	3	P
Chemists		
- Office Duties Only.....	6	
- Lab Duties Only and Supervisors.....	5	O
- Engaged in Process Work.....	3	P
Computer Scientists (researchers/developers who work primarily in academic settings or in R&D labs) .....	5	O
Demographers .....	5	O
Ecologists .....	5	O
Economists.....	5	O
Entomologists .....	5	O
Geologists		
- Office Duties Only.....	6	
- In the Field.....	3	P
Geophysicists .....	5	O
Meteorologists.....	5	O
Pharmacological Scientists (researchers/developers who work primarily in academic settings or in R&D labs) .....	5	O
Physicists.....	5	O
Political Economists.....	5	O
Political Scientists.....	5	O
Sociologists.....	5	O
Zoologists.....	5	O
<b>Secretaries, Administrative Assistants</b> .....	4	
<b>Statisticians</b> .....	5	
<b>Stock or Bond Brokers or Salesmen</b> ( <i>See Brokers</i> )		
<b>Surveyors</b> .....	3	
<b>Tailors</b> .....	2	
<b>Taxicab – Limo Service Company</b>		
Owners or Managers (office and supervising only).....	3	



**DI PRODUCT AND INFORMATION MANUAL**

*Occupation Classification – Occupation Classification Guide*

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
<b>Teachers</b>		
Classroom Only, Including Principals .....	5	
Music.....	4	
Shop, Trade and Physical Education .....	3	
<b>Telecommunications</b>		
Administrators.....	4	
Assistant Managers .....	4	
Inside Installers, Foremen, Repairmen, Testmen, Inspectors ..	2	
Dispatchers, Operators.....	3	
Outside Foremen, Inspectors .....	2	
<b>Textile Industry</b>		
Superintendents and Foremen (supervising only).....	3	
Other Skilled Workers .....	1	
<b>Theater</b> ( <i>See Radio, TV, and Motion Picture</i> )		
<b>Translators</b> .....	4	
<b>Transportation Industry</b> (truck, airplane and bus)		
Executives, General Officers (office duties only).....	5	
Announcers, Station Masters (office), Station Agents (office).....	4	
Ticket Agents .....	3	
Managers, Superintendents, Surveyors.....	3	
Other Skilled Workers .....	<i>See specific trade</i>	
<b>Travel Agencies</b>		
Office Only .....	4	A, F, J, K, N
Others.....	3	
<b>Undertakers</b> ( <i>See Funeral Directors</i> )		
<b>Upholsterers</b> .....	2	
<b>Vending Machine Industry</b>		
Office Only .....	3	
<b>Veterinarians</b>		
Small Animals.....	5M	
Large Animals.....	3M*	

\*Overhead Expense (4100) and Disability Buy-Out (3100) will be issued as Class 3



**DI PRODUCT AND INFORMATION MANUAL**

**Occupation Classification – Occupation Classification Guide**

<u>Occupation</u>	<u>Occupation Class</u>	<u>Move Up Option</u>
Watchmakers or Repairers .....	2	
Writers (salaried, full-time) .....	4	
Zoo Directors .....	3	

*Determination of all classifications is the final decision of the home office underwriter.*

**FIO/FPO/GDR Exercise Occupation Class Mapping**

The following mapping will be used for successful exercises of pre-merger Berkshire Future Purchase Options (policy numbers with an “H” prefix):

<u>BLICO Classification</u>	Policy Forms 1400, 1500, 1600, 3200, & 4200	<u>Occupation Classification</u>
Limited Issue Plus (LI+)(P)		6 or 6M
Limited Issue (LI)(L)		5 or 5M
Class 1		4 or 4M
Class 2		3 or 3M
Class 3		2 or 2M
Class 4		1 or 1M

The following mapping will be used for successful exercises of Future Increase, Future Purchase, and Group Disability Replacement Options from policy numbers with a “G” or “Z” prefix:

<u>BLICOA/Guardian Classification</u>	Policy Forms 1400, 1500, 1600, 3200, & 4200	<u>Occupation Classification</u>
Class 6		Class 6 or 6M
Class 5		Class 5 or 5M
Class 4		Class 4 or 4M
Class 4P		Class 3M
Class 3		Class 3 or 3M
Class 2		Class 2 or 2M
Class 1		Class 1 or 1M



## **In-Force ProVider Plus (1400, 1500 and 1600) Policy Changes**

After a Berkshire ProVider Plus policy goes in force, the client may request a change to the contract to better suit the client's changing needs.

The following is a list of the changes that may\* be made to the current policy series after issue.

### **Changes**

- Change from graded to level premium structure (on policy anniversary through age 50)  
Note: Cannot change from Step Rate to Level
- Change from Standard to a Select premium Risk Class
- Change the Elimination period (decrease or increase)
- Change the Occupation Class
- Change a special rating (substandard premium)
- Change between unisex and gender-distinct premium structure (handled as an in-force replacement, by exception only)
- Change the Cost of Living Adjustment Rider Percentage
- Absolute assignment (Change of ownership and loss payee)
- Collateral Assignment (Change of loss payee only – full or portion of benefits)

### **Reductions**

- Reduce monthly indemnity (subject to policy size minimums)\*\*
- Reduce benefit periods\*\*\*
- Reduce rider benefit amount
- Reduce rating

### **Removals**

- Remove an option rider/benefit\*\*\*\* (subject to policy requirements)
- Removal a special exception agreement or impairment waiver (exclusion rider)
- Remove special rating (substandard premium)
- Release of collateral assignment

*\*Some changes will require underwriting approval. For information about changes that cannot be made to an in-force policy, please refer to the In-Force Replacements Section.*

*\*\*FIO amounts may also be reduced so as not to exceed the existing limits for that rider. For specific details, refer to the Customer Service Manual in the POS Tool Kit. If the Benefit Purchase Rider is attached to the policy, the rider will terminate if the Monthly Indemnity is reduced.*

*\*\*\*If the Benefit Period is reduced, the Mental and/or Substance-Related Disorders Limitation Discount is reduced to the corresponding percentage if applicable. If the Benefit Period is reduced to two years, the Mental and/or Substance-Related Disorders*



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## DI PRODUCT AND INFORMATION MANUAL

### *Administrative Practices – In-Force Berkshire ProVider Plus Policy Changes*

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*Limitation remains on the policy if applicable but the Mental and or Substance-Related Disorders Limitation Discount is removed.*

*\*\*\*\*If the Basic Residual Disability Benefit, Benefit Purchase, or 3% Maximum COLA Rider are removed from the policy, the Mental and/or Substance-Related Disorders Limitation and Discount will remain on the policy.*

#### **Additions to policy (1400, 1500 and 1600)#**

- Additional Monthly Benefit Rider (AMB-FIO) - as a successful exercise of Future Increase Option
- Catastrophic Disability Benefit (not available with RPP Policies)
- Cost of Living Adjustment Rider (3% Maximum##, 3% Compound, 6% Maximum### or Four-year Delayed####)
- Residual Disability Benefit Rider### or Basic Residual Disability Benefit Rider##

*# Some changes will require underwriting approval.*

*## When added to the policy, the Mental and/or Substance-Related Disorders Limitation and Discount will be added or remain on the policy if already present and the following riders will be removed if applicable:*

- *Residual Disability Benefit Rider or Two-Year Residual Rider*
- *3% Compound, 6% Maximum, or Four-Year Delayed COLA Rider*
- *Graded Lifetime Indemnity for Total Disability Rider*
- *Lump Sum Disability Benefit Rider*
- *Future Increase Option Rider*

*###If the Basic Residual Disability Benefit Rider, Benefit Purchase Rider, or the 3% Maximum COLA Rider were ever in-force on the policy, this rider cannot be added.*

***Complete details of these changes can be found in the Policyowner Services Agency Tool Kit on Berkshire Life Tools.***





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## DI PRODUCT AND INFORMATION MANUAL

### *Administrative Practices – In-Force Berkshire ProVider Plus Policy Changes*

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#### Reinstatements

##### Schedule of Non Payment of Premium Activities

Day(s) Following Premium Due Date	Activity
Day 31	Coverage lapses according to the terms of the policy.
Day 31 – Day 70	Opportunity to reinstate coverage without submitting evidence of insurability.
Day 32	Letter is sent to the insured advising that the premium remains due and that insured no longer has coverage. It urges the insured to remit payment before the 70 <sup>th</sup> day.
Day 70	Letter is sent advising policy owner of the need to reinstate* the lapsed policy. No coverage is provided during the lapsed period. Coverage will resume commensurate with successful reinstatement. All policy provisions apply.  Policyholder is notified he or she has six months following the paid date to reinstate the policy.  <i>*Reinstatement is subject to evidence of insurability and underwriting approval.</i>  <i>Note: Reinstatement period may differ in certain states.</i>
Day 120	Letter is sent advising policy owner that he or she still has time within that six-month time frame to reinstate.

The Simplified Reinstatement process for an Individual DI or OE policy allows your client to call our Client Services Department, answer a short series of questions and, if underwriting standards are satisfied, the client's policy will be reinstated upon his or her payment of all overdue premiums. The reinstatement transaction is finalized during the same telephone call. Upon calling, the client is routed to a Representative trained to take the Simplified Reinstatement application who will assist the client with completing a short, paper application using a voice-authorized signature. For more information, please reference the Client Services "Individual DI Quick Reference Guide" (Pub4901BL) available on [www.berkshirelifetools.com](http://www.berkshirelifetools.com). For additional information, please refer to the 'Instructions for Completing Your Health Policy Reinstatement' publication.



### In-Force ProVider Plus Policy Replacements

A policy replacement is required to accommodate the following changes, as they cannot be made to an in-force policy:

- Add Graded Lifetime Indemnity for Total Disability Rider
- Replace the Basic Residual Disability Benefit Rider with the Residual Disability Benefit Rider
- Replace the 3% Maximum Cost of Living Adjustment Rider with the 3% Compound, 6% Maximum, or Four-Year Delayed Cost of Living Adjustment Rider
- Add the Automatic Benefit Enhancement Rider
- Add Partial Disability Rider
- Add Unemployment Waiver of Premium Rider
- Add Retirement Protection Plus Rider
- Add Future Increase Option Rider
- Add Social Insurance Substitute Rider
- Change Social Insurance Substitute Rider to base
- Change the Definition of Total Disability from True Own Occupation to Modified Own Occupation
- Change the Definition of Total Disability from Modified Own Occupation to True Own Occupation
- Change premium structure from level to graded
- Increase monthly indemnity amount
- Increase benefit period
- Change between unisex and gender-distinct premium structure (by exception only) \*\*

In these scenarios, a new application and the usual underwriting requirements for new business must be submitted. If approved, a new policy will be issued at current age and rates with an effective date that follows the New Business Guidelines. The appropriate state replacement forms should be submitted, if needed. When terminating the old contract, persistency will not be affected.

*\*\*No underwriting is required, but the request is subject to Berkshire approval based on the merits of each situation. An application for change is required and must be submitted to Client Services. The original contract will be terminated and a new policy issued. The new policy will be issued at the insured's attained age and require the return of the original policy.*

### **Commissions**

Commissions will be adjusted regardless of whether the agent/broker of record is the same or different than the agent/broker who wrote the original policy.

**Replacements are many times not in the best interest of your clients. An additional new policy for the desired amount of increased coverage may result in lower client costs while providing the same overall comprehensive protection. Replacements should only be accomplished when it is in the best interest of the client.**

## **Future Increase/Future Purchase Option Exercises**

### **ProVider Plus 2010 and 2011 (1400/1500/1600)**

The Future Increase Option (FIO) and Future Purchase Option (FPO) riders allow the insured to apply to purchase additional coverage without evidence of good health or insurable occupation, subject to financial underwriting.

Option dates fall on every policy anniversary until the rider expiry date as outlined in the insured's contract, with the last option occurring on the policy anniversary up to and including when the insured attains age 55. For most FIO riders existing prior to the current ProVider Plus 1400/1500/1600 FIO rider, prior to age 45, all or any part of the total increase option can be exercised on any policy anniversary, dependent upon income qualification, subject to the Company's issue and participation limits.

On or after the insured's attainment of age 45, up to one-third of the original total increase option, not to exceed the remaining balance, can be exercised on each policy anniversary. Please refer to the language in the rider to determine the amount that can be exercised.

For the FIO rider policy forms 1405, 1505 and 1605, the "one-third rule" will not apply if the outstanding FIO amount remaining is less than \$1,000. The "one-third rule" will not apply to exercises on a Special Option Date resulting from the loss of group LTD. Refer to the Future Increase Option rider page in your contract for provisions and limitations.

Policyholders who have chosen this rider will receive a letter from us 60 days before the policy anniversary explaining their right to purchase additional insurance (subject to financial underwriting). A copy of the letter will be sent to the servicing agency. Requests to exercise an FIO may be submitted up to 31 days before or 31 days after an option date.

The Risk Class issued on the originating base policy will be applied (in all states) to Future Increase Option (FIO) rider exercises. For FIOs issued to policies where the originating policy was issued with the Preferred Risk discount, the Preferred Risk Class will apply instead.

The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

### **Future Increase Option Exercises for Policies Issued as Part of Voluntary Income Protection (VIP) Program**

Exercises of an FIO/FPO from a base policy that was originally issued as part of a VIP with gender-distinct rates on previously issued policy forms will be issued with gender-distinct ProVider Plus policy form 1400 with a 10% discount as long as the insured is active with a qualified VIP group.

Exercises of an FIO/FPO from a base policy that was originally issued as part of a VIP with unisex rates on previously issued policy forms will be issued with unisex ProVider



Plus policy form 1600 with a 10% discount as long as the insured is active with a qualified VIP group.

**Future Increase Option Exercises for Policies Issued as Part of Qualified Sick Pay Plan (QSPP) Program**

Exercises of an FIO/FPO from a base policy that was originally issued as part of a QSPP with unisex rates on previously issued policy forms, will be issued with unisex ProVider Plus policy form 1500 with a 10% discount as long as the insured is active with a qualified QSPP group.

**Future Increase Option Exercises for Policies Issued as Part of a Student and Resident Discount Program**

Exercises of an FIO/FPO from a base policy that was originally issued as part of a Student and Resident Discount Program with gender-distinct rates will be issued with gender-distinct ProVider Plus policy form 1400 with a 10% discount as long as the insured is active with a qualified discount program.

**Future Increase Option Exercises for Policies Issued as Part of a Professional Group Discount Program**

Exercises of an FIO/FPO from a base policy that was originally issued as part of a Professional Group Discount program with gender-distinct rates will be issued with gender-distinct ProVider Plus policy form 1400 with a 10% discount as long as the insured is active with a qualified discount program.

**Future Increase Option Exercises for Policies Issued as Part of an Association Program**

Exercises of an FIO/FPO from a base policy that was originally issued as part of an Association program with gender-distinct rates on previously issued policy forms, will be issued with gender-distinct ProVider Plus policy form 1400 with a 10% discount as long as the insured is active with a qualified Association.

Exercises of an FIO/FPO from a base policy that was originally issued as part of an Association program with unisex rates on previously issued policy forms, will be issued with unisex ProVider Plus policy form 1600 with a 10% discount as long as the insured is active with a qualified Association.

**Special Option Date (1405, 1505 and 1605 FIO Rider policy forms only)**

A special option date provision in the FIO rider (1405/1505/1605) can be exercised once over the life of the rider. The special option dates are as follows:

- 90 days after the date you are no longer eligible to participate in your employer's group long term disability (LTD) plan; or
- 90 days after a group LTD plan under which you were covered ends and has not been converted or replaced; or
- A date that we declare for such purpose.

*Currently, the company has declared such a date for individuals who purchase a ProVider Plus policy before becoming a first-year professional. These individuals can choose to apply to exercise on a special option date when they become a first-year professional – thereby not having to wait until the next policy anniversary to obtain additional coverage.*

**Additional Monthly Benefit Rider\* (AMB)**

Available with ProVider Plus 2010 and 2011 Policy forms 1400, 1500 and 1600.

The Additional Monthly Benefit (AMB) Rider can be used as a vehicle to add coverage to a base policy upon successful exercise of a Future Increase Option.

If the coverage sought by the FIO exercise is the same as the base policy (i.e., benefits, discounts, occupation class, class of risk, etc.), an Additional Monthly Benefit (AMB) Rider may be added to the original policy at attained-age rates. A new schedule page, along with the additional monthly benefit rider policy form, will be provided to the insured to keep with their original policy.

If the coverage sought by the FIO exercise is not the same as the original policy features (i.e. benefits, discounts, occupation class, class of risk, etc.), a new policy and a full policy package will be issued.

\*If the originating policy has the Lump Sum Disability Benefit Rider attached, any FIO exercise must be issued as a separate contract, and the AMB Rider is not available.

**Benefit Purchase (BPR) Exercises****ProVider Plus Limited (1400/1500/1600)**

The Benefit Purchase Rider allows the insured to purchase additional coverage in the form of a separate policy without having to provide evidence of good health, subject to financial and occupational underwriting.

For the Benefit Purchase Rider policy forms 1419, 1519, and 1619, Berkshire will review the insured's eligibility for an Increase Policy on every third Policy Anniversary (Review Date) while this rider is in effect. To keep this rider in effect, the insured must submit an application and other evidence of insurability during the Benefit Purchase Period. The Benefit Purchase Period is the 61-day period beginning 30 days immediately before the Review Date and ending 30 days immediately following the Review Date. If the insured does not submit an application during the Benefit Purchase Period, the rider will terminate.

Berkshire's offer for an Increase Policy will be the maximum amount of additional Monthly Indemnity available to the insured, if any, based on the information received and the current underwriting guidelines. The insured must accept at least 50% of the offer Berkshire makes to them at time of option. If the insured accepts less than 50% of the offer, we will issue the requested BPR exercise amount, but the rider will terminate.

An exception will be made for those who are enrolled in a full-time professional training program and we will not require them to accept an offer. Proof of enrollment must be provided. If we do not make an offer because the insured is not financially eligible, the rider will remain in force. The minimum BPR offer Berkshire will make is \$400. If the insured is eligible for less than \$400, we will deem them ineligible for an increase. The rider will remain in force until the next review date. Refer to the Benefit Purchase rider page in your contract for provisions and limitations.

The Risk Class issued on the originating base policy will be applied (in all states) to Benefit Purchase rider exercises.

Exercises of a BPR option from a base policy that was originally issued as part of a discount program will be issued with a 10% discount as long as the insured is active with the original discount program or group.

**Special Option Date (1419, 1519, 1619 Benefit Purchase Rider policy forms only)**

A special option date provision in the BPR (1419, 1519, 1619) can be applied for once between each Review Date (every third Policy Anniversary). The special option date conditions are as follows:

- *90 days after the date you are no longer eligible to participate in your employer's group long-term disability (LTD) plan; or*
- *90 days after a group LTD plan under which you were covered ends and has not been converted or replaced; or*
- *90 days after you have had at least a 50% increase in your income during the first three years after the Effective Date of the Policy, or since the last Review Date.*

**Continuation of Riders**

Riders that are part of the original policy may be continued on the new FIO/FPO contract if requested on the application with the exception of:

- Future Increase Option
- Future Purchase Option
- Automatic Benefit Enhancement Rider/Automatic Increase Rider
- Catastrophic Disability Rider\*
- Retirement Protection Plus Rider
- Group Disability Replacement Rider

\*May be added with medical underwriting.

The following riders can be continued on the new BPR contract if requested on the application:

- Basic Residual
- 3% Maximum Cost of Living Adjustment
- Unemployment Waiver of Premium

No riders may be added to a BPR exercise. The riders above must be on the originating contract.

## **Exercise of Group Disability Replacement Option**

Group Disability Replacement (GDR) rider provides a *one-time* option to apply to purchase additional coverage on an option date without evidence of good health.

Option dates are:

- The date your employment terminates with an employer where you were covered by a group long term disability plan at the time of your termination, or
- The date the group long term disability plan under which you were covered ends and is not replaced.

Applications to exercise this option must be submitted within 30 days of the date new employment begins, but not more than six months after the replacement option date (if your group long-term disability coverage ended because your employment terminated). If your group long-term disability plan ends and is not replaced, submit the application to exercise this option within 30 days following the replacement option date.

### **Financial Requirements**

To exercise the Future Increase Option, Future Purchase Option, or Group Disability Replacement Option, complete the appropriate application and submit financial requirements as outlined in the Field Underwriting Guide.

### **Overhead Expense Products**

The Future Increase Option (FIO)/Future Purchase Option (FPO) rider allows the insured to apply to purchase additional coverage without evidence of good health or insurable occupation, subject to financial underwriting.

### **Future Purchase Option Exercises from all 4100, and 5100 Policy Forms**

Option dates are every policy anniversary until the rider expiry date as outlined in the insured's contract, with the last option occurring on the anniversary nearest the insured's age 55. Applications to exercise an FPO may be submitted up to 31 days before or after an option date, along with required financial requirements.

In states where the 4200 product is approved, and during a limited time period, the policy owner will be offered a one time choice to exercise his or her FPO to either the 4100 or 4200 policy series. For any FPO exercise after the limited time period has ended, we will only issue the 4200 contract if the state is approved for the new contract. If the FPO rider is exercised again on a subsequent option date, we will issue another 4200 contract. In this scenario, we cannot add layers of Additional Monthly Benefit (AMB) to the first 4200 contract that was issued as a result of the FPO exercise.

When exercising an FPO rider to the new 4200 policy series, the Accelerated Benefits endorsement, along with Residual Disability as a base policy benefit, will be included in the new policy issued.

In the case of Salary Replacement, if the original policy is a Professional Overhead Expense 4100 policy form where Salary Replacement is considered a covered overhead expense, any exercised FPO will include the Professional Replacement Endorsement (policy form 4201-E). If the original policy was a Business Overhead Expense 5100 policy form where Salary Replacement was not considered a covered overhead expense, any exercised FPO will include the Overhead Expense Policy Endorsement (policy form 4202-E). This endorsement amends the definition of Expenses Not Covered to include the salary of the insured or a member of the insured's profession.

The Mental and/or Substance Related Disorders Limitation does not apply to policies issued as a result of a future increase option or future purchase option where the policy from which the option is exercised does not contain such a limitation.

### **Conditions and Limitations**

*Refer to the Overhead Expense (form 4100) – Optional Benefits – Future Purchase Option section for details.*

### **Future Increase Option Exercises from the 4200 Policy Form**

Option dates are every policy anniversary until the rider expiry date as outlined in the insured's contract, with the last option occurring on the policy anniversary up to and including when the insured attains age 55. Applications to exercise an FIO may be submitted up to 31 days before or after an option date, along with required financial requirements.

The maximum option amount is up to one times the maximum monthly overhead expense benefit amount: not to exceed the overall policy issue limit. The rider will be an aggregate pool where the full option amount may be exercised up to age 45. On or after the insured's age 45, up to one-third of the original purchased option amount, not to exceed the remaining balance, can be exercised. Amounts under \$1,000 remaining are not subject to the one-third rule and can be exercised in full. The minimum option amount is \$1,000.

### **Additional Monthly Benefit (AMB) Rider**

The Additional Monthly Benefit (AMB) Rider can be used as a vehicle to add additional coverage to a base policy upon successful exercise of a Future Increase Option.

If the coverage sought by the FIO exercise is the same as the base policy (i.e., benefits, discounts, occupation class, class of risk, etc.), an Additional Monthly Benefit (AMB) Rider may be added to the original policy at attained-age rates. A new schedule page, along with the additional monthly benefit rider policy form, will be provided to the insured to keep with their original policy.



If the coverage sought by the FIO exercise is not the same as the original policy features (i.e., benefits, discounts, occupation class, class of risk, etc.), a new policy and a full policy package will be issued.

**Continuation of Optional Benefit Riders**

When exercising an option as either a separate policy or through use of the Additional Monthly Benefit Rider, the optional benefit riders that were part of the original policy will not continue on the new coverage. Therefore the Future Increase Option rider, the Supplemental Overhead Expense Benefit Rider and the Automatic Benefit Enhancement Rider, even if part of the original policy, will not be continued on the new coverage.

**Continuation of the Professional Replacement Endorsement**

For options exercised via the Additional Monthly Benefit Rider, the Professional Replacement Endorsement, if part of the original policy, will continue on the new coverage. For options exercised as a separate policy, the Professional Replacement Endorsement, if part of the original policy, will continue on the new contract if, on the combined contracts, the \$10,000 Professional Replacement limit is not exceeded.

**Continuation of the Accelerated Benefit Endorsement**

For options exercised either as a separate policy or via the Additional Monthly Benefit Rider, the Accelerated Benefit Endorsement, if part of the original policy, will continue on the new coverage.

**Conditions and Limitations**

*Refer to the Overhead Expense (form 4200) – Optional Benefits – Future Increase Option section for details.*

**Future Increase Option Exercises from Policy Forms OE102 (CA) and NC82 (MT)**

Option dates are every policy anniversary with the last option occurring on the policy anniversary nearest the insured's contract age of 50 for the NC82, and age 55 for the OE102. Applications to exercise an FIO may be submitted up to 30 days before or after an option date, along with the required financial requirements. For FIOs issued from policy form NC82 where the originating policy was issued with the Preferred Risk discount, the Preferred Risk Class will apply instead. For further information, contact Underwriting.

**Financial Requirements**

To exercise the Future Increase Option/Future Purchase Option, complete the appropriate application and submit financial requirements as outlined below:

**FINANCIAL REQUIREMENTS – OVERHEAD EXPENSE**

<b>Type of Business</b>	<b>Documentation Required</b>
Sole Proprietor (or Independent Contractor)	Schedule C only
Partnership	1065 Partnership Return
C-Corporation	1120 C-Corporation Return
S-Corporation	1120S S-Corporation Return
Limited Liability Company (LLC or LLP)	May file as any one of the above entities. Appropriate forms required accordingly.

*Profit and Loss Statements – A business owner can submit a current certified year-to-date profit and loss statement as financial proof of earnings in lieu of business taxes.*

**NOTES:** *Personal Financial Information section must be completed on all applications. Additional financial documentation may be required whenever financial history dictates.*

### **Disability Buy-Out Products**

The Future Increase Option (FIO)/Future Purchase Option (FPO) rider allows the insured to apply to purchase additional coverage without evidence of good health or insurable occupation, subject to financial underwriting.

#### **Future Purchase Option Exercises from 3100 Policy Form**

Option dates are every policy anniversary until the rider expiry date as outlined in the insured's contract, with the last option occurring on the anniversary nearest the insured's contract age 55. Applications to exercise an FPO may be submitted up to 31 days before or 31 days after an option date, along with required financial requirements.

In states where the 3200 product is approved, and during a limited time period, the policy owner will be offered a one-time choice to exercise his or her FPO to either the 3100 or 3200 policy series. For any FPO exercise after the limited time period has ended, we will only issue the 3200 contract, if the state is approved for the new contract. If the FPO rider is exercised again on a subsequent option date, we will issue another 3200 contract. In this scenario, we cannot add layers of the Additional Benefit to the first 3200 contract that was issued as a result of the FPO exercise.

If the originating 3100 policy has a step-rate premium structure, any successful FPO exercise to the 3200 policy series will be issued with a level premium structure.

When exercising an FPO to the new 3200 policy series, the Presumptive Permanent Disability Rider will not be continued, as the base policy is now structured so that once monthly installment benefits begin they continue even if the insured is no longer totally disabled, thus rendering this rider unnecessary.

#### **Conditions and Limitations**

*Refer to the Disability Buy-Out (form 3100) – Optional Benefits – Future Purchase Option section for details.*

#### **Future Increase Option Exercises from the 3200 Policy Form**

Option dates are every policy anniversary until the rider expiry date as outlined in the insured's contract, with the last option occurring on the policy anniversary up to and including when the insured attains age 55. Applications to exercise an FIO may be submitted 31 days before or after an option date, along with required financial requirements.

**Additional Benefit Rider**

The Additional Benefit Rider can be used as a vehicle to add coverage to a base policy upon successful exercise of a Future Increase Option.

If the coverage sought by the FIO exercise is the same as the base policy (i.e., benefits, discounts, occupation class, class of risk, etc.), an Additional Benefit Rider may be added to the original policy at attained-age rates. A new schedule page, along with the additional benefit rider policy form, will be provided to the insured to keep with his or her original policy. Available to Monthly and Lump Sum funding methods.

If the coverage sought by the FIO exercise is not the same as the original policy features (i.e. benefits, discounts, occupation class, class of risk, etc.) or the original policy has a Down Payment funding method, a new policy and a full policy package will be issued.

**Conditions and Limitations**

*Refer to the Disability Buy-Out (form 3200) – Optional Benefits – Future Increase Option section for details.*

**Future Increase Option Exercises from Policy Form AH84**

Option dates are every policy anniversary until the rider expiry date as outlined in the insured’s contract, with the last option occurring on the anniversary nearest the insured’s contract age of 50. Applications to exercise an FIO may be submitted 31 days before or after an option date, along with required financial requirements. For FIOs issued from policy form AH84 where the originating policy was issued with the Preferred Risk discount, the Preferred Risk Class will apply instead. For further information, contact Underwriting.

**Financial Requirements**

To exercise the Future Increase Option/Future Purchase Option, complete the appropriate application and submit financial requirements as outlined below:

**FINANCIAL REQUIREMENTS – DISABILITY BUY-OUT**

Type of Business	Documentation Required
Professional/Personal Services Business	Three years of corporate tax returns are required for all amounts
Commercial Business	Two years of corporate tax returns are required for all amounts

*NOTES: Personal Financial Information section must be completed on all applications. Additional financial documentation may be required whenever financial history dictates.*

**All Products****Licensing Requirements**

All licensing, appointment and solicitation procedures, as outlined in the “Additional Information” section of this manual, apply to exercises of Future Increase Option, Future Purchase Option, and Group Disability Replacement options.

**Contract State**

All rules regarding contracting state as outlined under the “Additional Information” section of this manual, apply to exercises of the Future Increase Option, Future Purchase Option, or Group Disability Replacement options. However, if the policyowner has moved since the original policy was issued, the client can request that the contract state be either the original contract state or the new state of residence or employment.

**Dating Rules**

Future Increase Option/Future Purchase Option/Benefit Purchase – The policy date will be the anniversary day of the original contract. If the policy is part of a list billing, the policy “day” will be the same as the list billing day.

Group Disability Replacement – The policy date will be the date employment terminates or the date the group LTD plan ends and is not replaced.

**Guidelines for Mapping of Occupation Classes for FIO/FPO/GDR Exercises**

The following mapping will be used for successful exercises of pre-merger Berkshire Future Purchase Options (policy numbers with an “H” prefix):

<b><u>BLICO Classification</u></b>	<b><u>Policy Forms 1400, 1500, 1600, 3200, &amp; 4200 Occupation Classification</u></b>
Limited Issue Plus (LI+)(P)	Class 6 or 6M
Limited Issue (LI)(L)	Class 5 or 5M
Class 1	Class 4 or 4M
Class 2	Class 3 or 3M
Class 3*	Class 2 or 2M
Class 4*	Class 1 or 1M

The following mapping will be used for successful exercises of Future Increase, Future Purchase, and Group Disability Replacement Options from policy numbers with a “G” or “Z” prefix:

<b><u>BLICOA/Guardian Classification</u></b>	<b><u>Policy Forms 1400, 1500, 1600, 3200 &amp; 4200 Occupation Classification</u></b>
Class 6	Class 6 or 6M
Class 5	Class 5 or 5M
Class 4	Class 4 or 4M
Class 4P	Class 3M
Class 3	Class 3 or 3M
Class 2*	Class 2 or 2M
Class 1*	Class 1 or 1M

\* not available for 3200 and 4200 policy forms.