

**STANDARD INSURANCE COMPANY**  
Home Office: P.O. Box 711, Portland, Oregon 97207  
800-247-6888

INSURED: \_\_\_\_\_

POLICY NUMBER: \_\_\_\_\_

**INDIVIDUAL DISABILITY INCOME INSURANCE  
OUTLINE OF COVERAGE**

**READ YOUR POLICY CAREFULLY**

This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and Standard Insurance Company. It is, therefore, important that you READ YOUR POLICY CAREFULLY!

**DISABILITY INCOME INSURANCE COVERAGE**

This is an individual disability income insurance policy. This category of coverage is designed to provide benefits for Disability resulting from a covered Injury or Sickness, subject to any exclusions and limitations set forth in the policy. Benefits do not cover surgical, hospital, or medical expenses.

Date \_\_\_\_\_

Sales Producer \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Telephone \_\_\_\_\_

## POLICY BENEFITS

**Disability Benefits** are the monthly benefit payment(s) for Total Disability or Partial Disability. Benefits begin on the Commencement Date. This is the next day immediately following completion of the the Benefit Waiting Period.

The **Benefit Waiting Period** is the period, measured from the first day of your Disability, throughout which you must be Disabled before Disability Benefits become payable. The Benefit Waiting Period is shown on the Policy Data Page.

The **Maximum Benefit Period** is the maximum period of time we will pay benefits for any one Disability.

**Commencement Date:** \_\_\_\_\_ Day of Disability

**Basic Monthly Benefit:** \$ \_\_\_\_\_

**Maximum Benefit Period:** \_\_\_\_\_

**BENEFIT FOR TOTAL DISABILITY** – You will be eligible for a Disability Benefit during your Total Disability. The Disability Benefit payable each month will equal the Basic Monthly Benefit.

**Total Disability/Totally Disabled** means that due to your Injury or Sickness you are unable to perform with reasonable continuity the Substantial And Material Acts necessary to perform your Own Occupation in the usual and customary way.

**Substantial And Material Acts** means the usual duties that are essential to your ability to perform in your Own Occupation.

**Own Occupation** means the occupation or occupations which you are regularly engaged in at the time your Disability begins. If you have limited your practice to a professionally recognized specialty in medicine or law, then that specialty will be deemed your Own Occupation.

**BENEFIT FOR PRESUMPTIVE DISABILITY** – We will consider you to be Totally Disabled if your Injury or Sickness causes you to totally and permanently lose one of the following: speech; hearing in both ears not restorable by hearing aids; sight in both eyes; use of both hands; use of both feet; or use of one hand and one foot. There is no Benefit Waiting Period if you become Presumptively Disabled.

**BENEFITS FOR PARTIAL DISABILITY** – If you are not Totally Disabled, you may be eligible for Disability Benefits for your Partial Disability. During the **Initial Period of Partial Disability**, after you have satisfied the Benefit Waiting Period, the Disability Benefit will equal the Basic Monthly Benefit, regardless of your Monthly Earnings. During the **Extended Partial Disability** period, the amount of Disability Benefit will depend on your Monthly Earnings.

For benefits to be payable in each period, you must meet the definition of Partial Disability applicable to that period.

**Initial Period of Partial Disability:** This is the Benefit Waiting Period and the first six months that Disability Benefits are payable for Partial Disability. During this period, Partial Disability means you are not Totally Disabled and:

- You are working in your Own Occupation or any other occupation; and
- Due to your Injury or Sickness, you have a Loss Of Duties, or a Loss Of Time, or a Loss Of Income.

**Loss Of Duties** means you are able to perform some but not all Substantial And Material Acts.

**Loss of Time** means you are able to do all Substantial And Material Acts but unable to do them for at least 20% of the time you spent in your Own Occupation prior to the date of Disability

**Loss of Income** means that your Monthly Earnings is 80% or less of your Indexed Predisability Earnings.

**Extended Partial Disability:** After the Initial Period, Partial Disability means you are not Totally Disabled and:

- You are working in your Own Occupation or any other occupation; and
- Due to your Injury or Sickness, you have a Loss Of Income.

During Extended Partial Disability, the amount of Disability Benefit will depend on your Monthly Earnings. If your Monthly Earnings is:

- Less than 20% of your Indexed Predisability Earnings, the Disability Benefit will equal the Basic Monthly Benefit.
- 20% to 80% of your Indexed Predisability Earnings, the Disability Benefit will equal:  
$$\frac{\text{your Loss Of Earnings for that month}}{\text{your Indexed Predisability Earnings}} \times \text{the Basic Monthly Benefit}$$
- More than 80% of your Indexed Predisability Earnings, no Disability Benefit is payable.

**RECOVERY BENEFIT** – Immediately after you have Recovered from your Disability, we will pay a Recovery Benefit if you experience a Loss Of Income and that Loss Of Income is solely the result of the previous Injury or Sickness that caused your Disability. The amount of Recovery Benefit will be determined by the formulas set forth for Extended Partial Disability provision.

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

- You no longer experience a Loss Of Income;
- Your Loss Of Income is no longer solely the result of the Injury or Sickness that caused your Disability;
- You become Disabled;
- The Maximum Benefit Period ends;
- The policy terminates.

**REHABILITATION PROGRAM** – While you are Disabled, you may participate in a Rehabilitation Program to help you prepare for your return to full time work. The program is voluntary. We will pay the reasonable costs of the Program and periodically review your progress. We will continue to pay the agreed upon costs for as long as we determine the Rehabilitation Program is meeting the mutually agreed upon objectives.

**PREMIUM WAIVER BENEFIT** – We will waive all premiums due under this policy while Disability Benefits or Recovery Benefits are payable. After completion of the Benefit Waiting Period, we will refund to the Owner any premium due and paid after the date your Disability began.

**COMPASSIONATE DISABILITY BENEFIT** – We will pay a Compassionate Disability Benefit while:

- you are working at least 20% fewer hours in order to care for your Loved One while he or she has a Serious Health Condition; and
- your Monthly Earnings is at least 20% less than your Predisability Earnings due to that reduction in hours worked; and
- you are not Disabled; and
- no other benefit is payable under this policy.

**Loved One** means your parent, child (including an adopted child and stepchild), spouse, Domestic Partner, and child of your Domestic Partner.

**Serious Health Condition** means that due to your Loved One's Injury or Sickness, he or she:

- is receiving inpatient care in a hospital, hospice or residential medical care facility; or
- requires Substantial Supervision for his or her health or safety due to Severe Cognitive Impairment; or
- is unable to safely and completely perform two or more Activities Of Daily Living without assistance; or
- is terminally ill with a condition that is reasonably expected to result in death within 12 months.

For a Compassionate Disability Benefit to be payable, the Serious Health Condition must be caused by an Injury or Sickness that first occurs after the Policy Effective Date and before the Termination Date. The Benefit Waiting Period is measured from the day the Serious Health Condition begins. The maximum amount of Compassionate Disability Benefit we will pay for all claims and all Loved Ones is limited to a total amount equal to six times the Basic Monthly Benefit.

The amount of Compassionate Disability Benefit we will pay each month will depend on your Monthly Earnings. If your Monthly Earnings is:

- Less than 20% of your Indexed Predisability Earnings, the benefit amount will equal the Basic Monthly Benefit.
- 20% to 80% of your Predisability Earnings, the benefit amount will equal:  
$$\frac{\text{your Predisability Earnings} - \text{your Monthly Earnings}}{\text{your Predisability Earnings}} \times \text{the Basic Monthly Benefit}$$
- More than 80% of your Indexed Predisability Earnings, no Compassionate Disability Benefit is payable.

**AUTOMATIC INCREASE BENEFIT** – This benefit provides for Automatic Increases to the Basic Monthly Benefit, compounded each year during the Increase Period. You are eligible for this benefit if your Issue Age is under age 60. Evidence of insurability is not required. Each Automatic Increase is an amount equal to 4% of the Basic Monthly Benefit. That amount is added to the Basic Monthly Benefit on each Policy Anniversary during an Increase Period.

An **Increase Period** is a period of five consecutive years during which an Automatic Increase can occur. The first Increase Period begins on the day after the Policy Effective Date and it ends on the fifth Policy Anniversary. The Owner may apply for additional Increase Periods. If you are over age 55 at the start of any Increase Period, that Increase Period will be the number of years between the start of the Increase Period and the Increase Date next following your 60<sup>th</sup> birthday.

**SURVIVOR BENEFIT** – If you die while the benefit for Total Disability is being paid, we will pay a benefit to the Owner or the Owner's estate. The benefit will be paid for three months. Each benefit payment will equal the Basic Monthly Benefit.

## **EXCLUSIONS AND LIMITATIONS**

### **EXCLUSIONS FROM COVERAGE**

We will not pay benefits for:

- Disability due to an act of War or act incident to War. War includes any declared or undeclared War, whether civil or international, involving nations and/or sovereign territories. Acts of War or acts incident to War do not include acts of terrorism, so long as such acts are isolated in nature and unrelated to and not arising from War, as defined above.
- The first 90 days of your Disability due to pregnancy or childbirth.
- Disability caused or contributed to by your committing or attempting to commit a felony.
- Disability caused or contributed to by your actively participating in a riot. "Actively participating" does not include your being at the scene of a riot while performing your official duties.
- Intentionally self-inflicted Injury.
- Any Disability or condition we have excluded by name or specific description in an endorsement made part of the policy.

### **PRE-EXISTING CONDITIONS**

Benefits for a Disability caused or substantially contributed to by a Pre-existing Condition, or by a medical or surgical treatment of a Pre-existing Condition, will be payable only if on the date you become Disabled, the policy has been continuously in force of 24 consecutive months.

**Pre-existing Condition** means any physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in your application for which, during the 365 days immediately prior to the Policy Effective Date:

- You have received a Physician's advice, treatment or services; or
- A reasonably prudent person would have sought medical advice, care or treatment.

If during the first two years the policy is in force, we find that any answer in your application is misstated, incorrect or incomplete: we may rescind the policy or deny a claim for Disability starting within the two-year period.

**LIMITATION FOR RESIDENCE OUTSIDE THE UNITED STATES AND CANADA** – Payment of Disability Benefits is limited to 12 months for each period of continuous Disability while you reside outside of the United States or Canada.

## **POLICY RENEWABILITY**

**GUARANTEED RENEWABLE** – If all required premiums are paid, the policy is guaranteed renewable to the Termination Date. We cannot change any part of the policy, except its premium, until the Termination Date. We can change the premium rates only: (1) after the policy has been in force for three years; and (2) if the change applies to all policies with like benefits insuring the same Risk Class. The policy ends on the Termination Date, except as provided by the Renewal Option (below). The Termination Date is shown on the Policy Data page.

**RENEWAL OPTION** – If you are not Disabled, Disability coverage may be continued beyond the Termination Date. Coverage will be for Total Disability only. There will be a limited benefit period. You must be actively and regularly employed for at least 30 hours per week. We may change premium rates.

**PREMIUMS** – Premiums may be paid under any of these modes: annual, semi-annual, or quarterly. We may allow for payment under a special monthly mode. The special mode premium is paid through your bank. There is a 31-day grace period for all premiums due except the first.

The annual premium for this policy is \$\_\_\_\_\_. If premiums are payable under a different mode, the premium for that mode is:

[Special Monthly] [Quarterly] [Semi-Annual] \$\_\_\_\_\_

## **DEFINITIONS**

These definitions apply to both the policy and this outline of coverage. Other terms are defined in the policy.

**Disability/Disabled** means that you are either Totally Disabled or Partially Disabled.

**Indexed Predisability Earnings** means your Predisability Earnings adjusted by the applicable rate of increase in the average Consumer Price Index For All Urban Consumers (CPI-U).

**Injury** means an accidental bodily injury which is sustained after the Policy Effective Date and while this policy is in force.

**Owner** means the owner of the policy.

**Policy Anniversary** means the anniversary of the Policy Effective Date occurring each year the policy remains in force.

**Predisability Earnings** means the sum of your highest Annual Earnings for any two full tax years within the three full tax years preceding the date of your Disability or your Loved One's Serious Health Condition began, divided by 24.

**Sickness** means an illness or disease which first manifests itself after the Policy Effective Date and while this policy is in force.

**Termination Date** means the date the policy ends, unless it ended earlier. This date is shown on the Policy Data page.

**We/us/our** mean Standard Insurance Company.

**You/your** mean the Insured.

**THIS OUTLINE OF COVERAGE IS ONLY A SUMMARY OF THE COVERAGE PROVIDED BY THE POLICY. THIS OUTLINE IS NOT THE CONTRACT AND IS NOT PART OF IT. SEE THE POLICY FOR THE ACTUAL CONTRACT PROVISIONS.**