

# Educator Income Security for Maine Education Association

## Horace Mann Life Insurance Company disability income insurance

You probably have insurance for your car, home and life. But have you ever thought about protecting your ability to earn an income? A disability can strike at any time and be financially overwhelming.

Day-to-day expenses and bills continue even if your salary doesn't. You may already have a disability plan, but is it enough? Horace Mann Life Insurance Company (Horace Mann) has disability income insurance just for educators that can help assure you'll have an income if you become **totally disabled** due to a covered bodily injury, sickness or pregnancy.

At Horace Mann, our goal is to serve the educational community by providing personalized service, advice and a full range of tailored insurance and financial products.

### Total disability

*This means you are unable to perform the essential duties of your occupation, and as a result, you are earning less than 20% of your covered earnings (unless engaged in an approved rehabilitative employment program). The long-term disability plans also state that after satisfaction of the elimination period plus 24 months, total disability means you are not able to perform the essential duties of any occupation for which you are qualified by education, training or experience.*

### You need security – Educator Income Security

Educator Income Security (EIS) is a disability income insurance policy just for Maine Education Association that provides a monthly benefit to help provide you with income if you are totally disabled due to a covered bodily injury, sickness or pregnancy.

With EIS, if you are totally disabled and you have income from other sources (Social Security, your state's disability income coverage, etc.), you can still receive a guaranteed monthly benefit. You can choose a minimum benefit of \$100 or the greater of \$100 or 10% of your gross monthly benefit with our Five-Year and To-Age-65 plans. (Refer to "Other income benefits (offsets)" on the following pages for more information.)

EIS coverage is available in \$100 increments from \$500 through \$5,000 (not to exceed 60% of your salary). Benefits are paid directly to you to be used at your discretion.

### Eligibility

You are eligible to apply for this EIS insurance if you are actively working at least 17.5 hours a week in the field of education and are a member of the Maine Education Association.

### EIS plans available

EIS allows you to choose from several plans so your coverage can be customized to best suit your individual needs. Within these plans, pregnancy is treated the same as any other disability. With our Two-Year, Five-Year and To-Age-65 plans, you don't have to pay premiums while you're receiving benefit payments. Choose from among the following plans and features.



## Short-term plan

### Two-Year Plan

With our Two-Year Plan, you have a choice of a 30-, 60- or 90-day elimination period. No medical underwriting is needed for coverage amounts of \$2,500 per month or less. There is no offset provision for this plan. If you are age 70 or older when you become disabled, we will pay a benefit for up to one year, as long as you are eligible for benefits.

### Pre-existing condition

Under the Two-Year plan, total disability due to pre-existing conditions is not covered when the disability starts within the first 24 months after your effective date of coverage. A pre-existing condition is any accidental bodily injury, sickness, mental illness, pregnancy, or episode of substance abuse for which you received medical care during the 24-month period that ends the day before your effective date of coverage or the effective date of a change in coverage; or any manifestations, symptoms, findings, or aggravations related to or resulting from such accidental bodily injury, sickness, mental illness, pregnancy, or substance abuse for which you received medical care during the 24-month period that ends the day before your effective date of coverage or the effective date of a change in coverage.

### Elimination period

The period of time which the insured must satisfy, at the beginning of the disability, during which time no benefits are payable.

## Long-term plans

Both our Five-Year and To-Age-65 EIS plans include a **Family Care Credit Benefit**, a **partial disability** benefit and provide **vocational rehabilitation** and **rehabilitative employment** features. Medical underwriting is required for coverage. These plans provide a choice of **direct offset** and **all-sources offset** provisions.

### Five-Year Plan

You have a choice of a 30-, 60-, 90- or 180-day elimination period. We will pay benefits for up to five years but not beyond the date of attainment of age 65, as long as you are eligible for benefits. However, if you are older than age 61 when you become disabled, we will pay a benefit beyond age 65 for a reduced period of time.

### To-Age-65 Plan

You have your choice of a 30-, 60-, 90- or 180-day elimination period. We will pay disability benefits up to age 65, as long as you are eligible for benefits. However, if you are older than age 61 when you become disabled, we will pay a benefit beyond age 65 for a reduced period of time.

### Family Care Credit Benefit

*If you are working as part of a program of rehabilitative employment, we will, for the purpose of calculating your benefit, deduct the cost of family care from earnings received from rehabilitative employment that might otherwise serve as an offset against your monthly benefit. This is subject to the policy's limitations.*

### Partial disability benefit

*This benefit is payable under the long-term plans if you are totally disabled throughout the elimination period and become entitled to receive benefits for total disability and are prevented from performing essential duties of your occupation, but have recovered to the extent that you are able to perform some, but not all, of the essential duties of your or any occupation. You can still receive a benefit if your current monthly earnings are within the 20% to 80% range of your covered earnings.*

### Rehabilitative employment

*Employment that is part of an approved program of vocational rehabilitation under which your monthly benefit amount calculated for total disability is reduced by only 50% of the income received from such rehabilitative employment. The sum of the resulting monthly benefit and the income from such employment may not exceed 100% of your covered earnings. Vocational rehabilitation is defined as employment or services that prepare you to resume gainful work, such as vocational testing and training, workplace modification, prosthesis and job placement.*

### Direct offset

*The benefits you enroll for will be reduced (or offset) up front by other income benefits.*

### All-sources offset

*Your monthly benefits will be calculated based on the lowest of: your covered earnings multiplied by 60%; your covered earnings multiplied by 70%, minus all applicable offsets; or the amount of monthly disability income benefit for which you are enrolled.*

## Other income benefits (offsets)

Your disability income benefit may be reduced (or offset) by other sources of income. The Five-Year and To-Age-65 plans contain an offset provision. But regardless of the amount of offset, if you are eligible for benefits, you will receive at least the guaranteed minimum benefit.

## **Our Five-Year and To-Age-65 plans provide you a choice of offset provisions.**

- The direct offset provision reduces the monthly benefit by all other income benefits as listed in the policy. Typically, a plan with a direct offset provision is a less expensive option.
- The all-sources offset provision provides a larger monthly benefit amount than the direct offset provision.

Your monthly benefit may be reduced by any benefit amount for loss of income from certain sources. This only applies to the Five-Year and To-Age-65 plans. These other income benefits include, but are not limited to the following.

### **Benefits for which you or your family are eligible or that are paid as the result of:**

- temporary disability benefits under Worker's Compensation or similar law;
- Social Security disability benefits or other governmental programs;
- mandatory "no fault" automobile insurance;
- any individual insurance policy where the premium is wholly or partially paid by your employer;
- Veterans Administration or other governmental agency program; or
- any governmental law or program that provides disability or unemployment benefits as a result of your job with the employer.

This also includes benefits you are paid as the result of:

- disability and retirement benefits under a retirement plan, including a State Teachers' Retirement System program;
- the employer's sick leave or formal salary continuation plan;
- the portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for loss of earnings; or
- permanent disability benefits under Workers Compensation or similar law.

After a period of disability has been established, any increases from these sources will not cause your EIS benefit to be recalculated and will not further reduce any benefits you are receiving from your EIS policy.

## **Optional benefits**

In addition to the standard protection, you can choose these optional benefits with the Five-Year or To-Age-65 plans:

### **• Survivor Income Benefit**

#### **• Cost-of-Living Adjustment Benefit**

Your monthly benefit may increase by the lesser of:

- 1) 3% or 6%, whichever percentage you choose; or
- 2) one-half the percentage change in the Consumer Price Index. You may also choose to receive a maximum of either five or 10 annual adjustments for the To-Age-65 Plan.

### **• Pension Supplement Benefit**

#### ***Survivor Income Benefit***

*If you die while receiving benefits under this program, a Survivor Income Benefit equal to three times the lesser of 60% of your current earnings or the disability benefit for which you are enrolled will be payable to your beneficiary.*

#### ***Cost-of-Living Adjustment Benefit***

*Your monthly benefit for total disability may increase in accordance with a cost-of-living formula. This adjustment is made each year on Jan. 1 provided you have been totally disabled for 12 consecutive months and are receiving benefits when the cost-of-living adjustment is made.*

#### ***Pension Supplement Benefit***

*If you have been receiving the guaranteed minimum benefit for 12 consecutive months, a benefit amount will be paid toward the purchase of an annuity, subject to the policy's limitations.*

## **Disabilities not covered**

**To be covered for disability, you must be under the regular care of a physician. You are not covered if your disability is caused or contributed to by:**

- war or act of war (declared or not);
- your commission of or attempt to commit a felony or your being engaged in an illegal occupation;
- an intentionally self-inflicted injury; or
- mental illness or substance abuse, unless you are confined in a hospital or other place licensed to provide medical care for the disabling condition. (The confinement requirement will be waived for the first 12 months of total disability for which benefits are payable.)

## **Effective date of coverage**

Your coverage will take effect on the next premium due date on or after the date your application is approved. However, if you are absent from work due to accidental bodily injury, sickness, pregnancy, mental illness or substance abuse on the date your insurance or increase in coverage would otherwise have become effective, your effective date will be deferred until you are actively at work at least one full day.

## Termination of coverage

**Your coverage under this policy terminates on the earliest of the following dates:**

- the date the policy terminates;
- the last day of the period for which you make any required premium payment, subject to the grace period; or
- the premium due date on or next following the date you cease to be an active member of the Maine Education Association.

If you are entitled to benefits while disabled and the policy terminates, benefits will continue as long as you remain disabled by the same disability up to the date we would have ceased to pay benefits had the insurance remained in force.

## Additional information

For more detailed information concerning the policy, its provisions and the premium rates applicable to the plan and method of payment you are interested in, please consult your Horace Mann representative. Rates are based on your age and will automatically be adjusted on the policy anniversary date on or after you attain ages 30, 35, 40, 45, 50, 55, 60 and 65.

*Policy form numbers: 2004 MPVOL, 2004 CTSTD, 2004 CTLTD alternate page series.*

*This disability income product has certain restrictions, limitations and exclusions that may apply and is underwritten by Horace Mann Life Insurance Company.*