

Oregon Educators Benefit Board



Open Enrollment 2010

Group Life, Accidental Death and Dismemberment (AD&D),
Short Term Disability and Long Term Disability Insurance



The Standard

The Standard offers Life, Accidental Death and Dismemberment (AD&D), Short Term Disability (STD) and Long Term Disability (LTD) coverages to educational entities throughout the state of Oregon.

Rates for all Standard plans will remain unchanged on October 1, 2010, unless your salary changed or you or a covered spouse or domestic partner moved into another age band.

Not all educational entities have chosen to offer these benefits. If you are unsure whether you have these benefits available to you, please check the MyOEBB enrollment system, your educational entity, or with OEBB.



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The Standard is a national provider of employee benefits based in Portland, OR. In partnership with OEBB, The Standard offers group Life insurance, Accidental death and dismemberment, Short Term Disability and Long Term Disability coverage to educational entities throughout the state of Oregon.

We are happy to announce that the rates for all Standard plans will remain unchanged for the 2010-11 plan year. The only increases that may affect your premiums will be due to any changes to your salary, if you have one of the salary-based employee-paid disability benefits, or if you or a covered spouse or domestic partner moved into another age band and you have the optional life coverage.

Not all educational entities have chosen to offer these benefits. If you are unsure whether you have coverage available to you, please check in the MyOEBB system, contact your educational entity, or OEBB.

Guarantee Issue

The Standard is extending the eligibility for guarantee issuance for Optional Life, Voluntary Short Term Disability (STD) and Voluntary Long Term Disability (LTD).

Coverage can be selected without an applicant having to provide proof of insurability (including medical history).



During this enrollment period only, The Standard is extending the eligibility for guarantee issue coverage for Optional Life, Voluntary Short Term Disability and Voluntary Long Term Disability.

In general, this means that coverage can be selected (up to a particular amount) without an applicant having to provide proof of insurability and a medical history statement. The specifics regarding this open enrollment are detailed in each coverage description that follows.



Life and Accidental Death and Dismemberment (AD&D) Insurance



Need for Life and Accidental Death and Dismemberment (AD&D) Insurance

- Life and AD&D coverage protects loved ones against the adverse financial impact that unexpected loss of life or dismemberment has upon a household.
- Spouses, partners and children most often need financial support for a period of time (typically 2 or 3 years) in order to recover emotionally and adjust to the loss of the deceased's income.

Life and accidental death and dismemberment coverage protects loved ones against the adverse financial impact that unexpected loss of life or dismemberment has upon a household.

Spouses, partners and children most often need financial support for a period of time, typically 2 or 3 years, to recover emotionally and adjust to the loss of the deceased's income.

Need for Life and Accidental Death and Dismemberment (AD&D) Insurance

Common expenses needing financial support:

- Funeral/Burial
- Medical expenses
- Nursing Home
- Mortgage
- Auto Loan
- Career Training/Education
- Child Care
- College



Common expenses needing financial support are: funeral/burial, medical, nursing home, mortgage, auto loan, career training/education, child care and college.

Basic Life Insurance

Benefit

Basic Life Benefit Amount – Plan varies by educational entity and employee classification*

Each plan provides coverage as either:

- Flat Amount (such as \$10,000 or \$50,000), or
- Multiple of Salary (such as 1 times annual salary)

*Not all educational entities or employee classifications have this benefit. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage.



Basic Life benefit plans vary by educational entity and employee classification. Not all educational entities or employee classifications have this benefit. Each Basic Life plan provides equal coverage to all eligible employees of the same employee classification as either: a flat amount, such as \$10,000 or \$50,000, or a multiple of your salary. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage.

Basic Accidental Death and Dismemberment (AD&D) Insurance

Benefit

Basic AD&D Benefit Amount – Plan varies by educational entity and employee classification*

Each plan provides coverage as either:

- Flat Amount (such as \$10,000 or \$50,000), or
- Multiple of Salary (such as 1 times annual salary)

*Not all educational entities or employee classifications have this benefit. Check the MyOEBB enrollment system to verify coverage, the plan number and amount of coverage.



Basic accidental death and dismemberment benefit plans vary by educational entity and employee classification. Not all educational entities or employee classifications have this benefit. Each Basic accidental death and dismemberment plan provides equal coverage to all eligible employees of the same employee classification as either: a flat amount, such as \$10,000 or \$50,000, or a multiple of your salary. Check the MyOEBB enrollment system to verify coverage, the plan number and amount of coverage.

Optional Employee Life Insurance (Employee-Paid)

Benefit Amount: Employee can choose Optional Life Insurance with benefit values ranging from \$10,000 to \$500,000 in increments of \$10,000

Guarantee Issue (GI): \$200,000 if electing when first eligible

During this enrollment period only, employees with current amounts less than the \$200,000 guarantee issue (GI) or no amounts at all, can elect up to the \$200,000 GI without providing a medical history statement.

During future enrollment periods, employees with at least \$10,000 of Optional Life insurance can choose an additional \$30,000 during **any** annual enrollment period without submitting medical history, until the \$200,000 guarantee issue amount is reached.



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Eligible employees can choose Optional Life Insurance with benefit values ranging from \$10,000 to \$500,000 in increments of \$10,000. The guarantee issue amount for employees is \$200,000, if electing when first eligible. During this Open Enrollment period only, employees with current amounts less than the \$200,000 guarantee issue amount or no amounts at all, can elect up to the \$200,000 guarantee issue without providing a medical history statement. During future enrollment periods, employees with at least \$10,000 of Optional Life insurance can choose an additional \$30,000 during any annual enrollment period without submitting a medical history statement, until the \$200,000 guarantee issue amount is reached.

Optional Spouse/Partner Life Insurance (Employee-Paid)

Benefit Amount: Employee can elect Optional Life coverage on their spouse/partner. Benefit values range from \$10,000 to \$500,000, in increments of \$10,000. However, the value of the spouse/partner's coverage cannot exceed the value of the employee's Optional Life coverage amount.

Guarantee Issue: \$30,000 if electing when first eligible

During this enrollment period only, employee can elect up to the \$30,000 GI amount on their spouse/partner without medical history being provided by the person insured.

During future enrollment periods, medical history will be required for all increases of Optional Spouse/Partner Life coverage.



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Eligible employees can elect Optional Life coverage on their spouse or domestic partner. Benefit values range from \$10,000 to \$500,000, in increments of \$10,000. However, the value of the spouse or domestic partner's coverage cannot exceed the value of the employee's Optional Life coverage amount. The guarantee issue for spouse or domestic partners is \$30,000, if electing when first eligible. During this enrollment period only, employees can elect up to the \$30,000 guarantee issue amount on their spouse or domestic partner without medical history being provided by the person insured. During future enrollment periods, a medical history statement will be required for all increases of Optional Spouse or domestic partner Life insurance.

Optional Child Life Insurance (Employee-Paid)

An employee can cover their eligible dependent children with Optional Child Life coverage. Coverage is available in increments of \$2,000 to a maximum of \$10,000 per child. All amounts are guarantee issue during this open enrollment period.

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Eligible employees can cover their eligible dependent children with Optional Child Life coverage. Coverage is available in increments of \$2,000 to a maximum of \$10,000 per child. All amounts are guarantee issue during this open enrollment period. The premium cost for Optional Child Life is the same whether insuring a single child or multiple children.

Optional Accidental Death and Dismemberment (AD&D) Insurance (Employee-Paid)

Optional Employee AD&D

Employee can elect Optional AD&D coverage with benefit values ranging from \$10,000 to \$500,000, in increments of \$10,000. All amounts are guarantee issue.

Optional Spouse/Partner AD&D

Employee can elect Optional AD&D coverage on their spouse/partner. Benefit values range from \$10,000 to \$500,000, in increments of \$10,000. All amounts are guarantee issue. However, the value of the spouse/partner's coverage cannot exceed the value of the employee's Optional AD&D coverage amount.



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Eligible employees can elect Optional accidental death and dismemberment coverage with benefit values ranging from \$10,000 to \$500,000, in increments of \$10,000. All amounts are guarantee issue.

Eligible employees can elect Optional accidental death and dismemberment coverage on their spouse or domestic partner. Benefit values range from \$10,000 to \$500,000, in increments of \$10,000. All amounts are guarantee issue. However, the value of the spouse or domestic partner's coverage cannot exceed the value of the employee's Optional accidental death and dismemberment coverage amount.

Optional Accidental Death and Dismemberment (AD&D) Insurance (Employee-Paid)

Optional Child AD&D

Employee who enrolls in Optional AD&D coverage can also elect to cover their eligible dependent children with Optional Child AD&D. Coverage is available in increments of \$2,000 to a maximum of \$10,000 per child. All amounts are guarantee issue.

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Eligible employees who enroll in Optional accidental death and dismemberment coverage can also elect to cover their eligible dependent children with Optional Child accidental death and dismemberment. Coverage is available in increments of \$2,000 to a maximum of \$10,000 per child. All amounts are guarantee issue. The premium cost for Optional Child accidental death and dismemberment is the same whether insuring a single child or multiple children.



Long Term Disability Insurance



Need for Disability Insurance

- Disability insurance provides income replacement when insured employees experience a covered illness, injury or pregnancy.
- The coverage can help with financial obligations, such as mortgage or rent payments, that continue even when an employee can't work — expenses that health insurance won't cover.
- The incidence of disability is greater than most people think.

Consider these statistics:

- Almost one-third of Americans entering the work force today (3 in 10) will become disabled before they retire. - Social Security Administration, Fact Sheet, January 31, 2007
- Over 51 million Americans – 18% of the population – are classified as disabled. - U.S. Census Bureau, November 2008
- Once someone has been disabled for 90 days, the average length of their disability is two years - Commissioners Group Disability Basic Table, Society of Actuaries, 1987

The risk of disability is clear and so is the need for disability insurance.



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Disability insurance provides income replacement when insured employees experience a covered illness, injury or pregnancy. The coverage can help with financial obligations, such as mortgage or rent payments that continue even when an employee can't work including expenses that health insurance won't cover. The incidence of disability is greater than most people think.

Here are some statistics when considering the likelihood of becoming disabled:

Almost one-third of Americans entering the work force today (3 in 10) will become disabled before they retire.

Over 51 million Americans – 18% of the population – are classified as disabled.

Once someone has been disabled for 90 days, the average length of their disability is two years.

The risk of disability is clear and so is the need for disability insurance.

The Causes of Disability May Not Be What You Think

Disability can be caused by an accident, but most disabilities are caused by common illness.

Major causes include

- Heart disease
- Back problems
- Diabetes
- Cancer

Also, most disabling accidents occur off the job, thus not subject to workers compensation coverage.

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Disability can be caused by an accident, but most disabilities are caused by common illness. Major causes include: heart disease, back problems, diabetes, and cancer. Also, most disabling accidents occur off the job, thus not subject to workers compensation coverage.

Disability Insurance is Part of Smart Financial Planning

Can't you depend on:

Worker's Compensation?

- Only available for job-related sickness or injury
- Nearly two-thirds of disabling injuries to workers each year occur off the job – (*National Safety Council, "Injury Facts," 2005-2006 edition*)

Social Security disability payments?

- The definitions of eligible disability are very strict
- Benefit waiting period is six months
- Many denied the first time they apply; process can take years
- If approved, income replacement level is not adequate

Pension Plan disability payments?

- Usually based on total and permanent disability
- Benefit payment may drain-down retirement benefit amount, money needed post retirement



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Can't you depend on *Worker's Compensation, Social Security Disability and Pension Plan* disability payments?

Worker's Compensation is only available for job-related sickness or injury. Nearly two-thirds of disabling injuries to workers each year occur off the job.

The Social Security definition of disability is very strict requiring a disabled person to: be totally disabled, have worked and paid social security taxes long enough to qualify, have a serious medical condition expected to last at least 12 months or result in death. The benefit waiting period for social security disability is six months but many are denied the first time they apply. It can take years to receive social security disability. If approved, the income replacement level is not adequate.

Pension plan disability payments are usually based on total and permanent disability. There is a good chance the benefit payment drains-down the retirement benefit amount, money which is needed for actual retirement years.

Long Term Disability (LTD) Insurance

Benefits

LTD – Plan varies by educational entity and employee classification*

*Not all educational entities or employee classifications have this benefit. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage.

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Long term disability benefit plans vary by educational entity and employee classification. Not all educational entities or employee classifications have this benefit. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage, or contact your educational entity or OEBS.

Long Term Disability (LTD) Insurance

Benefits

Each LTD plan is one of the following:

- “**Voluntary**” means the employee pays all or part of the premium cost for the insurance. Plans 1 through 6 are voluntary plans.
- “**Mandatory/Employer-Paid**” means the Employer pays the entire premium cost, thus all eligible employees are automatically enrolled in the plan. Plans 7 through 12 and 19 through 22 are Mandatory/Employer-Paid.
- “**Mandatory/Employee-Paid**” means all eligible employees are required to be enrolled in the plan and the employee pays the entire premium cost. Plans 13 through 18 and 23 through 26 are Mandatory/Employee-Paid.



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Each Long term disability plan is either: Voluntary, Mandatory/Employer-Paid or Mandatory/Employee-Paid. Voluntary means the employee pays all or part of the premium cost for the insurance. Plans 1 through 6 are voluntary plans. Mandatory/Employer-Paid means the employer pays the entire premium cost, thus all eligible employees are automatically enrolled in the plan. Plans 7 through 12 and 19 through 22 are Mandatory/Employer-Paid. Mandatory/Employee-Paid means all eligible employees are required to be enrolled in the plan and the employee pays the entire premium cost. Plans 13 through 18 and 23 through 26 are Mandatory/Employee-Paid.

Long Term Disability (LTD) Insurance

Benefits

LTD plan includes one each of the following:

- Maximum Benefit Amount (per month before reduction by Deductible Income*)
 - \$2,000, \$4,000, \$6,000 or \$8,000
- Benefit Percentage (based on monthly predisability earnings)
 - 50% up to the maximum benefit amount
 - 60% up to the maximum benefit amount
 - 66 $\frac{2}{3}$ % up to the maximum benefit amount
- Benefit Waiting Period
 - 60 or 90 days
- Maximum Benefit Period: to age 65 or age-graded to Social Security Normal Retirement Age

*Deductible Income is others sources of income such as workers comp, social security and PERS.

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Each Long term disability plan includes a maximum benefit, benefit percentage, benefit waiting period and maximum benefit period. The maximum benefit amount per month (before reduction by deductible income) is either: \$2,000, \$4,000, \$6,000 or \$8,000. Deductible income means other sources of income such as workers comp, social security and PERS. The benefit percentage, based on monthly pre-disability earnings, is either: 50%, 60% or 66 2/3%. The benefit waiting period is 60 or 90 days. The maximum benefit period is to age 65 or age-graded to Social Security Normal Retirement Age.

Voluntary LTD Insurance (Guarantee Issue)

During this enrollment period only, an employee that is eligible but yet not enrolled in Voluntary LTD can elect coverage without providing medical history

During future enrollment periods, an employee that is eligible but not yet enrolled in Voluntary LTD will be required to provide medical history and be approved for coverage



During this enrollment period only, an employee eligible but not yet currently enrolled in Voluntary Long term disability can elect coverage without providing medical history. During future enrollment periods, an employee who was previously eligible and had not enrolled in Voluntary Long term disability can elect coverage, but will be required to provide medical history and be approved for coverage.

Why Select Voluntary LTD?

LTD covers a percentage of regular monthly earnings in the event of a covered disability.

Without LTD coverage, a disabled employee may have to exhaust savings, sick leave and retirement funds.

LTD covers both occupational and non-occupational injuries and sickness thus providing 24-hour protection.

LTD can be a supplement to other income sources such as PERS and Social Security providing a coordinated foundation of income replacement, or paying when the other sources don't.



Long term disability covers a percentage of regular monthly earnings in the event of a covered disability. Without Long term disability coverage, a disabled employee may have to use their savings, sick leave and retirement funds to replace income. Long term disability covers both occupational and non-occupational injuries and sickness thus providing 24-hour protection. Long term disability can be a supplement to other income sources such as PERS and Social Security providing a coordinated foundation of income replacement, or paying when the other sources don't.



Short Term Disability Insurance



Short Term Disability (STD) Insurance

Benefits

STD – Plan varies by educational entity and employee classification*

*NOTE: Not all educational entities or employee classifications have this benefit. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage, or call your educational entity or OEBS.”

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Short term disability benefit plans vary by educational entity and employee classification. Not all educational entities or employee classifications have this benefit. Check the MyOEBS enrollment system to verify coverage, the plan number and amount of coverage.

Short Term Disability (STD) Insurance

Benefits

Each STD plan is one of the following:

- “**Voluntary**” means the employee pays all or part of the premium cost for the insurance. Plans 1 through 18 are voluntary plans.
- “**Mandatory/Employer-Paid**” means the Employer pays the entire premium cost, thus all eligible employees are automatically enrolled in the plan. Plans 19 through 36 are Mandatory/Employer-Paid.
- “**Mandatory/Employee-Paid**” means all eligible employees are required to be enrolled in the plan and the employee pays the entire premium cost. Plans 37 through 54 are Mandatory/Employee-Paid.



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Each Short term disability plan is either: Voluntary, Mandatory/Employer-Paid or Mandatory/Employee-Paid. Voluntary means the employee pays all or part of the premium cost for the insurance. Plans 1 through 18 are voluntary plans. Mandatory/Employer-Paid means the Employer pays the entire premium cost, thus all eligible employees are automatically enrolled in the plan. Plans 19 through 36 are Mandatory/Employer-Paid. Mandatory/Employee-Paid means all eligible employees are required to be enrolled in the plan and the employee pays the entire premium cost. Plans 37 through 54 are Mandatory/Employee-Paid.

Short Term Disability (STD) Insurance

Benefits

STD plans include one each of the following:

- Maximum Benefit Amount: \$1,500 per week before reduction by Deductible Income*
 - Benefit Percentage (based on weekly predisability earnings)
 - 60% of the first \$2,500
 - 66 $\frac{2}{3}$ % of the first \$2,250
 - 70% of the first \$2,143
 - Benefit Waiting Period
 - 7, 14 or 30 days
 - Maximum Benefit Period
 - 60 or 90 days
- *Deductible Income is others sources of income such as workers comp, social security and PERS.

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Each Short term disability plan includes a maximum benefit, benefit percentage, benefit waiting period and maximum benefit period. The maximum benefit amount is \$1,500 per week before reduction by Deductible Income. Deductible Income is others sources of income such as workers comp, social security and PERS. The benefit percentage, based on weekly predisability earnings, is either: 60%, 66 2/3% or 70%. The benefit waiting period is either: 7, 14 or 30 days. The maximum benefit period is 60 or 90 days.

Voluntary STD Insurance (Penalty Waiver)

During this open enrollment period only, the Late Enrollment Penalty (LEP) for Voluntary STD will be waived. Coverage can be elected with all coverage provisions applying without restriction.

During future enrollment periods, an employee previously eligible but not enrolled for Voluntary STD can elect coverage, but will be subject to a 60-day Benefit Waiting Period applying to disabilities caused by illness and pregnancy (if disability occurs within the first 12 months of coverage)

- Accidents are not subject to the Late Enrollment Penalty

During this open enrollment period only, the Late Enrollment Penalty (LEP) for Voluntary Short term disability will be waived. Coverage can be elected with all coverage provisions applying without restriction. During future enrollment periods, an employee previously eligible but not enrolled for Voluntary Short term disability can elect coverage, but will be subject to a 60-day benefit waiting period applying to disabilities caused by illness and pregnancy, if disability occurs within the first 12 months of coverage. Accidents are not subject to the Late Enrollment Penalty.

Why select Voluntary STD?

- Covers non-occupational injuries and sickness (workers' comp covers occupational). Most disabilities occur off the job.
- Disability due to pregnancy is covered.
- STD can provide needed income replacement to fill the gap between sick leave expiring and LTD becoming payable.

Voluntary short term disability covers non-occupational injuries and sickness. Workers' compensation covers occupational injuries. Most disabilities occur off the job. Disability due to pregnancy is covered. Short term disability can provide needed income replacement to fill the gap between sick leave expiring and long term disability becoming payable.

Questions?



Visit The Standard's dedicated OEGB website at
www.standard.com/mybenefits/oebb

Call The Standard's dedicated OEGB Customer Service Department
at 866.756.8115 (TTY), 8:00 a.m. to 5:00 p.m. Pacific Time

Or visit OEGB's website at www.oregon.gov/DAS/OEGB/



Additional information is available via The Standard or OEGB's websites shown here. You can also call The Standard at (866) 756-8115 or OEGB's Member Services line (888) 4My-OEGB.