



Field Underwriting Guide

**Disability Income Insurance,
Including Provider Choice**

Introduction and Underwriting Philosophy

Introduction and underwriting philosophy

This Field Underwriting Guide is designed to make your job as a field underwriter as easy and rewarding as possible. We view field associates as our partners in the underwriting process. Truly you are a “field underwriter,” the one who knows the client and is best positioned to give us the information we need to make decisions that are fair to everyone. The better the quality of information you give our underwriters, the more quickly a decision can be made and the more favorable the outcome is likely to be.

Our underwriting philosophy is to strive for accurate, fair, and consistent risk assessment. We assess each applicant’s risk for disability insurance on an individual basis with the following objective:

To make the best possible offer for disability income insurance, creatively balancing the needs of the client and risk management; and where necessary to offer practical, solid solutions through a combination of rating, riders, or offers of amended contracts with different benefit structures.

The rules outlined in this guide are intended to apply to most situations, but some conditions may justify more liberal or conservative treatment. Underwriting reserves the right to request additional evidence of insurability at the underwriter’s discretion.

The Field Underwriting Guide is meant to provide you with guidance on the Company’s practices and procedures; however, it is not intended to provide a complete description of all practices and procedures of the Underwriting Department. Because it is updated periodically, it may not always reflect the Company’s practices or procedures at any given time. Contact the Underwriting Department with any specific questions.

For products not listed in this guide, please refer to our other Field Underwriting Guide, Pub10651BL.

Tips to expedite the DI underwriting process

1. Have the client complete an eMed prior to the application and make sure the eMed is included when the application is submitted.
2. Review the [Underwriting Field Impairment Probable Action Guide \(Pub7028\)](#) if your applicant mentions any concerning medical history so you can correctly set expectations and advise of probable outcomes based on the history in question.
3. Review the [Financial section of the Field Underwriting Guide](#) and make sure that the required financials (tax returns, W-2's, paystubs, etc.) are submitted with the application package. When submitting tax returns, make sure to send the entire return so we don't have to ask for any missing parts. If a joint tax return is being submitted, be sure to include the client's W-2 form so that applicant's earned income may be accurately determined.
4. Use Guardian e-App available through Guardian Online (GOL) or use the traditional paper method and answer all questions and provide the necessary details to yes answers to avoid delays.
5. Occupation classes are determined by an applicant's job duties, not title. Provide a clear picture of what your client actually does on the job; and, if they are a medical professional, provide all applicable certifications, board specialties/sub-specialties and advanced degrees as this will help us correctly classify your applicant.
6. Include a signed authorization to disclose protected health information (AA1542), which allows the underwriter to discuss medical history with you.
7. Include a cover letter to explain any special circumstances (for example, explanation of occupational duties, complex business arrangements, etc.). Let us know if you have already discussed the case with an underwriter. Provide this information in the 'Notes to Underwriting' when using e-App.
8. Prepare your client for the next steps in the underwriting process. In addition to a medical exam (eMed, TeleMed, paramed), we will review pharmacy and major medical billing data on every case and may review medical records. The client should be encouraged to connect their electronic health records via our vendor to expedite processing.
9. If you have questions about medical or financial underwriting, contact your Guardian Agency's Disability Income Specialist.
10. Review the Field Underwriting Guide (Pub7492BL) that you are looking at right now and familiarize yourself with all available Products, Programs, and Discounts since knowing these will help you find the best approach for each and every client. You can also refer to the [Underwriting & New Business Services Quick Reference Guide \(Pub4217BL\)](#) to assist you with the underwriting process.
11. If you have a client with concerning medical history, consider submitting an Underwriting Inquiry Form. This gives our underwriters the authorization they need to review the client's medical records without having to go through the entire underwriting process.

Key Individual Disability staff

Underwriting

Karen Rugg
Head of Disability Underwriting

Suzanne Avery
Lead,
Disability Underwriting

Elaine Costigan
Lead,
Disability Underwriting

Underwriting Policy

Richard Pollard
Head of Individual Disability Pricing Actuary

Colin Hill
Actuary,
DI UW Policy and Endorsed Programs

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Section 1

Provider Choice

Berkshire Policy Forms 18ID and 18UD

Provider Choice (18ID and 18UD)

Provider Choice is an individual disability product offered as three customizable packages that allow the consumer to select a disability insurance policy that best suits their unique needs.

Products, provisions, and features vary by state. For additional information, see [Product Manual \(Pub7493BL\)](#) or contact your agency’s Disability Income Specialist.

Provider Choice Packages

Consumers may choose from one of the following:

Provider Choice Packages						
	Essential Package		Select Package		Premier Package	
Definition of Disability	Two-Year Modified Own Occupation (any occupation thereafter)		Two-Year True Own Occupation (modified thereafter)		True Own Occupation	
Premium Structure*	Level		Level or Graded		Level or Graded	
Benefit Period	2 Year [†] 10 Year	5 Year To age 65	2 Year [†] 10 Year To age 67	5 Year To age 65 To age 70	2 Year [†] 10 Year To age 67	5 Year To age 65 To age 70
Increase Option	N/A		Future Increase Option ^{†††} Benefit Purchase Rider		Future Increase Option ^{†††} Benefit Purchase Rider	
Mental and/or Substance-Related Disorders Limitation	12 Month ^{**}		12 Month ^{***} 24 Month Unlimited ^{††††}		12 Month ^{***} 24 Month Unlimited ^{††††}	
Partial/Residual Disability	Short-Term Residual		Basic Partial Enhanced Partial		Basic Partial Enhanced Partial	
Cost of Living Adjustment	N/A		<ul style="list-style-type: none"> ▪ Four-Year Delayed ▪ 3% Compound ▪ 6% Maximum 		<ul style="list-style-type: none"> ▪ Four-Year Delayed ▪ 3% Compound ▪ 6% Maximum 	
Catastrophic Disability (CAT)	N/A		Basic CAT/Severe Disability Enhanced CAT		Basic CAT/Severe Disability Enhanced CAT	
Extended Benefits	N/A		Graded Lifetime Benefit for Total Disability ^{††} Lump Sum Disability Benefit		Graded Lifetime Benefit for Total Disability ^{††} Lump Sum Disability Benefit	
Retirement Protection	N/A		Retirement Protection Plus		Retirement Protection Plus	
Student Loan Protection	N/A		Student Loan Protection Rider		Student Loan Protection Rider	

See next page for footnotes and Additional Benefits.

Berkshire Policy Forms 18ID and 18UD

	Essential Package	Select Package	Premier Package
Additional Benefits	Social Insurance Substitute	Automatic Benefit Enhancement Social Insurance Substitute Supplemental Benefit Term Rider Unemployment Waiver of Premium	Automatic Benefit Enhancement Social Insurance Substitute Supplemental Benefit Term Rider Unemployment Waiver of Premium

*Substandard premiums in one of the following increments are applied on a policy and rider level (before the policy fee): 25%, 50%, 75%, and 100%.

**DE, FL, MT, ND, SD, and WY will have a 6 Month limitation and CA and NY will have 24 Month limitation in the Essential Package.

***In CA applicants will have a 24 Month limitation. In NY applicants can have 24 Months limitation or Unlimited. The 12 Month limitation is not available in either state.

†Not available with Two-Year True Own Occupation (Modified Thereafter).

††Graded Lifetime Benefit for Total Disability cannot be issued in combination with the Future Increase Option rider

††† Not available for Classes 4D and 3D.

†††† Unlimited is not available in CA or for anesthesiology professionals, anesthesiologists, certified nurse anesthetists (CRNAs), emergency room physicians, pain management physicians, and 3D dental occupations. These occupations require an MSRD limitation.

Issue Ages

	Level	Graded
Sex Distinct	18 – 60	18 – 50
Unisex	18 – 75 (76 – 80 on exception only)	18 – 50
Exceptions		
All Policies	Max Issue Age of 55 for 10-Year Benefit Period	Max Issue Age of 60 for 5-Year Benefit Period
18UD Only	Max Issue Age of 64 for To Age 65 Benefit Period Ages 67–74 valid with Year Benefit Period Only	Max Issue Age of 66 for To Age 67 / 70 Benefit Periods Ages 75+ valid with 1-Year Benefit Period Only
RPP Policies	Max Issue Age of 60 for Level	Max Issue Age of 50 for Graded

Elimination Periods (EP)

	60 Day	90 Day	180 Day	360 Day	720 Day
30 Day					
Exceptions					
360 Day EP	Not available with 2-year benefit period in every state				
720 Day EP	Not available in every state regardless of benefit period. 720-day elimination period not available with 2- and 5-year benefit periods.				

Not all elimination periods are available in every state or with every benefit period. See [Product Manual \(Pub7493BL\)](#) for details.

Provider Choice Riders <i>If available with selected package.</i>	6/6M	5/5M	4/4M	4D	3/3M	3D	2/2M/1
Automatic Benefit Enhancement (ABE)							
Issue Ages: 18 – 50							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
<i>No charge rider available only at underwriting discretion. Only available with level premiums.</i>							
Benefit Purchase Rider (BPR)							
Issue Ages: 18 – 50							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
<i>See Rider Description for full details.</i>							
Catastrophic Disability (CAT)							
Basic Catastrophic/Severe Disability							
Issue Ages: 18 – 60*							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
Enhanced Catastrophic							
Issue Ages: 18 – 60*	✓	✓	✓	✓	✓	✓	✓
Benefit Periods: All							
Elimination Periods: All except 720 Days							
Cost of Living Adjustment (COLA)							
Four-Year Delayed							
Issue Ages: 18 – 60*							
Benefit Periods: 10 Year, To Age 65 / 67 / 70	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
3% Compound							
Issue Ages: 18 – 60*							
Benefit Periods: All –except 2 Year	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
6% Maximum							
Issue Ages: 18 – 60*							
Benefit Periods: All –except 2 Year	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							
Future Increase Option (FIO)							
Issue Ages: 18 – 50							
Benefit Periods: All	✓	✓	✓		✓		
Elimination Periods: All							

*Additional Issue Ages are available on Unisex policies. See [Product Manual \(Pub7493BL\)](#) for details.

Provider Choice Riders <i>If available with selected package.</i>	6/6M	5/5M	4/4M	4D	3/3M	3D	2/2M/1
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Graded Lifetime Benefit for Total Disability

Issue Ages: 18 – 45*							
Benefit Periods: To age 65 / 67	✓	✓	✓	✓	✓	✓	
Elimination Periods: All							

Lump Sum Disability Benefit

Issue Ages: 18 – 55							
Benefit Periods: To age 65 / 67 / 70	✓	✓	✓	✓	✓	✓**	
Elimination Periods: All							

Partial Disability

Basic Partial

Issue Ages: 18 – 60							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							

Enhanced Partial

Issue Ages: 18 – 60							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	
Elimination Periods: All							

Retirement Protection Plus (RPP)

Issue Ages: 18 – 60*							
Benefit Periods: Rider Benefit Period To Age 65 Only	✓	✓	✓	✓	✓	✓	
Elimination Periods: All							

Rider EP cannot be less than base policy EP.

Short-Term Residual

Issue Ages: 18 – 60							
Benefit Periods: 2 / 5 / 10 Year, To Age 65	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							

Social Insurance Substitute (SIS)

Issue Ages: 18 – 60							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							

Student Loan Protection (SLP)

Issue Ages: 18 – 40 (10/15 Year)							
41 - 45 (10 Year)	✓	✓	✓	✓	✓	✓	
Benefit Periods: 10 Year, 15 Year							
Elimination Periods: 90 or 180 day							

Rider EP cannot be less than base policy EP.

*Additional Issue Ages are available on Unisex policies. See [Product Manual \(Pub7493BL\)](#) for details

**Lump Sum not available to 3D in CA.

Provider Choice Riders <i>If available with selected package.</i>	6/6M	5/5M	4/4M	4D	3/3M	3D	2/2M/1
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Supplement Benefit Term

Issue Ages: 18 – 40 (10/15 Year)							
41 - 45 (10 Year)							
Benefit Periods: 10 Year, 15 Year	✓	✓	✓	✓	✓	✓	
Elimination Periods: 90 or 180 day							

Rider EP cannot be less than base policy EP.

Unemployment Waiver of Premium (UWP)

Issue Ages: 18 – 55							
Benefit Periods: All	✓	✓	✓	✓	✓	✓	✓
Elimination Periods: All							

Not available to self-employed applicants.

*Additional Issue Ages are available on Unisex policies. See [Product Manual \(Pub7493BL\)](#) for details.

For additional rider information refer to the Additional Information below.

Note: Depending on the Benefit Period, Elimination Period, Issue Age, or Premium Structure, not all rider combinations are available. Please refer to the “Provider Choice Riders: additional information” section below, or [Product Manual \(Pub7493BL\)](#) for details.

Provider Choice: additional information

Minimum Issue Limits

\$500 (including fully underwritten RPP)

\$200 for Future Increase/Benefit Purchase Option exercises

The minimum policy size can be achieved with a combination of Base and Social Insurance Substitute Rider:

- Monthly benefit of the Base Policy (minimum \$200) plus
- Monthly benefit of Social Insurance Substitute rider
 - If applicable: Minimum \$200

Please see Sections 4 and 5 for Maximum Issue limits.

Occupation Classes 2/2M and 1

These occupations are uninsurable except in the following cases:

- Classes 2/2M may be issued individual coverage if the applicant is a business owner who has owned the business for at least five years and whose income is at least \$50,000.
- Classes 2 and 1 are available in QSPP and Executive Bonus Programs with a mix of occupation classes (at least 50% of participants must be classes 6/6M – 3/3M/3D).

For classes 2/2M and 1, SIS is required (where available) after the first \$500 of monthly benefit issued. The next \$1,500 will be comprised of coverage issued under the SIS Rider (offset by any in-force SIS or GLTD coverage). The minimum SIS amount is \$200; amounts thereafter will be issued as monthly benefit to the stated maximum.

Classes 2/2M and 1 may have either a 2- or 5-year benefit period.

Premium Modes and Factors

Semi-annual	0.515000
Quarterly	0.262650
Monthly	0.085833

Provider Choice Riders: additional information

Some riders are not available in every state.

See [Product Manual \(Pub7493BL\)](#) to determine the state availability.

Automatic Benefit Enhancement

Minimum: Not available if monthly benefit amount is less than \$1,000 (includes SIS).

Maximum: Same as base.

ABE cannot exceed the applicable maximum Issue and Participation limits (1.04 x the approved coverage amount plus all in-force coverage, including: available FIO options, future ABE increases and SIS). ABE is not available if increases would result in exceeding the lifetime Maximum Issue limits. For policies issued as part of the Special Limits for New Professionals Program then ABE is not available if increases would result in exceeding the \$20,000 cap. ABE is only available with level premium structure.

Benefit Purchase Rider (BPR)

This is a no charge rider available only with either the Enhanced Partial Rider or the Basic Partial Rider. The applicant must purchase at least 75% of the maximum monthly benefit that the applicant financially qualifies for to be eligible for the BPR rider. M-Class applicants applying under the Special Limits for New Professionals Program must purchase at least 50% of the maximum monthly benefit they are eligible for to receive the BPR rider; however, this 50% option is not available to the Dental Market or Florida Applicants. Graded Lifetime is not available with the Benefit Purchase Rider.

The benefit for a BPR Option Increase Policy will be determined at time of offer based on our then current underwriting guidelines. The minimum offer Berkshire will make is \$400 and the minimum policy Berkshire will issue is \$200. Applicants must accept 50% of the offer made at the time of the option exercise for the rider to remain in force. 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. Applicants must apply on each option date to keep the rider in force.

[See Option Exercise Quick Reference Guide](#)

Catastrophic Disability Benefit (CAT)

Basic CAT/Severe Disability

Minimum: \$100

Maximum: \$12,500 available over Issue and Participation limits.

Enhanced CAT

Minimum: \$100

Maximum: \$12,500 available over Issue and Participation limits.

Issue Limit calculations

CAT coverage is limited to the lesser of 40% of monthly earned income or 100% of monthly earned income less in force/applied for coverage (from all sources), and must not exceed the \$12,500 maximum Issue and Participation limit:

- 40% Rule: Use 40% applicant's monthly earned income.
- 100% Rule: Monthly earned income, less all in-force/applied for IDI, SIS, CAT, and GLTD. Employer-paid GLTD will be discounted 30% as we do for base benefits.

Future Increase Option

Minimum: \$500 (\$200 for FIO Exercises)

Maximum: FIO issue amount cannot exceed 2x the sum of Base, SIS, and Guardian in-force coverage.

When exercising an FIO Option, the total of all in-force coverage including Guardian group, plus the applied for FIO cannot exceed the published Issue and Participation Limits.

Exceptions

- Fully underwritten 1st, 2nd and 3rd Year Physicians, as well as medical residents and fellows can be considered for FIO amounts up to 3x the sum of Base, SIS, and Guardian Group (not to exceed the applicable issue and participation limits).
- Under the RPP Program, two times the base benefit applied for a total of base benefit plus Future Increase Option rider does not exceed \$6,000.
- Under the RPP Program, in conjunction with Special Limits for New Professionals, one times the base benefit (when available).

Note: Future Increase Option is not available with Graded Lifetime Benefit for Total Disability and is not available for Classes 4D and 3D.

[See Option Exercise Quick Reference Guide](#)**Graded Lifetime Benefit for Total Disability**

Minimum: Same as base.

Maximum: \$16,000 (\$10,000 for certain medical occupation classes. See below.)

Issue Age exceptions

- Issue Ages up to 55 for successful exercises of FIO/FPO/GDR rider.
- Maximum Issue Age for QSPP is 74.

Graded Lifetime is not available with the following:

- Benefit Purchase Rider
- Future Increase Option Rider
- Lump Sum Disability Rider
- Social Insurance Substitute Rider
- Retirement Protection Plus Rider or Stand-Alone Policy
- Short-Term Residual Rider
- EQI, FERS, Government Employee, or Home-Based Business Programs
- Any In-force or Applied-for Retirement Contribution Protection with Any Carrier
- Cannot be Added to an In-force Policy or to an Increase Option Exercise (Unless on the Original Policy)

Lump Sum Disability benefit

Minimum: Same as base.

Maximum: \$20,000 without Graded Lifetime. If Graded Lifetime is in force or applied for on any policy see table below.

Lump Sum is not available with the following:

- Graded Lifetime Rider
- Social Insurance Substitute Rider
- Retirement Protection Plus Rider or Stand-Alone Policy
- Short-term Residual Rider
- EQI, FERS, Government Employee, or Home-Based Business Programs
- Any In-force or Applied for Retirement Contribution Protection with Any Carrier

Lump Sum cannot be added to an in-force policy; however, at time of FIO Exercise, it can either replace Graded Lifetime without additional underwriting or be added to the new policy with full underwriting.

Graded Lifetime and Lump Sum: Max Issue Limits (from all sources)

Occupation/Occupation Class	Lifetime only	Lump Sum only	Combination of Lifetime and Lump Sum	Additional Policies without Lifetime or Lump Sum
Occupation Classes 4M, 3M, 4D, 3D, 3 and all Physicians and Dental Specialists, regardless of Occupation Class	\$10,000	\$20,000	\$10,000	Up to published I & P
Occupation Classes 6M and 5M (other than Physicians), and 6, 5 and 4	\$16,000	\$20,000	\$16,000	Up to published I & P

The Lump Sum Rider and the Graded Lifetime Rider cannot be issued on the same policy; but they can be issued on multiple policies for the same applicant. Any combination of Lifetime and Lump Sum benefits will also be limited to \$10,000 or \$16,000 per month (depending upon occupation, as noted above). If the applicant does not have any lifetime coverage in force or applied for with any carrier, Lump Sum benefits will be limited to \$20,000 per month.

Retirement Protection Plus (RPP) Disability Rider

Benefit Period: RPP is available with policies which have a To Age 65 / 67 / 70 Benefit Period; however, the rider Benefit Period will always be To Age 65.

Minimum: \$250

Maximum: Maximums apply to both RPP Policies and the RPP Rider

RPP Disability Rider			
Issue Ages	Premium Payor	% of Contributions	Maximum Issue Limit
18 – 49	Employee	100%	\$5,080
50 – 60	Employee	100%	\$5,620
18 – 49	Employer	133%	\$5,080
50 – 60	Employer	133%	\$5,620

Not available in every state or with in-force or applied-for Lifetime or Lump Sum coverage with any carrier.

Not available with 720-Day Elimination Period on the base policy.

RPP is available over-and-above our Maximum Issue limits based on Age and Occupation Class and our Issue and Participation Limit Tables based on Annual Earned Income.

RPP benefits are designed to help protect both employee and employer contributions; as such, applicants must be contributing to a qualified retirement plan to be eligible for RPP (the only exception is RPP available under our Special Limits for New Professionals Program). The plan must be in effect and funded for at least one year.

RPP benefits cannot exceed 100% of the Applicant's current retirement contributions to a qualified retirement plan (133% if the RPP benefits will be employer-paid and taxable). We do not require documentation as proof of current retirement contributions unless those contributions exceed 15% of the Applicant's annual earned income (19% if the RPP benefits will be employer-paid and taxable).

Social Insurance Substitute

Minimum: \$200 per Insured.

Maximum: \$1,500 maximum Issue and Participation (from all sources).

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

Not available with Graded Lifetime or Lump Sum riders.

Student Loan Protection Rider/Supplemental Benefit Term Rider

Issue Limits are outside of normal individual disability income Issue and Participation limits. The combined limit for Student Loan Protection Rider and Supplemental Benefit Term Rider is the greater of the maximum limits shown below based on educational degree or occupation class.

Minimum: \$250*

Maximum based on educational degree:

- \$1,000 per insured if working towards or holding an Associate’s or Bachelor’s degree.
- \$2,000 per insured if working towards or holding a Master’s degree, PhD, DMD or DDS.
- \$2,500 per insured if working towards or holding a Medical Doctoral degree (MD or DO)**.

Maximum based on occupation class:

- \$1,000 per insured if 3 or 3M.
- \$2,000 per insured if 3D, 4, 4M or 4D.
- \$2,500 per insured if 5, 5M, 6 or 6M.

These limits also apply to policies receiving New Professional limits.

* Supplemental Benefit Term Rider not available if the base monthly benefit amount is less than \$1,000 (includes SIS).

**Dental market excluded.

The table below identifies the combined maximum limit based on both degree and occupation class.

Student Loan Protection Rider/Supplemental Benefit Term Rider Limits			
Degree*	Occupation Class		
	3 or 3M	3D, 4, 4M or 4D	5, 5M, 6 or 6M
Associate’s or Bachelor’s degree	\$1,000	\$2,000	\$2,500
Master’s degree, PhD, DMD or DDS	\$2,000	\$2,000	\$2,500
Medical Doctoral degree (MD or DO)**	\$2,500	\$2,500	\$2,500

*Working towards or holding the specified degree

**Dental market excluded

Unemployment Waiver of Premium

Not available to self-employed applicants or policies issued with a sub-standard rating.

Not available in every state. See [Product Manual \(Pub7493BL\)](#) for details.

Provider Choice: Discounts

Discount programs

Only one of the following discount programs can be issued per policy:

Association:¹ 10%

Forms: 18ID – Gender Distinct
18UD – Unisex for FIO Only

Employer-Paid Discounts (QSPP and Executive Bonus):² 25%

Forms: 18ID – Gender Distinct for FIO Only
18UD – Unisex

Professional Group Program:² 10%

Forms: 18ID – Gender Distinct
18UD – Unisex for MT Only

Student and Resident Program/New White-Collar Professional Discount:² 10%

Forms: 18ID – Gender Distinct
18UD – Unisex for MT Only

Mental and/or Substance-Related Disorders limitation and discount

A Mental and/or Substance-Related Disorder (MSRD) limitation is required on all policies issued in CA and to any anesthesiology professionals, anesthesiologists, certified nurse anesthetists (CRNAs), emergency room physicians, pain management physicians, and 3D dental occupations. This MSRD also applies to any residents declaring any of these specialties. Discounts are applied when there is an MSRD limitation. MSRD limitations do not apply to policies issued as the result of a future increase or future purchase option when exercised from a policy that did not have such a limitation.

The MSRD Discount varies based on the MSRD Limitation as follows:

Mental and/or Substance-Related Disorders Limitation and Discount					
24-Month Discount		12-Month Discount		6-Month Discount	
Benefit Period	Discount	Benefit Period	Discount	Benefit Period	Discount
1 Year	N/A	1 Year	N/A	1 Year	10%
2 Year	N/A	2 Year	5.0%	2 Year	10%
5 Year	6%	5 Year	8.5%	5 Year	11%
10 Year	8%	10 Year	10.5%	10 Year	13%
To Age 65/67/70	10%	To age 65	12.5%	To age 65	15%

For more information regarding the Mental and/or Substance Related Disorders limitation, see [Product Manual \(Pub7493BL\)](#) for details.

Note: See page 1-1 for MSRD options and details.

¹Pays reduced compensation scale.

² Pays reduced compensation scale when issued to a dental occupation (Occupation Class 3D or 4D).

Preferred Occupation Discount

10% policy level discount for qualifying occupations.

Select Risk Class Discount

25% discount for policies issued with the Select Risk Class.

Preferred Risk Class Discount (FIO only)

26% discount available only for FIO exercises if the Preferred Risk Class Discount was approved on the originating policy.

Provider Choice: Underwriting programs

Special Limits for New Professionals program

Residents, and 1st, 2nd and 3rd-year professionals often lack the earnings history necessary to qualify for disability income insurance, yet have tremendous future earnings potential. Through our Special Limits for New Professionals program, you can offer your new professional clients Provider Choice disability insurance protection without proof of income.

Resident and Fellow/First-Year Special Limits are available to applicants up to 12 months prior to graduating into their residency, fellowship or first year of practice. Applicant's graduation date must be included on the Application and/or the New Business Transmittal.

Regardless of current earnings or in-force Group LTD, special limits are available for the new professionals and medical/dental residents shown in the [Special Limits for New Professionals table](#) on the next page (not intended for second specialty and all other normal underwriting requirements apply). First-Year Special Limits are available to applicants up to 12 months prior to graduating into their fellowship or first-year of practice. Resident Special Limits are available to applicants up to 12 months prior to graduating into their residency. The graduation date must be noted on the New Business Transmittal.

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. Applicants may also provide proof of income (i.e. employment agreement) in order to obtain amounts above the New Professionals Program Limits; however, if we proceed with amounts over the Special Limits for New Professionals, normal underwriting guidelines and Graded Lifetime and Lump Sum limitations will apply.

[Employment agreements and/or Physician Recruitment Agreements are only considered when the employment start date is within 6 months of issue. For other scenarios, contact your underwriter for individual consideration.](#)

Special Limits for New Professionals Program			
Status/Profession	Monthly Indemnity Maximum	Catastrophic Benefit Maximum*	FIO Maximum Benefit**
Physicians			
Second-/Third-Year Medical Physicians (MD, DO)	\$2,000	\$4,000	\$6,000
First-Year Medical Physicians (MD, DO), Medical Fellows (MD, DO)	\$7,500	\$8,000	\$22,500
Medical Residents	\$5,000	\$8,000	\$15,000
Dentists			
Second-/Third-Year General Dentists (DMD, DDS), Second-/Third-Year Dental Specialists (DMD, DDS)	\$2,000	\$2,000	N/A
First-Year Dentists			
Dental Anesthesiologists, General Dentists (DMD, DDS)	\$5,000	\$5,000	N/A
Other Dental Specialists (DMD, DDS)	\$7,500	\$7,500	N/A
Dental Residents	\$5,000	\$5,000	N/A

See footnotes in page [1-17](#)

Special Limits for New Professionals Program

Status/Profession	Monthly Indemnity Maximum	Catastrophic Benefit Maximum*	FIO Maximum Benefit**
Other Occupations			
Second/Third Year Professional			
Accountant/CPA, Architect, Attorney, Business Analyst, Certified Registered Nurse Anesthetists (CRNA), Computer Analyst, Computer Science, Data Analyst, Engineer, Investment Analyst, MBA Professional, Medical Physicists, Nurse Practitioner (NP Certified), Optometrist, Pharmacist, Physician Assistant (PA Certified), Podiatrist, PhD Psychologist, Veterinarian	\$2,000	\$4,000	\$4,000
First Year Professional			
Attorney, Engineer (Degreed), Optometrist, Pharmacist, Podiatrist, PhD Psychologist, Veterinarian	\$4,000	\$8,000	\$8,000
Accountant/CPA, Architect, Certified Registered Nurse Anesthetists (CRNA), Nurse Practitioner (NP Certified), Physician Assistant (PA Certified)	\$3,000	\$6,000	\$6,000
Computer Science, Medical Physicists	\$2,500	\$5,000	\$5,000
Business Analyst, Computer Analyst, Data Analyst, Investment Analyst, MBA Professional	\$2,000	\$4,000	\$4,000
Residents			
Pharmacy	\$2,500	\$5,000	\$5,000
Podiatry	\$1,000	\$2,000	\$2,000

See footnotes in page [1-17](#)

*Catastrophic Disability Benefit (CAT) rider is not available in every state. See [Product Manual \(Pub7493BL\)](#) for details.

**Future Increase Option (FIO) – 1st, 2nd and 3rd Year physicians, as well as medical residents and fellows can be considered for FIO amounts up to three times base plus Guardian Group (not to exceed the applicable issue and participation limits). FIO not available to occupation classes 4D and 3D.

Notes:

Graded Lifetime Benefit for Total Disability rider

Lifetime amount and rider combination restrictions apply. Refer to the [Lifetime and Lump Sum Limit Restriction](#) and [Graded Lifetime rider](#) sections.

Timing of Special Limit Eligibility

Resident and Fellow/First-Year Special Limits are available to applicants up to 12 months prior to graduating into their residency, fellowship or first year of practice. Applicant's graduation date must be included on the Application and/or the New Business Transmittal.

New Professional Limits with Other Coverage

In-force Group LTD coverage does not count toward the amount issued under this program. Participation with other companies' individual disability coverage is limited to a maximum of \$1,000 over and above our published Special Limits for New Professionals.

Student Loan Protection/Supplemental Benefit Term rider limits

See the [Student Loan Protection/Supplemental Benefit Term Rider](#) section.

Retirement Protection Plus (RPP) limits

All applicants (except in NY or CA) who qualify under our Special Limits for New Professionals Program are eligible for up to \$1,000 of RPP (rider or stand-alone policy). Applicants with employment agreements and/or physician recruitment agreements are also eligible for this \$1,000 RPP rider. RPP is not available in CA. Applicants in NY who qualify under our Special Limits for New Professionals Program may apply for RPP; however normal financial underwriting guidelines for RPP will apply and applicants must be contributing to a qualified plan that has been in existence for at least one year.

RPP is unavailable with Graded Lifetime Indemnity for Total Disability and Lump Sum Disability Benefit Riders and is unavailable if any in-force or applied for lifetime benefits exists with any company.

See [Retirement Protection Plus \(RPP\) Disability Rider](#) section or the [Retirement Protection Plus \(RPP\) program: Stand-Alone Policy](#) section for additional details and restrictions.

Enhanced Quick Issue (EQI) program

This program provides for up to \$5,000 of total Provider Choice coverage with no financial documentation, labs or Paramed exams. The eMed or 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.

Enhanced Quick Issue (“EQI”) means expedited and streamlined underwriting and is available when an applicant applies for a Provider Choice policy. EQI does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. The EQI Program is not available in California.

Maximum Monthly Benefit/Total Coverage	
Ages 18-40	Up to \$5,000 IDI*
Ages 41-50	Up to \$3,000 IDI*
Class of Risk	Select, Standard
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D, 2/2M, 1
Medical Requirements	eMed or TeleMed Interview [†]
Financial Requirements	Fully completed financial section of the application.
Discounts	<ul style="list-style-type: none">▪ Association Discount▪ Executive Bonus Program Discount▪ Professional Group Discount▪ Student and Resident Discount▪ QSPP Discount▪ Mental and/or Substance-Related Disorders Limitation Discount

*Total coverage is the sum of in-force and applied-for monthly benefit, Retirement Protection Plus coverage (rider or separate policy), Social Insurance Substitute rider, Student Loan Protection rider/Supplemental Benefit Term rider, and 1/2 of Future Increase Option rider amounts. This does not include Group LTD coverage.

All in force individual and group coverage will be considered in our financial evaluation as normal issue and participation limits apply.

Where available, CAT coverage is limited to 40% of monthly earned income or 100% of the monthly earned income less in force/applied for coverage (from all sources), and must not exceed the \$12,500 maximum Issue and Participation limit (state restrictions may apply):

1. 40% Rule: Use 40% applicant's monthly earned income.
2. 100% Rule: Monthly earned income, less all in-force/applied for IDI, SIS, CAT, and GLTD. Employer-paid GLTD will be discounted 30% as we do for base benefits.

The ABE rider provides up to six automatic percentage-based annual increases to the Base Monthly Indemnity. The combined total of all ABE increases (1.27 x applied for Base Monthly Indemnity) plus 1/2 of the applied for FIO plus any in-force coverage cannot exceed our Maximum EQI Issue Limits.

[†] Underwriting reserves the right to request medical records at the underwriter's discretion. In WY a Paramed is required.

See Notes on next page.

Notes:

- Graded Lifetime, Lump Sum and the Benefit Purchase Rider (BPR) are not available under the Enhanced Quick Issue Program.
- FIO is not available for Classes 4D and 3D.
- ABE cannot exceed the applicable maximum Issue and Participation limit under the Enhanced Quick Issue Program (1.27 x the approved monthly benefit amount plus in-force coverage and available FIO options) and is only available with level premiums.
- The Enhanced Quick Issue Program is not available to applicants fitting the criteria of other Underwriting Programs such as the Special Limits for New Professionals Program, Business Owner Advantage Program, Home-Based Business Owner Program, Start-up Savvy Program, and New Field Representative Program.
- The Enhanced Quick Issue Program is not available to Real Estate industry occupations (e.g., mortgage brokers, mortgage originators, real estate agents/brokers, residential construction occupations, real estate developers, real estate investors, etc.).
- RPP coverage (rider or policy) can be issued in conjunction with our EQI Program. Total coverage available under EQI is the sum of in-force and applied-for monthly benefits (excluding GLTD), RPP, Social Insurance, Student Loan/Supplement Term Rider, and 1/2 of the FIO Rider. While EQI Maximum Issue Limits remain at \$5,000 for ages 18-40 and \$3,000 for age 41-50, underwriting cannot exceed published RPP maximums.

For information on the Overhead Expense version of this program see the [Overhead Expense: Underwriting Programs](#) section.

Retirement Protection Plus (RPP) program: Stand-Alone Policy

The RPP program provides disability insurance protection for retirement plan contributions. This program is to help protect both employee and employer contributions. At time of total disability, benefits are paid into an irrevocable trust. The trustee invests the funds at the direction of the insured and distributes them to the insured at age 65. RPP is not available to applicants with lifetime benefits or Lump Sum in-force or applied for with any carrier. Not available in CA.

Retirement Protection Plus Program

Issue Ages	Level: 18 – 60 Graded: 18 – 50
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Definition of Disability	Two-Year True Own Occupation (Modified Thereafter)
Premium Structure	Level or Graded
Elimination Periods	180 Days or 360 Days
Benefit Period	To Age 65
Discounts	All current discounts allowable for the appropriate Provider Choice base policy form apply to policies issued through the RPP program, except Mental and/or Substance Limitation Discounts. See note on next page for additional information.

Available Riders

- Automatic Benefit Enhancement — Not available if FIO Rider is selected
- Cost of Living Adjustment (Four-Year Delayed, 3% Compound, 6% Maximum)
- Future Increase Option*

*The total of monthly benefit and Future Increase Option rider may not exceed \$6,000 (FIO is not available with ABE rider). The FIO Rider amount cannot exceed two times the base benefit applied for (one times the base under the New Professionals Program). FIO is not available for Classes 4D and 3D.

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.

Notes:

- The plan must have been in effect and funded for at least one year. Non-Qualified Deferred Compensation Arrangements will be considered only on a case-by-case basis.
- For Government and State employees: Contributions to FERS (Federal Employment Retirement System), PERS (Public Employee Retirement System) and SERS (State Employee Retirement System) are not eligible for RPP coverage. Qualifying plans are 457 or 403(b) plans.

Retirement Protection Plus program issue limits

Minimum RPP Stand-Alone Policy Size: \$500

Maximum Issue limits: See table below.

Retirement Protection Plus Program Issue Limits			
Issue Ages	Premium Payor	% of Contributions	Maximum Issue Limit
18 – 49	Employee	100%	\$5,080
50 – 60	Employee	100%	\$5,620
18 – 49	Employer	133%	\$5,080
50 – 60	Employer	133%	\$5,620

Maximum Issue amounts under the Retirement Protection Plus program may change from year to year as the federal annual defined contribution limits are adjusted.

RPP is available over-and-above our Maximum Issue limits based on Age and Occupation Class and our Issue and Participation Limit Tables based on Annual Earned Income.

RPP benefits are designed to help protect both employee and employer contributions; as such, applicants must be contributing to a qualified retirement plan to be eligible for RPP (the only exception is RPP available under our Special Limits for New Professionals Program). The plan must be in effect and funded for at least one year.

RPP benefits cannot exceed 100% of the Applicant’s current retirement contributions to a qualified retirement plan (133% if the RPP benefits will be employer-paid and taxable). We do not require documentation as proof of current retirement contributions unless those contributions exceed 15% of the Applicant’s annual earned income (19% if the RPP benefits will be employer-paid and taxable).

Notes:

- The RPP program is not a pension or retirement plan or a substitute for such a plan. The RPP policy and the RPP rider are not available with any in-force or applied for lifetime or lump sum coverage.
- All normal medical and financial underwriting requirements apply.
- The Mental and/or Substance Related Disorders (MSRD) Limitation and Discount will apply to RPP stand-alone policies only for the following occupations: anesthesiology professionals, anesthesiologists, certified nurse anesthetists (CRNAs), emergency room physicians, pain management physicians, and 3D dental occupations.

New Business Owners program – Start-Up Savvy

This program allows new business owners to financially qualify for a Provider Choice policy based on prior W-2 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.

Eligibility: Business owners in the first year of a start-up, or before they have filed tax returns on the new business, will be considered using three streamlined requirements:

- Ages 30 through 50, with at least 3 years of industry experience;
- Working in an industry other than real estate or financial services;
- Submits a copy of the most recent W-2 from the prior employer

Physicians who meet program criteria can qualify for a monthly benefit of 70% of their prior W-2 earnings not to exceed \$10,000/month.

Dentists who meet program criteria can qualify for a monthly benefit of 50% of their prior W-2 earnings not to exceed \$5,000/month.

New Business Owners in all other occupations aside from real estate industry and financial service occupations (e.g., mortgage brokers, mortgage originators, real estate agents/brokers, residential construction occupations, real estate developers, real estate investors, private equity analysts, venture capitalists, investment analysts, commodity brokers, etc.) who meet program criteria can qualify for a monthly benefit of 70% of their prior W-2 earnings not to exceed \$10,000/month.

Underwriting reserves the right to request additional financial information at the underwriter's discretion. This underwriting approach does not modify underwriting requirements other than those specifically stated herein.

Notes:

- Only available with Provider Choice policy forms 18ID and 18UD.
- This program cannot be combined with any other underwriting program.

For information on the Overhead Expense version of this program see the [Overhead Expense: Underwriting programs](#) section.

Established Business Owners – Business Owners Advantage (BOA) program

Non-medical/non-dental business owners qualify for a monthly DI benefit up to a maximum of \$2,000 above normal Issue and Participation limits³. This program is available with Provider Choice.

Formula: Earned Income x 1.20 = New Insurable Income

Eligible business owners

Sole proprietors; self-employed individuals; and owners of S-Corps, C-Corps, LLCs and partnerships.

Ineligible business owners

Owners classified as medical/dental in the occupation classification listing, those applying under the Enhanced Quick Issue Program, and real estate industry and financial service occupations (e.g., mortgage brokers, mortgage originators, real estate agents/brokers, residential construction occupations, real estate developers, real estate investors, private equity analysts, venture capitalists, investment analysts, commodity brokers, etc.)

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.

Note: This program cannot be combined with any other underwriting program.

³Where available. CAT coverage will be limited to 40% or 100% of the monthly earned income, whichever is less, and must not exceed the \$8,000 maximum Issue and Participation limit (state restrictions may apply):

1. 40% Rule: Use 40% applicant's monthly earned income.
2. 100% Rule: Monthly income, less all in-force/applied for IDI, SIS, CAT, and non-discounted GLTD.

Home Based Business Owner program (HBB)

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 Choice (some exceptions apply).

IDI for Home Based Business Owners

Issue Ages	Level premium structure: 18 – 55; Graded premium structure: 18 – 50
Risk Class Discount	Select, Standard
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Elimination Periods	90, 180, or 360 days
Benefit Periods	2 / 5 / 10 Year, To Age 65 / 67 / 70
Minimum Policy Size	\$1,000 (base monthly benefit minimum is \$200 – policy size is combination of base and Social Insurance Substitute)
Underwriting Requirements	All applicants must show at least a two-year earning pattern on the application and submit normal financial requirements.

Available Riders

- Automatic Benefit Enhancement
- Basic CAT/Severe Disability, Enhanced CAT*
- Basic Partial
- Cost of Living Adjustment (4-Year Delayed, 3% Compound, 6% Maximum)
- Future Increase Option** or Benefit Purchase Rider
- Social Insurance Substitute
- Student Loan Protection Rider
- Supplemental Benefit Term Rider

*Where available. CAT coverage will be limited to 40% or 100% of the monthly earned income, whichever is less, and must not exceed the \$8,000 maximum Issue and Participation limit (state restrictions may apply):

1. 40% Rule: Use 40% applicant's monthly earned income.
2. 100% Rule: Monthly income, less all in-force/applied for IDI, SIS, CAT, and non-discounted GLTD.

**FIO is not available for Classes 4D and 3D.

Notes:

- We can consider Overhead Expense coverage under the HBB guidelines on a case-by-case basis when eligible overhead expenses are clearly distinguishable from personal living expenses.
- We will consider PayGuard Plus on a case-by-case basis.
- This program cannot be combined with any other underwriting program.

Government Employee program: state, municipal, county, and town

Coverage can be issued to Government Employees (excluding active-duty military personnel, postal employees and railroad employees) that are covered under the Public Employee Retirement System (“PERS”) or the State Employee Retirement System (“SERS”). This program is available with Provider Choice policies. We will treat PERS or SERS benefits as we do applicants with a 60% group LTD benefit for financial qualification purposes; the imputed 60% group LTD benefits will only be discounted with documentation to support that the PERS or SERS benefits are employer-paid.

This Underwriting Program is required for Applicants who have been government employees for more than three years.

If the Applicant has been a Government Employee for less than three years and is not eligible for the Special Limits for New Professionals Program, normal underwriting guidelines apply (i.e., we will not impute a 60% Group LTD benefit to compensate for PERS/SERS benefits; however, any other Group LTD benefits will be considered for purposes of financial underwriting).

Government Employee Program

Issue Ages	Level premium: 18 – 60 Graded premium: 18 – 50
Classes of Risk	Select, standard
Occupation Classifications	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Maximum Benefit Period	To Age 70
Minimum Elimination Period	90 days

Available Riders

- Benefit Purchase Rider
- Catastrophic Disability Benefit (Basic, Enhanced) *
- Cost of Living Adjustment (Four-Year Delayed, 3% Compound, 6% Maximum)
- Future Increase Option**
- Partial Disability (Basic, Enhanced)
- Retirement Protection Plus Rider
- Short Term Residual Disability Benefit Rider
- Student Loan Protection Rider
- Supplemental Benefit Term Rider

*Where Available. The maximum CAT benefit for applicants eligible for PERS (Public Employee Retirement System), and SERS (State Employee Retirement System) must not exceed \$8,000 and will be the lesser of (state restrictions may apply):

1. 40% of earned income; or
2. 100% of earned income minus in-force IDI, non-discounted government coverage (based on 60% of income) and applied for coverage.

** FIO is not available for Classes 4D and 3D.

Note: With the exception of EQI and RPP, the Federal/Governmental Employee program cannot be combined with other underwriting programs.

Federal Employee program

Coverage can be issued to Federal Employees (excluding active duty military personnel, postal employees and railroad employees) that are covered under the Federal Employee Retirement System (“FERS”). This program is available with Provider Choice policies. We will treat FERS benefits as we do applicants with a 40% group LTD benefit for financial qualification purposes; the imputed 40% group LTD benefits will be discounted as we would for any other employer-paid group LTD plan.

This Underwriting Program is required for Applicants who have been Federal Employees for more than one year.

If the Applicant has been a Federal Employee for less than one year and is not eligible for the Special Limits for New Professionals Program, normal underwriting guidelines apply (i.e., we will not impute a 40% Group LTD benefit to compensate for FERS benefits; however, any other Group LTD benefits will be considered for purposes of financial underwriting).

Federal Employee Program	
Issue Ages	Level premium: 18 – 60 Graded premium: 18 – 50
Classes of Risk	Select, standard
Occupation Classifications	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Maximum Benefit Period	To age 70
Minimum Elimination Period	90 days

Available Riders

- Benefit Purchase Rider
- Catastrophic Disability Benefit (Basic, Enhanced) *
- Cost of Living Adjustment (Four-Year Delayed, 3% Compound, 6% Maximum)
- Future Increase Option**
- Partial Disability (Basic, Enhanced)
- Retirement Protection Plus Rider
- Short Term Residual Disability Benefit Rider
- Student Loan Protection Rider
- Supplemental Benefit Term Rider

*Where available, the maximum CAT benefit for applicants eligible for FERS (Federal Employee Retirement System) must not exceed \$8,000 and will be the lesser of (state restrictions may apply):

1. 40% of earned income; or
2. 100% of earned income minus in-force IDI, non-discounted coverage (based on 40% of income) and applied for coverage.

**FIO is not available for Classes 4D and 3D.

Note: With the exception of EQI and RPP, the Federal/Governmental Employee program cannot be combined with other underwriting programs.

Enhanced Quick Issue (EQI) for Federal and Government Employees

EQI for Federal and Government Employees program provides for up to \$5,000 of total IDI coverage without financial documentation, labs, or Paramed exams. This program is intended for Federal Employees (FERS) and Government Employees (PERS/SERS), excluding active-duty military personnel, postal employees and railroad employees.

This Enhanced Quick Issue program for federal and government employees is designed for applicants who have been government employees for more than three years or who have been Federal Employees for more than one year. All other applicants should refer to the non-specific EQI program described earlier in this section.

Enhanced Quick Issue (EQI) means expedited and streamlined underwriting and is only available when an applicant applies for a Provider Choice policy. EQI does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. The EQI Program for Federal and Government Employees is not available in California.

EQI for Federal and Government Employees	
Ages 18-40	Up to \$5,000 IDI*
Ages 41-50	Up to \$3,000 IDI*
Classes of Risk	Select, standard
Occupation Class	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Elimination Period	90 – 720 days
Benefit Period	2 / 5 / 10 Year, To Age 65 / 67 / 70
Issue & Participation Limits	Subject to normal I & P limits
Medical Requirements[†]	eMed or TeleMed interview
Income Documentation Physical Measurements, Urine Specimen, Blood Specimen, APS[†]	Not required

Available Riders

- Cost of Living Adjustment (Four-Year Delayed, 3% Compound, 6% Maximum)
- Catastrophic Disability Benefit (Basic, Enhanced) **
- Future Increase Option***
- Partial Disability (Basic, Enhanced)
- Short Term Residual Disability Benefit Rider

See Footnotes on next page.

*Total coverage is the sum of in-force and applied-for monthly benefit, Retirement Protection Plus coverage (rider or separate policy), Social Insurance Substitute rider, Student Loan Protection rider/Supplemental Benefit rider, and 1/2 of Future Increase Option rider amounts. This does not include Group LTD and Federal [FERS]/Government [PERS or SERS] coverage.

All in force individual and group coverage will be considered in our financial evaluation as normal issue and participation limits apply.

We will treat FERS benefits as we do applicants with a 40% group LTD benefit for financial qualification purposes; the imputed 40% group LTD benefits will be discounted as we would for any other employer-paid group LTD plan.

We will treat PERS or SERS benefits as we do applicants with a 60% group LTD benefit for financial qualification purposes; the imputed 60% group LTD benefits will only be discounted with documentation to support that the PERS or SERS benefits are employer-paid.

**Where Available. The maximum CAT benefit for applicants eligible for FERS (Federal Employee Retirement System) PERS (Public Employee Retirement System), and SERS (State Employee Retirement System) must not exceed \$12,500 and will be the lesser of (state restrictions may apply):

1. 40% of monthly earned income; or
2. 100% of monthly earned income, less all in-force IDI, non-discounted federal/government coverage (based on 60% of income) and applied for coverage.

***FIO is not available for Classes 4D and 3D.

† Underwriting reserves the right to request medical records at the underwriter's discretion. In WY a Paramed is required.

New Field Representative (FR) program

This program provides New Guardian Field Representatives up to \$3,000 of total Provider Choice coverage without financial documentation. New FR Program is only available when an applicant applies within his/her first 12 months with Guardian. The New FR Program does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. State variations and restrictions may apply.

New Field Representative (FR) Program

Ages	18 – 40
Class of Risk	Select, Standard
Occupation Classes	5
Minimum Elimination Period	90 Days
Maximum Benefit Period	Age 70
Maximum Monthly Benefit	\$1,000
Medical Requirements	No special exceptions for medical requirements

Available Riders

- Catastrophic Disability Benefit Rider (Basic, Enhanced)
- Cost of Living Adjustment Rider (4-Year Delayed, 3% Compound, 6% Maximum)
- Future Increase Option
- Partial Disability (Basic, Enhanced)
- Short Term Residual Disability Benefit Rider
- Social Insurance Substitute
- Student Loan Protection Rider
- Supplemental Benefit Term Rider

Notes:

- Graded Lifetime, Lump Sum, Retirement Protection Plus Rider, Automatic Benefit Enhancer, and Benefit Purchase Rider are not available under the New FR Program.
- CAT amount cannot exceed base (not available in all states).
- FIO amount cannot exceed 2x base or \$2,000, whichever is less.
- Total coverage is the sum of in-force and applied-for monthly benefit (excluding Guardian Group LTD coverage), Social Insurance Substitute rider, Student Loan Protection/Supplemental Benefit Term rider, and Future Increase Option rider amounts. Overall issue and participation limits apply. Guardian Group LTD coverage is not considered when determining the amount of available coverage for those applying under the New FR Program.
- To determine medical underwriting requirements, add half the applied for FIO amount and all of the Student Loan Protection/Supplement Benefit Term riders to the base monthly benefit amount. Any PayGuard Plus coverage in-force or applied for will also be included when determining medical requirements.
- See Medical Requirements Section for additional information.
- Underwriting reserves the right to request medical records at the underwriter's discretion.
- Mental and/or Substance-Related Disorders Limitation & Discount may apply.

- New FR Program for Provider Choice applications cannot be combined with other underwriting programs including the New FR Program for PayGuard Plus.
- For information on the PayGuard Plus version of this program see the [PayGuard Plus: Underwriting Programs section](#).

Group Conversion program

The Group Conversion program (also referred to as straight conversions) is designed to meet the special needs of students and residents pursuing an MD, DO, DDS or DMD. Group LTD coverage is provided during their residency/student years, along with the opportunity to convert to an individual disability income insurance policy upon completion of their programs.

The program requires that a Guardian AbilityGuard Group LTD plan with a conversion option be installed at an approved institution. Once the GLTD plan is in place, medical residents or dental or veterinary students covered under the plan may be eligible to convert their group coverage at the successful completion of their medical residency or upon graduation from the student programs (Note: Podiatric students or residents are not eligible for conversion).

Case approvals and producer rights

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. 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).

Note: Only the endorsed producer(s) may market the availability of the program and its features to eligible residents or students.

Prior approval by Berkshire for the installation of a group conversion program is required before a producer presents any quote from Guardian for the Group LTD plan. If you wish to discuss a potential marketing opportunity, please contact your agency's Disability Insurance Specialist.

Group Plan participant conversion criteria

To convert the Group LTD plan to a Provider Choice individual disability policy, upon completion of their program, students and residents must meet the following conversion criteria:

- 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).

- Completed the medical residency or student program in which he/she was enrolled.
- Not be disabled under the terms of the group plan.
- Applications may be submitted in writing 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.⁴

A straight (non-underwritten) conversion policy can be configured as:

- an all base Provider Choice policy, or
- a combination of base policy and any riders available with the Group Conversion Program.

⁴Applications will also be accepted within 31 days of the underwriting decision on a medically underwritten Guardian policy if the medically underwritten policy was applied for within 31 days of leaving the group program.

Group Conversion Program

Elimination Period	Same or longer than GLTD plan elimination period
Benefit Period	2 / 5 / 10 Year, To Age 65, To Age 67
Premium Structure	Level or Graded

Available Riders

- Cost of Living Adjustment (Four-Year Delayed, 3% Compound)
- Future Increase Option Rider*
- Partial Disability Rider (Enhanced)
- Social Insurance Substitute Rider
- Student Loan Protection Rider (where available)/Supplemental Benefit Rider (where available)
- Unemployment Waiver of Premium

*Not available with Classes 4D and 3D.

Group conversion program issue limit guidelines

Coverage above the maximum conversion limits listed below may be available with full underwriting. (Limits assume compliance with current Issue and Participation limits.)

The total of base, Future Increase Option, Social Insurance Substitute, and Student Loan Protection/Supplemental Benefit cannot exceed the maximum conversion limit; additionally, this total, combined with the amount of other individual disability coverage in-force or applied for that will remain in-force after graduation, cannot exceed the Special Limits for New Professionals. If the applicant has other coverage and wants additional coverage above New Professional Limits, then the coverage needs to be fully underwritten.

Provider Choice Maximum Conversion Amount	
Medical Students	\$1,000 base + \$3,000 FIO
Medical Residents	\$4,000 total (base + FIO) *
Dental Students	\$2,000 base **
Dental Residents	\$4,000 base*/**

*\$5,000 total may be available with prior Guardian approval. AbilityGuard group contract may need to be re-negotiated to receive any conversions over \$4,000/month.

** FIO is not available with Classes 4D and 3D.

If the applicant already has other non-underwritten Guardian IDI coverage in force, such as from another conversion program, the amount of group conversion coverage we will issue will be reduced so that the total non-underwritten coverage amount doesn't exceed \$10,000 of monthly benefits (including FIO rider).

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.

Straight conversion policies are not eligible for an Association, Student and Resident, Professional Group, QSPP, or EBP discount.

Mental and/or Substance Related Disorders limitation and discount

The 24 month Mental and/or Substance Related Disorders Limitation and Discount is applied to all GSI Group Conversion policies. [See this section for details.](#)

Section 2

PayGuard Plus

Berkshire Policy Form 18PG

PayGuard Plus (18PG)

PayGuard Plus provides individual disability coverage for a specified term and is also known as personal reducing term. 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 65. If the insured is continuously disabled during the last year of the term, twelve months' indemnity will be paid.

The policy is not available in all states and product and features may vary by state. Refer to State Product Variations in the [Product Manual \(Pub7493BL\)](#) for full details.

PayGuard Plus	
Issue Ages	18 – 60
Occupation Classes*	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Risk Classes	Select, Standard
Elimination Periods	90, 180 days
Benefit Term	5 – 30 years, not to exceed age 65
Riders Available	True Own Occupation Rider
Premiums	Level
Discounts	See next page
Annual Policy Fee	\$30
Premium Modes and Factors	Semi-Annual: 0.515000 Quarterly: 0.262650 Monthly: 0.085833
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.
State Availability	See Product Manual (Pub7493BL) for details

*Class 2/2M is available to business owners who have owned their business for at least five years and whose income is at least \$50,000. The True Own Occupation Rider is not available with Class 2/2M and the maximum issue limit is \$7,500.

PayGuard Plus minimum policy size

The minimum monthly benefit is \$1,000.

PayGuard Plus maximum policy size

These amounts, or the amount determined by using the Issue and Participation table would be used, whichever is less.

Maximum PayGuard Plus Issue and Participation (I&P) Limits		
Occupation Class	Issue Ages	Maximum I&P Limit
6/6M, 5/5M, 4/4M, 3M	18 - 60	\$30,000
4D, 3D	18 - 60	\$17,000
	18 – 60 (CA)	\$16,000
3	18 - 60	\$15,000
2/2M*	18 - 60	\$7,500

*Class 2/2M is available to business owners who have owned their business for at least five years and whose income is at least \$50,000. The True Own Occupation Rider is not available with Class 2/2M and the maximum issue limit is \$7,500.

Mental and/or Substance-Related Disorders limitation

A 24-month Mental and/or Substance-Related Disorders (MSRD) limitation is included on all policies issued in CA.

PayGuard Plus: Discounts

Risk Class Discount

PayGuard Plus may be issued with the Select Risk Discount.

Discount programs

Only one of the following discount programs can be issued per policy:

Association:⁵ 10% discount available to members of a preapproved association.

Multi-Life Discount: 20% discount for 3+ lives with the same employer.

⁵Pays reduced compensation scale.

PayGuard Plus: Underwriting Programs

PayGuard Disability Quick App Program (PDQ)

The PayGuard Disability Quick App Program (PDQ) provides a simplified application and streamlined underwriting process which is available to medically qualified applicants applying for up to \$6,000 on a PayGuard Plus policy. This program provides an opportunity for expedited underwriting and is not a guaranteed standard issue program.

PayGuard Disability Quick App Program	
Issue Ages	18 - 50
Occupation Classes	6/6M, 5/5M. 4/4M/4D, 3/3M/3D
Risk Classes	Select
Elimination Periods	90, 180 days
Benefit Term	5 – 30 years, not to exceed age 55
Discounts	Select Risk Discount Association Discount or Multi-Life Discount*
Definition of Disability	Modified Own Occupation True Own Occupation
Premium Structure	Level
Minimum Issue Limit	\$1,000
Maximum Issue Limit	\$6,000

*The Association and Multi-Life Discounts cannot be combined

PDQ participant criteria

To use the PayGuard Disability Quick App the applicant must meet health qualifications and the following criteria:

- Citizen or green card holder.
- Employed full-time or a homemaker applying in conjunction with a Spousal Coverage Program.
- Not in a Real Estate industry occupation (e.g., mortgage brokers, mortgage originators, real estate agents/brokers, residential construction occupations, real estate developers, real estate investors, etc.).
- Not a federal or government employee including members of the military.
- No adverse actions on an application, renewal, or reinstatement for insurance with any carrier in the last five years.
- In the past five years, no claims for or receipt of disability benefits with any carrier and has been able to perform the usual duties of occupation for the past 6 months.
- No use of tobacco products, nicotine products or nicotine delivery systems within the last twelve months.
- Never had action taken against professional standing, license, or certification.

Underwriting Requirements:

- No routine medical requirements. Underwriting will rely on information from the MIB and Milliman’s IRIX system which provides pharmacy records and major medical claims data.
- No Financial requirements.

The PDQ program may be used by a non-working spouse when applying for the Spousal Coverage Program subject to the requirements and limitations of that Program.

Business Owned Key Person Program

This program provides Payguard Plus protection for the benefit of the Business if a Key Person is unable to work due to sickness or injury. Coverage is paid for, and owned, by the Business and insures the Key Person. In the event of a Key Person's disability, benefits are paid to the Business.

A Key Person is a member of the executive team or a crucial staff member whose knowledge, creativity, inspiration, reputation and/or skills are critical to the viability or growth of the Business, and whose loss may cripple it. Key Person coverage is designed to allow the Business to continue to operate by providing benefits to cover the financial burden (e.g., recruitment, training, temporary staffing, and other needs) if a Key Person is disabled.

Key Person Program	
Issue Ages	18 - 50
Occupation Classes	6/6M, 5/5M, 4/4M, 3/3M
Elimination Periods	90 or 180 days
Benefit Term	5 Years
Discounts	None
Definition of Disability	True Own Occupation by rider
Premium Structure	Level
Minimum Issue Limit	\$1,000
Maximum Issue Limit	\$30,000 Occupation Classes 6/6M, 5/5M, 4/4M \$10,000 Occupation Classes 3/3M
Owner	Business
Insured	Key Person
Business Requirements	<ul style="list-style-type: none">▪ The business must be a profitable closely held partnership or sole proprietorship.▪ The business may have no more than 5 owners.
Key Person Requirements	<ul style="list-style-type: none">▪ Must perform critical functions for the business which cannot be easily replaced▪ Duties are not primarily administrative in nature▪ Work an average of at least 30 hours per week▪ Cannot own more than 5% of the Business▪ Has been with the Business for a minimum of 12 months▪ Is not a 1099 worker▪ Is covered by IDI or GLTD Disability Insurance▪ Is not a spouse or first-degree relative (parent, sibling, child) of the business owner(s)

Medical Requirements:

Medical Requirements		
Benefit Amount	Medical Form	Labs
\$500 - \$6,000	Non-Medical or eMed	Urine/HIV*
Over \$6,000	eMed, Paramed, or TeleMed	Blood/Urine*

* Labs are not required for issue ages 18 - 50

Financial Requirements:

1. Last 2 years of business tax returns; and
2. Proof of Key Person’s current income (year-to-date pay stub, W2, etc.)

Benefit Term Amount:

Underwriting will consider two times the salary of the Key Person to determine a monthly benefit amount.

The formula is as follows:

$$\text{Monthly Benefit Term Amount} = (\text{Annual Salary}/12) \times 2$$

The amount of Key Person coverage available will be reduced by any key person coverage, in force or applied for, from all sources.

Spousal Coverage Program

The intent of Spousal Coverage is to provide up to \$2,500 of PayGuard Plus coverage to the non-working spouse of a Guardian and/or Berkshire individual disability policyholder. If the non-working spouse (homemaker) becomes disabled, the monthly benefits will be paid to the non-working spouse.

Spousal Coverage Program	
Issue Ages	18 – 45
Occupation Class	3
Definition of Disability	Modified Own Occupation
Risk Classes	Select, Standard*
Elimination Periods	90, 180 days
Benefit Term	5 – 10 years
Riders Available	None
Minimum Monthly Benefit	\$1,000
Maximum Monthly Benefit	\$2,500

*Standard risk class not available with the PDQ Application.

In order to be eligible for Spousal Coverage, the working spouse must have at least \$4,000 of individual disability insurance coverage with Guardian and/or Berkshire. This includes any policies issued as a result of FPO, FIO or BPR option exercises. This does not include Business Reducing Term, Overhead Expense or Disability Buy-Out policies.

Spousal Coverage can be applied for with either the PDQ Application or the traditional fully underwritten application. It is not available with the Conversion Option Program.

Conversion Option Program

The Conversion Option Program is a no-cost endorsement that will automatically be added to all qualifying PayGuard Plus policies. This Endorsement provides clients the ability to convert their PayGuard Plus Policy on the 5th policy anniversary to a Provider Choice disability income insurance policy. Insured has 61 days to convert: from 30 days before the 5th policy anniversary to 30 days after.

The Conversion Option Endorsement will be added to PayGuard Plus policies that meet the following criteria:

- 10-year Term or more
- Issue Ages 18-40
- Occupation Classes 6/6M, 5/5M, 4/4M, 3/3M
- Not available to the Dental Market (3D or 4D)
- Not available in combination with Key Person or Spousal Coverage Programs
- Available with both our traditional fully underwritten application and our PayGuard Plus Disability Quick (PDQ) Application

The PayGuard Plus policy can be converted to a Provider Choice Policy as follows:

- To Age 65 Benefit Period
- Maximum Issue Limit is subject to financial underwriting and will not exceed the PayGuard Plus benefit amount
- Occupation Class will be determined at time of conversion
- An elimination period equal to or greater than the PayGuard Plus Policy's Elimination Period
- A definition of Total Disability comparable to the PayGuard Plus Policy's definition of Total Disability
- No optional benefit riders
- Any exclusion rider or rating on the PayGuard Plus policy will transfer to the resulting Provider Choice policy
- Discounts will be determined at the time of conversion and may not carry over from the PayGuard Plus policy.

Criteria for Conversion

- Occupational and Financial underwriting only - no Medical underwriting.
- The insured has never been disabled under the PayGuard Plus policy and has not had a disability claim approved by any entity or source within the last five years.
- Must be employed at least 30 hours per week and a minimum of 10 months a year and be in an insurable occupation.

New Field Representative (FR) program

This program provides New Guardian Field Representatives up to \$2,000 of PayGuard Plus coverage without financial documentation. New FR Program is only available when an applicant applies within his/her first 12 months with Guardian. The New FR Program does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. State variations and restrictions may apply.

New Field Representative (FR) Program

Ages	18 – 40
Class of Risk	Select, Standard
Occupation Classes	5
Minimum Elimination Period	90 Days
Maximum Benefit Term	10 Years
Maximum Monthly Benefit	\$2,000
Medical Requirements	No special exceptions for medical requirements

Available Riders and Endorsements

- True Own Occ
- Conversion Option

Notes:

- Overall issue and participation limits apply. Guardian Group LTD coverage is not considered when determining the amount of available coverage for those applying under the New FR Program.
- Any Provider Choice coverage in-force or applied for will also be included when determining medical requirements.
- See Medical Requirements Section for additional information.
- Underwriting reserves the right to request medical records at the underwriter's discretion.
- New FR Program for PayGuard Plus applications cannot be combined with the New FR Provider Choice Program or any other underwriting program, except the PayGuard Plus Conversion Option program.

For information on the Provider Plus version of this program see the [Provider Choice: Underwriting Programs section](#).

Section 3

Overhead Expense

Berkshire Policy Form 18OE

Overhead Expense (18OE)

A non-cancellable and guaranteed renewable (to age 65) policy that provides benefits to reimburse the normal and customary fixed monthly business expenses of a business or practice of a professional or business owner while he or she is disabled.

Overhead Expense (OE) 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, significantly suffer with the loss of the owner.

Overhead Expense (18OE)			
Issue Ages	18 – 60		
Classes of Risk	Select, Standard		
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D		
Elimination Periods	30, 60, 90 Days		
Benefit Periods	12, 18, 24 Months		
Premiums	Gender-distinct; Level or Graded		
Annual Policy Fee	\$30		
Premium Modes and Factors	Semi-Annual: 0.515000	Quarterly: 0.262650	Monthly: 0.085833
State Availability	See Product Manual (Pub7493BL) for details		

Mental and/or Substance Related Disorders limitation

A 24-month Mental and/or Substance Related Disorders limitation is included on all policies in CA and all states for the following occupations: any anesthesiology professionals, anesthesiologists, certified nurse anesthetists (CRNAs), emergency room physicians, pain management physicians, and general dentists. This limitation also applies to any residents declaring any of these specialties. The MSRDL limitations do not apply to policies issued as the result of a future increase or future purchase option when exercised from a policy that did not have such a limitation.

For more information on Overhead Expense see [Product Manual \(Pub7493BL\)](#) for details.

* FIO is available for Classes 4D and 3D Dental Occupations for Overhead Expense.

Overhead Expense (18OE) Issue Limits

Our Overhead Expense policies are reimbursement contracts, 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.

Minimum policy size

\$500 per month

\$300 per month for Increase Option exercises

\$100 per month for Applicants applying for [Business Loan Protection Term Rider](#)

Maximum 18OE Issue and Participation (I&P) Limits		
Benefit Periods	18OE Maximum I&P Limit for Occupation Classes 6/6M, 5/5M, 4/4M	18OE Maximum I&P Limit for Occupation Classes 4D, 3/3M/3D
12 months	\$60,000	\$50,000
18 months	\$45,000	\$40,000
24 months	\$35,000	\$30,000

Maximum Issue and Participation limits are per person regardless of the number of businesses owned. For applicants with multiple policies in force and applied for, the aggregate benefit amount cannot exceed:

- \$840,000 for Occupation Classes 6/6M, 5/5M, 4/4M
- \$720,000 for Occupation Classes 4D, 3/3M,3D.

Benefit amount plus FIO cannot exceed maximum issue limit.

Participation with other company coverage

We will participate with other companies’ Overhead Expense coverage up to our maximum Issue and Participation limit.

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.

Overhead Expense (18OE) Riders

Overhead Expense (18OE) Riders

Additional Overhead Expense Benefit Rider	Issue Ages 18 – 60 Level Issue Ages 18 – 50 Graded <i>Available at Underwriter Discretion</i>
Benefit Purchase Rider	Issue Ages 18 – 50 <i>No Charge Rider</i>
Business Loan Protection Term Rider	Issue Ages 18 – 60 Term cannot exceed age 65
Future Increase Option (FIO)	Issue ages 18 – 50*
Partial Disability Benefit Rider	Issue ages 18 – 60 Issue Ages 18 – 50 Graded
Professional Replacement Benefit Rider	Issue ages 18 – 60 Issue Ages 18 – 50 Graded
Your Income Protection Rider	Issue ages 18 – 60 Issue Ages 18 – 50 Graded

*FIO is available with Classes 4D and 3D Dental Occupations

Overhead Expense (18OE) Riders: additional information

Some riders are not available in every state. See [Product Manual \(Pub7493BL\)](#) to determine the state availability.

Benefit Purchase Rider (OE BPR)

There is no benefit amount associated with this rider; therefore, there are no minimum and maximum issue limits. If the insured has reached the maximum issue limit on the base policy, this rider can still be issued, and an offer will be determined by underwriting at time of exercise if eligible. The OE BPR is not available for policies issued under our Startup Savvy or EQI programs. The OE BPR is only available if an applicant applies for a required amount of base OE coverage based on benefit period and listed below. If the base OE amount is reduced after issue, the OE BPR will be removed from the policy.

BPR Eligibility	
Benefit Period	OE Base Benefit Required to be Eligible for BPR
12 months	\$30,000
18 months	\$20,000
24 months	\$15,000

The benefit for an OE BPR Option Increase Policy will be determined at time of offer based on our then current underwriting guidelines. The minimum offer Berkshire will make is \$600 and the minimum policy Berkshire will issue is \$300. Applicants must accept 50% of the offer made at the time of the option exercise for the rider to remain in force. If the insured is eligible for less than \$600, we will deem him or her ineligible for an increase. The rider will remain in force until the next review date. Applicants must apply on each option date to keep the rider in force.

Business Loan Protection Term Rider (BLPT)

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. For variable loans, the monthly benefit = (the sum of all monthly loan payment amounts) / (the total number of loan payments). Documentation of the business loan obligation will be required at the time of underwriting.

The Maximum Issue Limit for the BLPT is up to \$20,000 per month depending on the Benefit Term. The maximum aggregate benefit amount per applicant is \$2,000,000. An applicant can have up to five BLPT riders on one or multiple policies combined; however, the total of all BLPT riders plus any in force or applied for Professional Replacement rider cannot exceed \$20,000 per month. We will participate with any other loan protection coverage up to our \$20,000 per month limit and our \$2,000,000 maximum aggregate limit. This rider is over and above the Maximum OE Issue Limit.

Maximum BLPT Rider Limits					
Benefit Term (Years)	Maximum Monthly Benefit	Benefit Term (Years)	Maximum Monthly Benefit	Benefit Term (Years)	Maximum Monthly Benefit
5 - 8	\$20,000	16	\$10,410	24	\$6,940
9	\$18,510	17	\$9,800	25	\$6,660
10	\$16,660	18	\$9,250	26	\$6,410
11	\$15,150	19	\$8,770	27	\$6,170
12	\$13,880	20	\$8,330	28	\$5,950
13	\$12,820	21	\$7,930	29	\$5,740
14	\$11,900	22	\$7,570	30	\$5,550
15	\$11,110	23	\$7,240		

The benefit term cannot exceed age 65.

This rider can have a 30, 60, 90, 180, or 360 day elimination period; however, the elimination period must be equal to or more than the elimination period of the base policy.

Future Increase Option

FIO can be up to 1 x the base monthly benefit amount not to exceed the maximum Issue and Participation limit.

Professional Replacement Benefit Rider

This rider provides a reimbursement up to 100% of a Professional Replacement’s gross monthly salary in the event of a total disability. The Maximum Issue Limit for the Professional Replacement Benefit Rider is \$20,000 per month but cannot exceed the base OE Monthly Benefit amount. This rider is over and above the Maximum OE Issue Limit. The sum of any Professional Replacement Benefit Riders plus any Business Loan Protection Term Riders cannot exceed \$20,000 per month.

The Professional Replacement rider is not available if there are any salary replacement benefits in force with any carrier - the only exception is that the Professional Replacement rider is available if there is a Professional Replacement rider already in force on an existing 18OE policy.

The Business Loan Protection Term rider \$2,000,000 maximum aggregate benefit amount does not include amounts issued under the Professional Replacement Benefit rider.

Your Income Protection Rider

This rider provides an income replacement benefit of 60% of an applicant’s earned income up to a maximum of \$5,000 per month if there is no other disability coverage in force or applied for (including the following disability insurance coverage, whether group, association, or individual: short term , long term , and multi-life). This rider has a Modified Own Occupation definition of Total Disability. If an applicant purchases this rider and then applies for individual disability coverage, we will count this rider as in force individual disability insurance. This rider will have a 90 day elimination period and a 24 month benefit period.

Overhead Expense (18OE) Discounts

Overhead Expense (18OE) Discounts

Multi-Policy Discount	5% permanent discount applied to the Overhead Expense policy only when Individual Disability policy 18ID/18UD and Overhead Expense policy are either purchased at the same time, or Overhead Expense policy is applied for within six months of Individual Disability policy.
Preferred Occupation Discount	10% policy level discount for qualifying occupations.
Preferred Risk Class Discount (FIO only)	26% discount available only for FIO exercises if the Preferred Risk Class Discount was approved on the originating policy.
Select Risk Class Discount	25% discount for policies issued with the Select Risk Class.

Only one of the following discounts can be issued per policy:

Association Discount	10% policy-level discount for pre-approved associations.
Multi-Life Discount	20% policy-level discount for 3 lives issued within 6 months.

Covered overhead expenses (18OE)

The normal, necessary and customary expenses incurred and paid in the continued operation of a professional practice, or in the running of a business; in the event of a joint occupancy, this term means that part of such charges incurred for which the applicant is responsible.

These charges include:

- Rent
- Electricity
- Telephone
- Heat
- Water
- Laundry
- Real estate taxes
- Interest on debt
- Salaries of employees who are not members of the applicant's profession.
- Rent or lease expense of furniture, equipment or other assets used in your professional practice.
- Depreciation or scheduled installment payments of principal on debt. 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.

For more information on expenses that are and are not covered see [Product Manual \(Pub7493BL\)](#) for details.

Overhead Expense: Underwriting Programs

Business Loan Protection (BLP) Program

This program utilizes our Overhead Expense policy and our Business Loan Protection Rider to provide reimbursement for covered business-related expenses from a financial institution. The base 18OE policy will have a \$100 monthly benefit and a 12-month Benefit Period. No other riders or the Accelerated Benefits Endorsement can be considered under this program. All underwriting rules and requirements for Overhead Expense (18OE) apply to this program.

BLP Program	
Issue Ages	18 - 60
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Class of Risk	Select, Standard
Minimum BLP Rider Issue Limit	\$500 per month
Maximum BLP Rider Issue Limit*	\$20,000 per month**
Maximum Number of BLP Riders	5 per policy
Elimination Periods	30, 60, 90, 180 or 360 days
Benefit Term	5 – 30 Years, cannot exceed age 65
Definition of Disability	True Own Occupation
Premium Structure	Level
Additional Financial Requirements	Proof of Loan at time of Underwriting

Available Riders

None

*The aggregate benefit (the total dollar amount of all benefits payable to a single Applicant under all business loan protection products) cannot exceed \$2,000,000. The aggregate benefit is the monthly benefit times the number of months in the term.

**\$20,000 maximum when combined with Professional Replacement rider.

Note: The policyowner may assign the Business Loan Protection Monthly benefit separately from other benefits under this policy.

Enhanced Quick Issue (EQI) program

This program provides for up to \$10,000 OE coverage with no financial documentation, labs or Paramed exams. The eMed or TeleMed interview is required along with the OE Supplement. Coverage issued under this program will have no occupation class or policy feature restrictions, and no change to maximum Issue and Participation limits.

Enhanced Quick Issue (“EQI”) means expedited and streamlined underwriting and is available when an applicant applies for an Overhead Expense policy. EQI does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. The EQI Program is not available in California.

Maximum Monthly Benefit/Total Coverage	
Ages 18-40	Up to \$10,000 OE [†]
Ages 41-50	Up to \$10,000 OE [†]
Class of Risk	Select, Standard
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Medical Requirements	eMed or TeleMed Interview ^{††}
Financial Requirements	Fully completed financial section of the application. Fully completed OE Supplement.
Discounts	<ul style="list-style-type: none">▪ Association Discount▪ Multi-Life 3+ Lives Discount▪ Multi-Policy Discount

[†]Up to \$10,000 OE can be considered with the submission of a completed Overhead Supplement showing at least that much in eligible expenses. To be eligible, the applicant must be a business owner and any resulting policy will be dated on or after the date the business or practice is formally opened and operating. Under the OE EQI program, the only riders available are Your Income Protection rider, Partial Disability Benefit rider and the Additional Overhead Expense rider.

^{††} Underwriting reserves the right to request medical records at the underwriter’s discretion. In WY a Paramed is required.

Notes:

- Benefit Purchase Rider (BPR) is not available under the Enhanced Quick Issue Program.
- FIO is not available.
- The Enhanced Quick Issue Program for Overhead Expense is not available to applicants fitting the criteria of other Underwriting Programs such as the Start-up Savvy Program.
- The Enhanced Quick Issue Program is not available to Real Estate industry occupations (e.g., mortgage brokers, mortgage originators, real estate agents/brokers, residential construction occupations, real estate developers, real estate investors, etc.).

For information on the Provider Choice version of this program see the [Provider Choice: Underwriting program](#) Section.

New Business Owners -Start-Up Savvy program

Self-employed business owners in the first year of start-up can financially qualify for up to \$20,000 (including in-force coverage) of Overhead Expense coverage and up to \$10,000 of FIO coverage with submission of a completed Overhead Expense Insurance Supplement showing at least that much in eligible expenses.

Eligibility: Business owners in the first year of a start-up, or before they have filed tax returns on the new business, will be considered using two streamlined requirements:

- Business owners ages 18 to 50 in their first year of start-up.
- Overhead Expense Supplement showing eligible expenses that equal or are greater than the amount applied.

Note: The applicant must be a business owner and any resulting policy will be issued on or after the date the business or practice is formally opened and operating.

Available Riders

FIO, Partial Disability Benefit, Additional Overhead Expense, Professional Replacement Benefit, Business Loan Protection Rider⁶ and Your Income Protection Rider

Maximum Issue and Participation Limits (including In-Force)

\$20,000/mo. of Overhead Expense coverage with FIO of up to \$10,000 and Professional Replacement Benefit Rider of up to \$10,000.

Medical requirements are necessary and are based on the applicant's age and coverage amount(s) applied.

For information on the Provider Choice version of this program see the [Provider Choice: Underwriting program](#) section.

⁶ See [Business Loan Protection \(BLP\) Program section](#) for additional information.

Section 4

Disability Buy Out

Berkshire Policy Form 18DB

Disability Buy-Out (18DB)

This policy provides cash to assist in the purchase of a disabled partner's or shareholder's business interest by the remaining owners. Among the conditions for policy renewal: the insured has an ownership interest in the business and is actively employed by the business.

Disability Buy-Out	
Issue Ages	18 – 60
Classes of Risk	Select, Standard
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D
Elimination Periods	360, 540, 720 days
Benefit Periods	12, 24, 36, 48, 60 months
Premiums	Gender-distinct; level
Annual Policy Fee	\$30
Premium Modes and Factors	Semi-Annual: 0.515000 Quarterly: 0.262650 Monthly: 0.085833
State Availability	See Product Manual (Pub7493BL) for details
Discounts	
Multi-client Discount	10% discount when three or more lives are issued for this product under the same buy-sell agreement.
Preferred Occupation Discount	10% policy-level discount for qualifying occupations
Preferred Risk Class Discount (FIO)	26% discount available only for FIO exercises if the Preferred Risk Class Discount was approved on the originating policy.
Select Risk Class Discount	25% for those issued with the Select Risk Class
Available Riders	
Future Increase Option (FIO)	Issue Ages 18 – 50*

*FIO is available with Classes 4D and 3D Dental Occupations

Disability Buy-Out (18DB) issue limits

Minimum Issue amount

\$20,000

Maximum Issue and Participation limit

We will issue up to 100% of the applicant's share of the business or practice value as determined by our published valuation methods up to the following:

\$2,000,000 for 360 Day EP

\$2,500,000 for 540 Day EP

\$3,500,000 for 720 Day EP

Future Increase Option rider

Issue Limits: \$10,000 – \$150,000

Disability Buy-Out (18DB) Ownership guidelines

General

All applicants must be actively working in the business(es) full-time and insurable.

- Owners with less than 5% interest are not eligible to apply.
- Owners with more than a 10% interest must apply.
- Owners with a 5% - 10% interest:
 - If only one of the owners holds a 5-10% interest in the business, then applying is optional for that owner.
 - If more than one of the owners hold a 5 – 10% interest, then applying is optional for those owners as long as 4 or more owners of the business apply.

Coverage is not available 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.

Covering a single owner is acceptable when all other owners are uninsurable.

Business

Professional businesses/personal service

Between two and ten owners are acceptable for firms that have been in business for at least one year where each applicant 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 applicant 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.

Individual

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-sell agreement is in place.

Commercial businesses

The applicant must have been in the business for at least one year. No exceptions will be made.

Other considerations

Participation with other companies

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 partners/shareholders where the existing owners have DBO coverage in-force with another carrier provided:

- the applicant confirms that the elimination period and funding method outlined in the buy-out agreement align with the new coverage; and
- the new coverage issued has the same elimination period, funding method and benefit period as the coverage in-force.

Disability Buy-Out (18DB) Financial valuation requirements

Professional businesses/personal service

A fee for service business in which the professional, or highly technical skill directly provided by the owner, cannot be replicated by non-owner employees.

- Three years of corporate tax returns will be required to establish the annual gross receipts of the business.

Commercial businesses

A business engaged in sales, manufacturing, or service, but which does not fall within the above delineated parameters of a Professional/Personal Service business.

- Two years of Corporate tax returns will be required to establish both the net worth⁷ of the business and the total owner compensation⁸.

Business valuation

The value of a business will be determined using one of the following methods:

- A. Gross Receipts Business(es) Valuation - Professional Corporations and Personal Service Partnerships—one times the average annual gross receipts of the business(es) over the last three years.
- B. Net Worth Business(es) Valuation - Commercial Business(es)— 100% of net worth⁷ plus two times total owner compensation⁸ all based on an average of these figures over the last two years.
- C. Traditional Business(es) Valuation – The Traditional Business Valuation is only available for applicants who work with Guardian’s Business Resource Center (BRC) and obtain a BizEquity Business Valuation Report through the BRC; and, the BRC BizEquity Report must be submitted with the Application. Each owner’s share of the business value is proportional to their percentage of ownership in the business(es).

⁷ Net worth means the assets of the Business(es) less the liabilities of the Business(es) as reported for federal income tax purposes multiplied by Your percentage of Ownership Interest in the Business. In the event that assets and liabilities are not required to be reported for federal income tax purposes, they may be provided through a compilation report as prepared by an independent certified public accountant applying mutually acceptable business valuation techniques on an accounting basis consistent with the Business(es)’ most recent federal income tax return.

⁸ Total owner compensation means Net Income plus Compensation.

Net Income means Your share of the Business(es)’ profit or loss, as reported for federal income tax purposes.

Compensation means salaries, wages, fees, commissions, bonuses, pension and profit-sharing contributions earned by You, received by You or that is allocable to You by the Business(es), as reported for federal income tax purposes. All income or remuneration from sources other than from the Business(es) is not included in Compensation.

Solicitation

- Use the current edition of our application being careful to complete the information for Disability Buy-Out insurance.
- If the Buy-Sell 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.

Buy-Sell Agreement

The Buy-Sell Agreement should not be submitted for underwriting review, although in all cases Underwriting reserves the right to request one at the underwriter’s discretion. The Buy-Sell Agreement must be in existence at end of the first policy year, at time of renewal and at time of disability and must be provided as part of proof of loss at time of claim.

Disability Buy-Out (18DB): One-Way Buy-Outs

In the event of a sole owner's disability, a one-way buy-out provides funding to assist in the purchase of the owner's business interest by a succession employee. The succession employee must be named in the buy-sell agreement and be actively and primarily employed by the business. The Applicant/Insured will be the sole business owner and the Owner of the policy will be the succession employee.

The sole business owner and the succession employee cannot be related as parent and child or husband and wife. In addition, if the owner is 51 years of age or older, there cannot be more than a 15-year age difference between the sole business owner and the succession employee.

The One-Way Buy-Sell Agreement:

- Must be in existence at the time of underwriting, at end of the first policy year, at time of renewal, and at time of disability.
- Must specifically name the succession employee.
- Must specifically outline the succession employee's legal or equitable interest in the business upon death or disability of sole business owner.
- Should not be submitted for underwriting review although Underwriting reserves the right to request one at the underwriter's discretion.
- Must be provided as part of proof of loss at time of claim.

Financial Requirements for a One-Way Buy-Out

1. **All Businesses except Sole Proprietorships:** refer to normal DBO financial requirements.
2. **Sole Proprietorships:**
 - A. **Professional/Personal Service (Fee-for-Service) Businesses**
The last three years' 1040 Personal Returns (must have Schedule Cs for the business) will be required to establish the annual gross receipts of the business.
 - B. **Commercial/Other Business (not professional/Fee-for-Service)**
 - The last two years' 1040 Personal Returns (must have Schedule Cs for the business) will be required to establish total owner compensation.
 - Net Worth must be provided through a compilation report prepared by an independent certified public accountant applying mutually acceptable business valuation techniques on an accounting basis consistent with the Business's most recent federal income tax return(s).
 - C. **Traditional Business(es) Valuation** – The Traditional Business Valuation is only available for applicants who work with Guardian's Business Resource Center (BRC) and obtain a BizEquity Business Valuation Report through the BRC; and, the BRC BizEquity Report must be submitted with the Application. Each owner's share of the business value is proportional to their percentage of ownership in the business(es).

Disability Buy-Out (18DB): Buy-Out for multiple businesses

Multiple businesses can be considered for DBO coverage on a case-by-case basis. In order to be considered for coverage the following must apply:

- The Traditional Valuation Method is the only Valuation Method available and a copy of the Business Resource Center (BRC) BizEquity Report is required at the time of underwriting.
- There must be no more than three businesses involved.
- Applicants must be gainfully employed and working full-time in the businesses
- Multiple businesses with a Cross Purchase Buy-Out Agreement are not eligible for consideration

Section 5

Discount Programs

Discount Programs

The following discounts are available on the policy forms listed below.

Discount Availability

Discount Availability	18ID	18UD	18OE	18DB	18PG
Select Risk	✓	✓	✓	✓	✓
Preferred Risk on FIO only	✓	✓	✓	✓	
Preferred Occupation Discount	✓	✓	✓	✓	
Association*	✓		✓		✓
Student and Resident/New White- Collar Professional**	✓				
Professional Group**	✓				
Mental and/or Substance-Related Disorders limitation and discount	✓	✓			
Qualified Sick Pay Program (QSPP) / Executive Bonus Plan (EBP)***		✓			
Multi-Policy			✓		
Multi-Life			✓		✓
Multi-Client				✓	

*Association available on 18UD for FIO only.

**Student and Resident/New White Collar Professional, and Professional Group Discount available on 18UD in MT only.

*** QSPP/EBP available on 18ID for FIO only.

Association Discount program

The Association Discount program is designed to help producers develop additional target market relationships by gaining the sponsorship of an association. Approved associations will be able to offer a 10% discount.

Associations are sometimes approved with eligibility limitations. It is the responsibility of the producer to be mindful of any limitations before offering the discount. Please contact a Guardian IDI agency wholesaler or Guardian IDI internal wholesaler for more details.

Association criteria

- Prior approval by Berkshire is required for a particular association program to be accepted.
- We consider local, county, state, or regional associations only.
- National and multi-state associations are ineligible.
- Maximum size should be appropriate for the producer or team of producers to personally solicit business as described in the producer's marketing plan.
- 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, 4/4M/, 3/3M.
- 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

Note: All medical and dental associations are ineligible except for veterinarians.

Initiating association approval

- Submit an Approval to Approach form 7151 (available on [GuardianOnline](#)) 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.

Notes:

- 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.
- Any cases submitted to and received by New Business/Underwriting prior to the effective date of a new discount program may be issued with the program discount without the writing producer splitting commissions with the endorsed agent. Program guidelines will apply to any subsequent business.
- If a previous discount program was terminated, a new discount program can be established by following the Sponsorship Requirements above, provided that a minimum of two years has elapsed since the previous discount program was terminated.

Annual review

At annual review, 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 review

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:

- Policies written on 10% of membership; or
- 50 contracts written on membership (could be higher for large associations); or
- \$50,000 of first year annualized premium (could be higher for large associations).

Association annual review for subsequent years

The minimum requirement is the lesser of:

- Additional policies written on 5% of membership; or
- 25 contracts written on membership (could be higher for large associations); or
- \$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 probationary period or terminate the endorsement.

Student and Resident Discount/New White-Collar Professional Discount

The Student and Resident Discount/New White-Collar Professional Discount program provides a 10% discount to students, residents, fellows, and recent graduates. Applicants must meet the following criteria to be eligible for the discount:

- Student and Resident Discount (Medical and Dental students, residents and fellows):
 - Must be enrolled at, employed by, or recently graduated from a university, college, school or hospital that has been previously approved by Guardian.
 - Are eligible to participate in Student and Resident programs up to 180 days following graduation or program completion. Applications must be received by New Business within said 180 days for the applicant to receive the discount.
- New White-Collar Professional Discount (Occupation Class 3, 4, 5, or 6):
 - Must be enrolled at or recently graduated from a university or college. Guardian pre-approval is **not** required. The discount code for all New White-Collar Professional Discounts is 112210.
 - Must apply while enrolled or up to 1 year following graduation or program completion. Applications must be received by New Business within 1 year of graduation to receive the discount and the graduation date must be noted on the Application.

For all eligible applicants, a New Business Transmittal must be included with each application for insurance noting the group name and assigned plan number. For eApp, group name and assigned plan number may be included in the notes to New Business Administration section.

Approval requirements

New White-Collar Professional

Applicants with occupation class 3, 4, 5, or 6 do not need pre-approval and can use the New White-Collar Professional discount (code 112210).

Student and Resident Discount

If there is not an existing discount program available, then a new program can be started with the following requirements:

Medical Physician resident programs not already covered by a discount can be set up without a letter from the institution provided the following criteria are met:

- 3 or more distinct lives are issued within 6 months.
 - FIO Exercises, BPR Exercises, and RPP Policies can be included.
 - Policies from Group Conversion Program will be included in lives count.
- The institution name, city and state are consistent across all issued lives. Residents at multiple hospitals affiliated with the same residency program can be counted towards the same discount program.
- The number of physician residents completing residency annually is provided.

Programs that meet the above requirements will be set up only for Medical Physicians as defined in the Special Limits for New Professionals table in the Field Underwriting Guide. Annual production requirements for Student Resident Discount Programs will also apply to Medical Physician resident programs. Non-physician residents will not be eligible to set up a Student Resident Discount Program without a letter from the institution.

The three lives must be issued within a 6-month period from discount program approval. In-force policies that did not initially qualify for the discount, but subsequently qualify within the 6-month time frame, will be handled as an in-force change for processing purposes. For more information, please refer to [GuardianOnline](#) under Products / Disability Insurance / Claims & Policy Services.

For non-physician medical programs, a letter from an institution leader, who is authorized to make benefit decisions, is required. In the letter, the institution leader must specify the name of the agent/agency, agree to formally announce the program and provide access to participants. Before obtaining this letter, the agent must submit an Approval to Approach form to the Manager of Endorsed Programs.

If a previous discount program at the institution was terminated, a new discount program can be established by following the Approval Requirements above, provided that a minimum of two years has elapsed since the previous discount program was terminated.

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.

Producer rights and annual review

Multiple levels of exclusivity are available. Please contact the Manager of Endorsed Programs for more details.

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 may result in a probationary status. Continued underperformance may result in termination of the underperforming program.

Note: Any cases submitted to and received by New Business/Underwriting prior to the effective date of a new discount program with level two or level three exclusivity may be issued with the program discount without the writing producer splitting commissions with the endorsed agent. Program guidelines will apply to any subsequent business.

Multiple Policy Rules

See table on next page.

Multiple Policy Rules for Student and Resident Discounts/ New White-Collar Professional Discounts

Without Lifetime Rider

	Policies with base monthly indemnity at or below the New Professional limit	Policies with base monthly indemnity above the New Professional limit*
All Occupations	Single policy with discount	Single policy with discount

With Lifetime Rider

	Policies with base monthly indemnity at or below the New Professional limit	Policies with base monthly indemnity above the New Professional limit*
All Occupations	Single policy with discount	Up to three policies with a policy fee on each: <ol style="list-style-type: none"> 1. Discounted policy with Lifetime rider at the New Professional limit 2. Undiscounted policy with additional Lifetime Coverage (total Lifetime coverage cannot exceed \$10,000) 3. Undiscounted policy for additional non-Lifetime coverage

*Amount of Coverage must be supported by the Resident's Employment Contract

Professional Group Discount program

The Professional Group Discount Program offers a 10% permanent discount on a policy level with a minimum of 3 non-dental occupations, issued distinct lives.⁹ This coverage will be issued on a gender distinct basis under the following conditions:

- Maximum issue age 60
- An assigned plan number must be submitted with the application
- All applicants have the same employer and location¹⁰
- Partners receiving regular income from their business will be allowed the discount

The three lives must be issued within a 6-month period from discount program approval. In-force policies not eligible for the discount that subsequently qualify within the 6-month time frame, will be handled as an in-force change for processing purposes. For more information, please refer to [GuardianOnline](#) under Products / Disability Insurance / Claims & Policy Services.

Approval requirements

- Submit a request for a group to New Business.
- New Business Transmittal with each application for insurance noting the group and assigned plan number, or for eApp, notes made in the notes to New Business Administration section.
- Applicant must attest to working for employer on application for insurance.
- Not available to 1099 employees or the student, resident or fellow populations.
- Dental occupations will not be counted toward the 3 lives required to start a new group. However, dental occupations are still eligible for existing professional group discounts.

⁹FIO exercises, BPR exercises and RPP policies can be included in the lives count.

¹⁰Different addresses in the same city will be considered the same location.

Qualified Sick Pay Program (QSPP) / Executive Bonus Plan (EBP)

A QSPP is an Employee Multi-Life program that enables the business to continue making salary payments to disabled employees while also offering a 25% permanent Employee Multi-Life discount. This discount is available with a minimum of 3 distinct issued lives¹¹ when coverage is 100% employer paid.

An Executive Bonus Plan (or Section 162 Plan) is an Employee Multi-Life program that is a way to combine employer-paid coverage with a tax-free benefit for an employee. The employer simply provides a bonus to selected employees in the value of the policy premium. An EBP provides a permanent 25% discount.

The coverage will be issued on a unisex basis under the following conditions:

Qualified Sick Pay Program (QSPP) / Executive Bonus Plan (EBP)	
Minimum # of Lives	3 must be maintained
Issue Ages	18 – 75 (maximum issue age for 10-year benefit period is 55)
Occupation Classes	6/6M, 5/5M, 4/4M/4D, 3/3M/3D, 2, 1 <i>For plans with applicants over age 60, 50% of participants must be under the age 60 and in occupation classes 6/6M-3/3M/3D.</i> <i>Classes 2 and 1 are only available in Employee Multi-Life situations with a mix of other occupation classes (at least 50% of participants must be classes 6/6M through 3/3M or 3D), level premium structure only.</i>
Premium Structure	Level Graded (maximum issue age is 50)
Discounts	Permanent 25%

The three lives must be issued within a 6-month period from discount program approval. In-force policies not eligible for the discount that subsequently qualify within the 6-month time frame, will be handled as a “terminate and replace” scenario for processing purposes. For more information, please refer to [GuardianOnline](#) under Products / Disability Insurance / Claims & Policy Services.

Notes:

- QSPP and EBP are not available to 1099 employees.
- Policies sold under a QSPP program are list billed to the employer.
- Multiple levels of exclusivity are available. Please contact the Manager of Endorsed Programs for more details.
- Policies issued as the result of exercising a future increase or future purchase option on a policy with a QSPP discount will receive a QSPP discount.

¹¹ FIO exercises, BPR exercises and RPP policies can be included in the lives count.

Preferred Occupation Discount

The Preferred Occupation Discount (POD) offers a 10% permanent discount on a policy level in approved states.¹² The discount is available for the following occupations (including residents that intend to pursue or have declared these specialties):

5M Physicians

All Occupation Class 5M Board-Certified Pulmonologists

4M Physicians

All Occupation Class 4M Board-Certified Family Practice Physicians and Internal Medicine Physicians (except Rheumatologists) and all Occupation Class 4M Board-Certified Radiologists and Radiation Oncologists.

3M Surgeons

All Occupation Class 3M Board-Certified Surgeons with the exception of Orthopedic Surgeons, or any surgeon that is an Occupation Class 4M.

Availability

The Preferred Occupation Discount is available on the following products:

- Provider Choice Individual DI
- Business Overhead Expense
- Disability Buy-Out Insurance

The Preferred Occupation Discount is also available with any of the following:

- Straight Conversion/GSI Programs
- Fully Underwritten Conversions
- RPP Program

Notes:

- Discount will continue in over-age extension situations.
- Discount cannot be added to in-force policies. If the insured changes occupations to an eligible occupation while the policy is in force, the discount cannot be added to the policy. It will only be available on subsequent policy issues or Increase Option Exercises if eligible at the time of issue.
- Discount is available on option exercises if the insured is in an eligible occupation at the time of the option exercise regardless of whether it is on the original policy or not. The discount is not available on option exercises if the insured is not in an eligible occupation, even if the discount is on the originating policy.
- Some state restrictions apply.

¹² See [Product Manual \(Pub7493BL\)](#) for details.

Select premium risk class underwriting criteria

This is a 25% discount available to applicants with no use of nicotine in any form in the last 12 months.

Multi-Policy Discount

This is a 5% permanent discount on 18OE applied to the Overhead Expense contract only when Individual Disability and Overhead Expense are either purchased at the same time, or Overhead Expense is applied for within six months of Individual Disability.

Multi-Life Discount

This is a 20% discount available on 18PG and 18OE for 3+ lives with the same employer.

Multi-Client Discount

This is a 10% discount available on 18DB when three or more lives are issued for this product under the same buy-sell agreement.

Section 6

Occupational Underwriting

Occupational Underwriting

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 are educational background, professional designations, degrees, certifications, 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.

For claim purposes occupation is determined based on the policy terms and provisions.

Job title vs. duties

In most instances, job title alone is not sufficient to determine proper classification. It is, therefore, imperative that a full description of the applicant's duties be given on the application. If travel or supervision are 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.

Physicians are classified using their Medical Board Specialty Certification (and if applicable Subspecialty Certification) as certified by the American Board of Medical Specialties.

Part-time and dual occupations

All applicants must be employed on a full-time basis year round. Thirty hours per week is the 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. Unless otherwise specified, a physician with multiple specialties who would receive different occupation classes will be treated as having dual occupations and classification will be based on the more hazardous specialty/sub-specialty.

Business and residence address the same (home-based)

Insured's 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 Home- Based Business Owners Program section 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. The following are general descriptions 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 that are in the health care industry. These professions include, but are not limited to, physicians, nurses, pharmacists, optometrists, etc.

“D” classes are for individuals in the dental industry. These professions include, but are not limited to, general dentists, endodontists, pediatric dentists, periodontists, prosthodontists, oral surgeons and orthodontists.

We will continue to monitor the performance of the portfolio. Any future occupation changes will be made in accordance with good risk management.

Class 6 & 6M

Available to the following occupations which have the most favorable experience (actuaries, architects, attorneys, CPAs, and business owners or corporate executives) who meet the following requirements:

is employed full-time in a business which is financially sound, has been in existence for five years, and has prospects for a stable future;

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 \$75,000 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, education, 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 which 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;

\$60,000 salary and bonus for the past two years.

Class 4, 4M & 4D

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.

\$40,000 salary and bonus for the past two years.

Class 3, 3M & 3D

Includes occupations that require more physical activity than Class 4, plus certain occupations which 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 occupations are uninsurable except in the following cases:

- Classes 2/2M may be issued individual coverage if the applicant is a business owner who has owned the business for at least five years and whose income is at least \$50,000.
- Class 2 is available in QSP and Executive Bonus Programs with a mix of occupation classes (at least 50% of participants must be classes 6/6M – 3/3M/3D).

Class 1

Includes occupations requiring heavy manual duties or where there are real accident 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/3D).

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 their 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 carefully so that you can properly classify the client.

Military obligations

Individuals who are members of any branch of the regular armed forces of any country, or who intend to enlist in any branch of the services are uninsurable.

Members of the militia or reserve units who are not on full-time active duty may be considered for insurance on the basis of their regular civilian occupation, with consideration to be given to any additional hazard relating to military activity, such as parachuting, scuba diving, mountaineering, etc.

Applicants with known orders for active military duty are uninsurable.

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 one classification higher. The occupations eligible to move up one class are indicated in the alphabetical occupation class listing, and the criteria necessary are indicated by letters of the alphabet under the column titled, “Move-Up Option.”

Move-Up Option criteria

- A. Employed full-time in a business which 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; and no physical or manual duties.
- E. Salary and bonus of \$75,000 for the past two years.
- F. Salary and bonus of \$60,000 for the past two years.
- G. Salary and bonus of \$40,000 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.
- 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 • CLTC • CPCU • RHU • ChFC
 - CLU • MDRT • CFA • CPWA
- 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.¹³

All of the criteria indicated for a particular occupation must be met in order to qualify to move up. Underwriting reserves the right to request documentation of each criterion at the underwriter’s discretion.

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.

¹³ For medical specialties, experience does not include medical training in a residency program or fellowship.

Occupation Class Listing

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Accountant			
▪ Certified Public Accountant	6		
▪ College Degree	5	P	
▪ Others	4		
Actuaries	6		
Adjusters		See Insurance	
Administrative Assistants (office duties only)	3		
Advertising			
▪ 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 Salesman	3		
▪ Writers (full-time, salaried)	4		
Agents		See Specific Industry	
Air Conditioning			
▪ Engineers		See Engineers	
▪ Installers, Repairmen, Servicemen	2		
Airport Personnel			
▪ Managers (office and supervisor duties)	4		
▪ Dispatchers (office duties only)	3		
▪ Operations Clerks, Passenger Agents	3		
▪ Reservation Clerks	3		
Antique Dealers			
▪ Sales Only	3		
▪ Purchasing, Repairing, Collecting or Delivering	2		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Appraisers	5		
Architects			
▪ College or Professional Degree (in office duties)	6		
▪ Landscape Architects	4	P	
Artists, Graphic Designers			
▪ Commercial (working full-time away from residence)	4		
▪ Others	Contact your Underwriter for Home-Based Business Owner Consideration		
Assayers (not in mine)	3		
Assessors	4		
Attorneys	6		
▪ Paralegals	4		
Auctioneers	3		
Auditors	5		
Authors		See Writers	
Automobile Industry			
▪ New Vehicles: Dealers, Salesmen, Dealership Owners	3	A, E, K, N	
▪ Owners of Multiple Dealerships	4		
▪ 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		
Bakeries			
▪ Managers, Proprietors	3		
▪ All Others	2		
Banks			
▪ Officers	5		
▪ Portfolio Managers	5		
▪ Loan Officers	5		
▪ Tellers, Clerks	3		
Booking Agents (full-time, office away from home)	2		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Bookkeepers	3		
Brokers			
▪ Insurance		See Insurance	
▪ Merchandise			
– Office Duties Only, Not Visiting Market or Handling Goods	3		
– Others	2		
▪ Real Estate		See Real Estate	
▪ Stocks, Bonds, Futures or Options		See Financial Industry	
Building or Apartment House			
▪ Owners or Managers (supervising only)	3		
Building Industry		See Construction	
Business Analyst	5		
Business Machines Sales and Service			
▪ Owners	4	A, F, K, N	
▪ Managers, Salesmen	3	A, K, G	
▪ Servicemen	2		
Buyers (department store)			
▪ Office Duties Only	4		
▪ Others	3		
Cabinet Makers	2		
Cantors	3		
Carpenters	1		
Cashiers (office and sales only)	3		
Caterers (no food prep or serving, office and sales only)	3		
Chemical Industry			
▪ Foremen Engaged in Process Work	3		
Civil Engineers		See Engineers	
Claims Adjusters (Insurance)			
▪ Not Fire or Marine	4		
▪ Fire or Marine	3		
Clergymen	3		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Clerks (office)	3		
Clothing Manufacturers			
▪ Proprietors, Managers, Clerks, Inspectors, Designers, Supervisors (office and supervising only)	4		
▪ Other Workers	2		
Collection Industry			
▪ Office Only	3		
Comptrollers	4	F, M	
Computer Industry			
▪ Owners, Proprietors (no sales duties)	5		
▪ Systems Engineers, Design Engineers	See Engineers		
▪ Computer Analysts	5		
▪ Consultants	5		
▪ Librarians, Programmers	4		
▪ Salesmen (duties primarily inside home office)	4		
▪ Salesmen (duties outside home office)	3	F, M	
▪ Skilled Repairmen, Servicemen, Installers	2		
Construction Industry (Commercial and Residential)			
▪ Owners, Contractors (executive duties only)	5		
▪ Owners, Contractors, Estimators (supervising and on-site inspection)	4		
▪ Construction Engineers	See Engineers		
▪ Owners, Contractors (working, not flipping houses)	Classify According to Duties		
▪ Foremen, Supervisors (on-site)	2		
▪ Skilled Workers	Classify According to Trade		
Consultants	5		
Couriers/Express Mail Service			
▪ Executives	4	A, F, H, I, J, K	
▪ Supervisors	3		
▪ Others	1		
Curators-Art Gallery/Library/Museum	4		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Decorators (interior)			
▪ Consulting Duties Only (minimum income \$50K)	5		
▪ Window and Display	2		
Data Analyst	5		
Data Engineer			
▪ PE, PhD or Masters degree	6		
▪ Bachelor’s degree	5		
▪ Other	4		
Data Scientist	5		
Designers			
▪ In Office or Studio (away from home)	4		
▪ Industrial	4	A, F, K	
Dieticians			
▪ Not Preparing Food	3M		
▪ Others	2M		
Draftsmen (office away from home)	4		
Dry Cleaning			
▪ Clerks, Managers	3		
▪ Foremen	2		
▪ Deliverymen	1		
Editors-Magazine, Newspapers (office duties only)	4	A, F, H, I, J, K	
Efficiency Experts or Industrial Engineers	See Engineers		
Electrical Industry			
▪ General			
– Electrical Engineers	See Engineers		
– Meter Readers	1		
– Installers and Repairmen	1		
– Electricians	2		
Employment Agency			
▪ Owners, Managers, Recruiters	4	A, F, K, N	

Occupation Class Listing				
Occupation		Class	Move Up Option	POD*
Engineers				
Degree	Manual Duties	75 % or more of time is office-based		
▪ PE, PhD, Masters	No	Yes	6	
▪ PE, PhD, Masters	No	No	4	
▪ PE, PhD, Masters	Yes	Yes or No	4	
▪ Bachelor’s Degree	No	Yes	5	
▪ Bachelor’s Degree	No	No	4	
▪ Bachelor’s Degree	Yes	Yes or No	4	
▪ Other or None	Yes or No	Yes or No	Class by Duties	
Event Planners (no manual duties)			3	
Executives				
▪ Refer to specific industry where applicable			5	A, E, H, I, J, K
Exporters/Importers				
▪ Office and Sales Only (no travel)			4	
▪ Others			2	
Express, Motor Freight, or Warehouse				
▪ Agents, Estimators, Owners, Managers (office and sales only)			4	
▪ Owners, Managers (supervisory)			3	
▪ Dispatchers, Express men, Foremen, Packers			2	
Farmers				
▪ Proprietors, Farmers (supervisor only)			Contact your Underwriter for Consideration	
Financial Industry				
▪ Brokers				
– Commodity Brokers (not exchange floor)			3	F, P
– Futures or Options			3	F, P
– Hedge Fund or Derivative Managers			3	F, P
– Stocks or Bonds (office duties only, not exchange floor)			4	
– Insurance			See Insurance	
▪ Financial Planners			See Insurance	
▪ Mortgage Bankers or Brokers (salaried)			5	
▪ Mortgage Originators or Brokers (commission)			3	F, M
▪ Investment Analysts or Bankers			5	
▪ Private Equity Analysts or Bankers			5	
▪ Venture Capitalists (office duties only)			3	F, P

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Firearms			
▪ Inspectors, Repairers, Sales Dealers	2		
Fishing Industry			
▪ Hatcheries			
– Managers, Owners, Superintendents (supervising only)	3		
▪ Processing and Packing Foremen	2		
Florists			
▪ Merchants, Managers	4		
▪ Clerks	3		
▪ Floral Arrangers (office only)	3		
▪ Greenhouse-Artificial Flower Makers	1		
Funeral Directors			
▪ Proprietors, Directors (not embalming)	4		
Furniture Designers			
	4		
Glaziers			
	1		
Golf			
▪ Owners, Proprietors, Managers of Golf Courses, Country Clubs (executive duties only)		Contact your Underwriter for consideration	
Harbor Masters			
		See Marine Industry	
Heating Apparatus			
▪ Dealers or Salesmen (no installing or servicing)	3		
▪ Installers, Servicemen	2		
Homemakers (Payguard Spousal Coverage program only)			
	3		
Hospitals, Nursing Homes, Long Term Care Facilities			
▪ Administrators, Executives	5		
▪ Dieticians (not cooking)	3M		
▪ Managers, Superintendents, Clerks	3		
▪ Nurses – RNs	3M		
▪ Nurses – LPNs	Uninsurable		
▪ Technicians (medical, X-ray)	3M		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Hotels, Motels, Inns (open year-round)			
▪ First Class			
– Owners, Managers	4		
– Clerks	3		
▪ Small Operation			
– Owners, Managers	3		
– Clerks	2		
– All Others	1		
Household Appliances			
▪ Dealers, Salesmen	3		
▪ Installers and Repairers	1		
Income Tax Services			
▪ Executives, Owners	4	F, H, I, K, N	
▪ Supervisors	4		
Insurance			
▪ Adjusters (not fire or marine)	4		
▪ Office Managers	4		
▪ Surveyors, Underwriters, Clerical Help	4		
▪ Claims Examiners (office only)	4		
▪ Agents, General Agents, Brokers	5		
▪ Financial Planners	5		
▪ Other Adjusters	3		
Jewelry (excluding diamond merchants)			
▪ Retail Stores			
– Owners, Managers	4		
– Clerks	3		
– Makers, Repairers	2		
▪ Manufacturing-Wholesale (Owners, Managers)	3		
Judges (law degree needed)	Contact your Underwriter for consideration		
Landscape and Horticultural Services			
▪ Office Only	4		
▪ Supervisors	3		
▪ Landscape Architects	4		P
Lawyers	6		
Librarians	4		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Liquor Industry			
▪ Manufacturers			
– Office Only	4		
– Others	2		
▪ Distribution			
– Office and Salesmen	2		
– Retail Stores (no delivery)	2		
Literary Agents	3		
Lobbyists	5		
Locksmiths	2		
Lumber Industry			
▪ Logging			
– Proprietors, Managers (not in woods)	3		
▪ Lumber Yards			
– Office Only	3		
Machine Shops			
▪ Owners, Managers (office duties only)	4		
▪ Foremen, Machinists, Skilled Workers	2		
Manufacturing (non-hazardous product or industry)			
▪ Professional Engineers	See Engineers		
▪ 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	See Specific Trade		
Marine Industry			
▪ Harbor Masters	3		
▪ Harbor Pilots	2		
▪ Marina			
– Owners, Managers	3		
– Skilled Workers	See Specific Trade		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Market Research			
▪ Executives, Owners	5		
▪ Others (office duties only)	4		
▪ Others	3		
Mechanics	1		
Medical Laboratories			
▪ Office Only	4		
▪ Others	3M		
Medical Market (MDs, DOs, DDSs, DMDs)			
▪ Allergists/Immunologists	4M		
▪ Anesthesiologists	3M		
▪ Anesthetists (MD or DO only)	3M		
▪ Cardiologists	4M		Yes
▪ Cardiovascular Surgeons	3M		Yes
▪ Dental Anesthesiologists	3D		
▪ Dentists (general)	3D		
▪ Dermatologists	4M		
▪ Emergency Room Physicians	3M		
▪ Endocrinologists	5M		
▪ Endodontists	4D		
▪ Family Practice Physicians	4M		Yes
▪ Gastroenterologists	5M		
▪ General Practice Physicians	4M		Yes
▪ Geneticists	4M		
▪ Geriatricians	5M		
▪ Gynecological Oncologists	3M		
▪ Hematologists	5M		
▪ Hospitalists	5M		
▪ Immunologists	4M		
▪ Infectious Disease Physicians (MD)	4M		Yes
▪ Internists	4M		Yes

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Medical Market (MDs, DOs, DDSs, DMDs) continued			
▪ Medical Residents			
– Undeclared	3M		
– Specialty Declared		See Specialty	
▪ Neonatologists	5M		
▪ Nephrologists	5M		
▪ Neurologists	4M		
▪ Neurosurgeons	4M		
▪ Obstetricians and/or Gynecologists	3M		
▪ Oncologists	5M		
▪ Ophthalmologists	4M		
▪ Oral Surgeons			
– DMD, DDS degree	4D		
– MD, DO degree	4M		
▪ Orthodontists	4D		
▪ Orthopedic Surgeons	3M		
▪ Osteopaths	Classed According to Specialty		
▪ Otolaryngologists	4M		
▪ Pain Management Physicians	3M		
▪ Pathologists	4M		
▪ Pediatric Dentists	4D		
▪ Pediatricians	5M		
▪ Periodontists	4D		
▪ Psychiatrists (physical medicine, rehab)	4M		
▪ Plastic Surgeons	3M		Yes
▪ Prosthodontists	4D		
▪ Psychiatrists (MD)	4M		
▪ Pulmonologists	5M		Yes
▪ Radiation Oncologists	4M		Yes
▪ Radiologists	4M		Yes
▪ Reproductive Endocrinologists	5M		
▪ Rheumatologists	4M		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Medical Market (MDs, DOs, DDSs, DMDs) continued			
▪ Surgeons (all specialties)	3M		Yes ¹⁴
▪ Urologists	4M		
Medical Market: Other			
▪ Acupuncturists (non-MDs, licensed)	3M		
▪ Audiologists	4M		
▪ Board Certified Behavior Analyst	3M		
▪ Cardiac Technician	3M		
▪ Chiropractors	2M		
▪ Dental Assistants	Uninsurable		
▪ Dental Hygienists, Dental Therapists	Uninsurable		
▪ Dental Lab Workers, Technicians	2M		
▪ Embalmers	2M		
▪ Embryologists			
– Non MD with a Masters or PhD	4M		
– Without MD, Masters, or PhD	3M		
▪ Epidemiologists	Classed According to Duties		
▪ Geneticists (non-MD or non-DO)	4M		
▪ Lab Workers (in hospital)	3M		
▪ Medical Assistants	3M		
▪ Medical Physicists	See Physicists		
▪ Midwives (RN or CNM in hospital or clinic)	3M		
▪ Naturopaths	3M		
▪ Nurse Anesthetists (CRNAs)	3M		
▪ Nurses – RNs (In clinical settings: Hospitals, Nursing Homes, MD office, etc.), Instructors, Directors	3M		
▪ Nurses – LPNs	Uninsurable		
▪ Nurse Practitioners (degreed)	3M		
▪ Occupational Therapists (In clinical settings: Hospitals, MD office, etc.)	3M		
▪ Opticians	4M		
▪ Optometrists	6M		

¹⁴ Orthopedic Surgeons are not eligible for the Preferred Occupation Discount (POD).

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Medical Market: Other (continued)			
▪ Orthotist (licensed)	3M		
▪ Paramedics (in hospital)	3M		
▪ Perfusionist	3M		
▪ Pharmacists	4M		
▪ Pharmacy Technician	3M		
▪ Phlebotomists	3M		
▪ Physical Therapists (In clinical settings: Hospitals, MD office, etc.)	3M		
▪ Physician Assistants (degreed, certified)	4M		
▪ Physiotherapists	3M		
▪ Podiatrists	3M		
▪ Prosthetist (licensed)	3M		
▪ Psychologists (PhD, PsyD)	6M		
▪ Psychologists (Masters)	5M		
▪ Psychologists – Counselors (others)	3M		
▪ Respiratory Therapists	3M		
▪ Speech Therapists (In clinical settings: Hospitals, MD office, School, etc.)	3M		
▪ Surgical Assistants/Technicians	3M		
▪ Ultrasound Technicians	3M		
▪ X-Ray Technicians	3M		P
Physicians or Osteopaths not listed – contact your Underwriter for appropriate classification.			
Merchants	See Sales		
Mining (office only)	3		
Mortgage Bankers/Brokers	See Financial Industry		
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		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Newspaper Industry			
▪ Advertising, Business or Circulation, Managers, Editors	4		
▪ Correspondents, Photographers, Reporters, Proofreaders	3		
Photographers (salaried)			
▪ Commercial (studio)	4		
▪ On-Site	2		
Piano Repairers or Tuners	2		
Pipefitters	1		
Plasterers	1		
Plumbers	2		
Printing and Publishing Industry			
▪ Compositors, Layout	4		
▪ Linotype Operators, Photoengraving, Lithographers, Proofreaders	3		
▪ Job Printers, Monotype Operators, Pressmen, Stenotypers, Type Casters, Typesetters	2		
▪ Machine Repairmen, Photoengraving, Printers or Routers	2		
Programmers (data processing)	4		
Proofreaders	3		
Prosthetic Limb Manufacturers			
▪ Dealers (not making or repairing)	4		
▪ Makers or Repairers	2M		
Publicity Agents or Managers	3		
Publishers	4	A, F, K	
Purchasing Agents	4		
Radio, Television, Motion Pictures, Stage-Theater			
▪ 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		
▪ 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		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Real Estate			
▪ Appraisers	5		
▪ Agents, Brokers	3	E, M	
▪ Developer (no on-site duties)	3	E, M	
▪ Investor (no on-site duties)	3	E, M	
▪ Property Managers (supervising only)	3		
▪ Residential Construction	See Construction		
Restaurants			
▪ First Class – Liquor Sales Secondary			
– Proprietors, Managers, Hosts or Hostesses, Maître 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		
Sales			
▪ Retail (inside, not delivering) 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		
Outside Sales (no delivery)			
▪ Manufacturers' Representatives	4		
▪ Other Traveling Sales	3	A, G, M	
▪ Other Sales	3		
▪ Clothing and Garment Sales	3		
▪ Liquor Sales	2		
Sales Managers (salaried, executive duties, incidental travel)	4	A, F, J, K	
Scientists			
▪ Anthropologists	6		
▪ Astronomers	6		
▪ Bacteriologists	5		O

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Scientists (continued)			
▪ Biochemists			
– Office Duties Only	6		
– Others	4		
▪ Biologists	6		
▪ Botanists			
– Office Duties Only	6		
– Others	4		
▪ Chemists			
– Office Duties Only	6		
– Lab Duties Only and Supervisors	6		
– Engaged in Process Work	4		
▪ Computer Scientists (researchers/developers who work primarily in academic settings or in R&D labs)	6		
▪ Demographers	6		
▪ Ecologists	5	0	
▪ Economists	6		
▪ Entomologists	5	0	
▪ Geologists			
– Office Duties Only	6		
– in the Field	4		
▪ Geophysicists	6		
▪ Meteorologists	6		
▪ Pharmacological Scientists (researchers/developers who work primarily in academic settings or in R&D labs)	6		
▪ Physicists	6		
▪ Political Economists	6		
▪ Political Scientists	6		
▪ Sociologists	6		
▪ Toxicologist			
– Office Duties Only	6		
– In the Field or Lab	5		
▪ Zoologists	5	0	
Secretaries, Administrative Assistants	3		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Social Workers (office only, no investigation)			
▪ PhD or MSW-Masters of Social Work	5M		
▪ Private Agency	4M		
▪ No Master's (MSW) degree	3M		
Statisticians	5		
Stock or Bond Brokers or Salesmen	See Financial Industry		
Surveyors	3		
Tailors	2		
Taxicab – Limo Service Company			
▪ Owners or Managers (office and supervising only)	3		
Teachers			
▪ Classroom Only, Including Principals	5		
▪ Music	4		
▪ Shop, Trade and Physical Education	3		
Telecommunications			
▪ Administrators	3		
▪ Assistant Managers	4		
▪ Inside Installers, Foremen, Repairmen, Test men, Inspectors	2		
▪ Dispatchers, Operators	3		
▪ Outside Foremen, Inspectors	2		
Textile Industry			
▪ Superintendents and Foremen (supervising only)	3		
▪ Other Skilled Workers	1		
Theater	See Radio, TV, and Motion Picture		
Translators	4		
Transportation Industry (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	See Specific Trade		

Occupation Class Listing			
Occupation	Class	Move Up Option	POD*
Travel Agencies			
▪ Office Only	4	A, F, J, K, N	
▪ Theater	See Radio, TV, and Motion Picture		
Undertakers	See Funeral Directors		
Upholsterers	2		
Vending Machine Industry (office only)	3		
Veterinarians			
▪ Small Animals	5M		
▪ Large Animals	3M		
Watchmakers or Repairers	2		
Writers (salaried, full-time)	4		
Zoo Directors	3		

*The Preferred Occupation Discount (POD) offers a 10% permanent discount on a policy level in approved states. See the Preferred Occupation Discount section for details, exclusions, and limitations.

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):

Occupation Class Mapping – Policy Numbers with H Prefix

BLICO Classification	Policy Form 18ID/18UD, 18DB & 18OE Occupation Classification
Limited Issue Plus (LI+)	Class 6/6M
Limited Issue (LI)	Class 5/5M
Class 1	Class 4/4M
Class 2	Class 3/3M
Class 3	Class 2/2M
Class 4	Class 1/1M

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:

Occupation Class Mapping – Policy Numbers with G or Z Prefix

BLICOA/Guardian Classification	Policy Form 18ID/18UD, 18DB & 18OE Occupation Classification
Class 6	Class 6/6M
Class 5	Class 5/5M
Class 4	Class 4/4M
Class 4D	Class 4D
Class 4M	Class 4M
Class 4P	Class 3M or 4M
Class 3	Class 3/3M,
Class 3D	Class 3D or 4D
Class 3M	Class 3M
Class 2	Class 2/2M
Class 1	Class 1/1M

Notes:

- The Occupation Class for additional coverage resulting from the exercise of an FIO or FPO will either be the Occupation Class for the base policy, or if the insured is in a more favorable Occupation Class at the time of exercise, that Occupation Class will be used for the additional coverage.
- The Occupation Class for an increase policy resulting from a BPR exercise is the Occupation Class for the insured's occupation at the time the Increase Policy is issued

Section 7

Medical Underwriting

Medical Underwriting

Regular Issue Medical Requirements

eMed is encouraged for all cases. eMed or TeleMed is required for the Enhanced Quick Issue Underwriting Program. Please refer to our Programs Section for EQI and New Professionals Program requirements.

Regular Issue Medical Requirements			
Ages	eMed/TeleMed/Paramedical Exam*	Urine/HIV	Blood/Urine
Individual Disability Products and Overhead Expense: All States Except CA and FL			
18-40	> \$3,000	N/A	N/A
41-50	> \$2,500	N/A	N/A
51-60	> \$1,500	\$500 ↔ 1,500	> \$1,500
Over 60	All	N/A	All
Individual Disability Products and Overhead Expense: CA and FL only			
18-40	> \$3,000	N/A	N/A
41-50	> \$2,500	N/A	N/A
51-60	> \$1,500	N/A	> \$500
Over 60	All	N/A	All
PayGuard Plus: All States Where Approved			
18-50	> \$6,000	N/A	N/A
51-60	> \$6,000	\$500 ↔ 6,000	> \$6,000
Disability Buy-Out: All States			
18-40	> \$200,000	N/A	N/A
41-50	> \$150,000	N/A	N/A
51-60	> \$50,000	N/A	> \$100,000

*For amounts equal to or below those listed in the table, Part II Medical Supplement or eMed is required.

When eMed/TeleMed/Paramedical Exam and Blood/Urine are required, Physical Measurements (build and blood pressure) will also be required. Physical Measurements are also commonly known as “Measurements” or “Short Form”.

eMed and TeleMed not available in WY.

Medical Requirements: additional information

To determine medical underwriting requirements for individual disability, add half the applied for FIO amount and all of the SIS, Student Loan Protection, and Supplemental Benefit Term riders to the base monthly benefit amount. Any PayGuard Plus coverage in force in eligible states will also be included when determining medical requirements.

Note: Benefit Purchase Rider is not factored into the amount of coverage calculation.

To determine medical underwriting requirements for Overhead Expense, add half the applied-for FIO amount, all of the Business Loan Protection, Professional Replacement, and Your Income Protection Riders to the base monthly benefit amount.

To determine medical underwriting requirements for Disability Buy-Out, add half the applied-for FIO amount to the base monthly benefit amount.

To determine underwriting requirements for the Monthly or Down Payment Funding Method for Disability Buy-Out, multiply the monthly benefit by the benefit period and add the lump sum amount (if applicable) to the total.

Any amount of coverage in force with Berkshire/Guardian (issued in past five years) must be added to the above limits unless the requirement called for has been obtained in the interim.

Underwriting reserves the right to request additional medical requirements at the underwriter’s discretion.

Forms and requirements validity period

The application forms and requirements are valid for specific periods of time. Use the following chart to determine when a new application or requirement is needed:

Forms and Requirements Validity Period	
Form/Requirement	Validity Period (Based on Date Signed)
Application	Up to 6 Months
eMed/TeleMed/Paramedical	Up to 12 Months
Labs (i.e., Blood, Specimen)	Up to 12 Months*

*New labs may be requested for cause or to improve an offer.

Approved medical vendors

Medical requirements must be ordered from the following approved vendors:

Approved Medical Vendors	
Service	Approved Vendors
eMed*	Access via GOL (see below)
TeleMed *	APPS
Paramedical Exams	APPS, ExamOne, Healthmasters, Parameds.com
Lab Orders (Blood and Urine)	CRL (for IL/Combo), ExamOne,
APS Retrieval Service	ExamOne, Express Imaging Service (EIS), ParaMeds.com, ReleasePoint

*eMed and TeleMed not available in WY.

When blood profiles are required on cases within the non-medical limits, the paramedical facility should be advised to obtain the blood profile only and not to perform a full exam or obtain a medical history.

Underwriting reserves the right to request special studies, blood profiles or other tests at the underwriter’s discretion.

Reminder: If an exam and labs are required for underwriting, be sure to override any automatically-generated age/amount requirements and instead select “Physical Measurements, Blood and Urine”. This will avoid the applicant being asked the medical questions again.

Note: Terminology may vary between vendors. Physical Measurements are also commonly known as “Measurements” or “Short Form.”

To access eMed, go to Guardian Online (GOL) > Tools Connection> select eMed under Essential Tools column. Select Launch eApp/eMed, then select Start New Case. Once the order is placed, a secure email will be sent to the applicant to sign in and complete the medical questionnaire.

Need help? Email DiHelp@glic.com, or call **866-672-1964**, Option 4.

Guidelines for ordering Attending Physician Statements (APS)/medical records

APS/medical records are required when an applicant is at least one of the following:

- Age 51 and above
- Applying for Lifetime or Lump Sum Benefits
- Applying in California

eApp currently identifies applicants meeting the above criteria and presents these applicants with a link, at the end of the eApp process, to connect their Patient Portal Medical records utilizing Human API. While this process is optional, utilizing the link is highly recommended to expedite the overall underwriting process. Underwriting cannot accept Patient Portal Records provided by an insured.

Underwriting reserves the right to order APS/medical records at underwriter’s discretion.

eMed

Guardian eMed is a web-based service for applicants to complete and sign the “Part II”. It is the preferred alternative to a paramedical examiner or TeleMed asking the Part II medical questions or the producer completing a paper non-medical with the applicant.

The advantages of eMed include:

- Secure and convenient way for the applicant to provide medical information.
- Our customized script facilitates a thorough collection of medical information directly from applicants and results in fewer Attending Physician Statements (APs).
- Ability to view and save a copy of the electronically signed Part II.
- Applicant and agent receive immediate email notification after eMed is completed.

Note: eMed is not available in WY

TeleMed

TeleMed is the phone service that lets you stay out of the medical collection process. It frees up your time, results in fewer client touch points and offers a better client experience. Used in place of the traditional in-person paramedical, our TeleMed service collects medical information from applicants over the phone and our customized scripts result in fewer Attending Physician Statements (APs).

Reminder: When ordering the exam for labs, be sure to specify in the order “Physical Measurement, Blood and Urine only” or the applicant will be asked medical questions again.

Note: TeleMed is not available in WY.

Choices

TeleMed – all services program

We collect the applicant’s medical history via the phone interview, order and follow-up on medical requirements including the paramedical exam, labs and APs for you.

TeleMed – interview only program

TeleMed conducts the medical history interview over the phone and your agency orders medical requirements (e.g., Labs and Physical Measurements) from one of our approved vendors.

- Interview Now: This is the Interview Only service when TeleMed has not previously been ordered. While meeting with your client, you can call the special Interview Now number, then hand the phone to your client to complete the TeleMed interview. Please be sure the client is in a secure and private location.

Refer to the TeleMed Agency Guide (Pub6181BL) for more details. Also, provide your client this helpful flyer, Preparing for Your Exam & Insurance Interview (Pub3783BL).

Exclusions and ratings

Exclusions and premium ratings are tools that allow us to issue coverage in circumstances when an application would otherwise be declined.

Limits and benefit periods may be reduced and/or elimination periods extended, depending upon the nature and severity of any medical impairments involved. Supplemental benefit riders may not be offered.

Extra premium (ratings)

An extra premium is a means of providing disability insurance coverage when there is an increase in risk due to current and/or past impairment or medical history. The extra premium enables us to provide coverage for any disability resulting from such an impairment or history. An exclusion rider and an extra premium may both be necessary for some applicants.

Extra premium charges are 25%, 50%, 75%, or 100%.

Exclusion Riders

An exclusion rider is a means of providing disability insurance coverage in certain instances when an applicant might otherwise be uninsurable because of a current or past impairment or medical condition that could be the cause of future disability. The rider excludes coverage for any disability resulting from such an impairment or medical condition.

Reconsideration of Exclusions and Ratings

When the underwriter approves the policy and it is issued, the agency is notified of the status of the exclusion or rating. If the exclusion or rating is not considered permanent, a time period for reconsideration will be provided. This review, intended to determine if the original offer can be improved upon, will be subject to additional requirements to be determined at that time by the underwriter.

For extra premiums due to weight requirements, we will consider reducing or removing an extra premium after the insured has maintained a standard weight for a period of at least one year. Any consideration for the reduction or removal of an extra premium will be subject to evidence of insurability as we require.

Refer to the publication How It Works (Pub3519BL-B) for additional information.

Reconsideration of Standard Rates Due to Nicotine Use

Insureds may apply for select rates on the policy anniversary following total abstinence from all nicotine and tobacco use for a period of 12 months.

Please refer to the Disability Claims & Policy Services page on Guardian Online (under In Force Policy Change Resources → Disability Policy Changes) or contact Policy Services at 1-888-Guardian (1-888-482-7342) for more information.

Refer to FIO/FPO/GDR occupation class mappings from pre-18ID/18UD policy form to the current 18ID/18UD policy form at the end of this section.

Section 8

Financial Underwriting

Financial Underwriting

Not applicable for the Enhanced Quick Issue, Start Up Savvy, and Special Limits for New Professionals Underwriting Programs; Overhead Expense for newly self-employed physicians/dentists and Group Conversion Program, etc.

Financial requirements summary: individual disability products (including future purchase/increase option exercises)

Financial Requirements Summary

Monthly Benefit

\$2,000 → \$7,499

\$7,500 and Up

Documentation Required

One-year financial documentation
(See following specific financial returns required)

Two years' financial documentations
(See following specific financial returns required)

Any reference to tax returns refers to Federal returns.

Personal Financial Information is required to be completed on all DI applications.

Include amounts in force with all companies when determining DI tax requirements.

For eligible Quick Issue cases, financial returns are not required; however, the financial section of the application must be fully complete. For more details about the Quick Issue Program, refer to the Program Section.

Specific financial returns required

Specific Financial Returns Required

Type of Business

Employee

Joint Returns

Sole Proprietor (or Independent Contractor)

Partnership

C Corporation

S Corporation

Limited Liability Company (LLC or LLP)

Documentation Required

Form 1040 or W-2 or payroll stub with year-to-date earnings.

Form 1040 and W-2.

Form 1040 with all schedules.

Form 1040 with all schedules, Form 1065 with all schedules.

Form 1040 with all schedules and W-2.

For closely held or one-person C Corporation, include Form 1120.

Form 1040 with all schedules, W-2, Form 1120S with all schedules.

Form 1040 with all schedules, W-2, Form 1065 with all schedules.

Additional financial documentation may be required whenever financial history dictates.

Applicants with employment contracts for W2/salaried positions

We will consider an employment contract when the applicant is within 6 months of starting employment. The contract must specifically outline a guaranteed base salary for the applicant as a W2 employee. Any disability coverage available through the new employer must be disclosed and factored into the financial evaluation. An amendment will be required outlining the employer, position and guaranteed base salary.

Applicants with employment contracts for new 1099 positions

We understand that applicants in their first year of business under a 1099 contract might not be able to provide necessary documentation to appropriately determine their insurable income. Applicants under a new 1099 contract who have not yet filed a tax return can submit a 1099 contract that clearly defines their 1099 income (e.g., guaranteed salary, hourly wage and guaranteed hours worked). In these instances, we will use a 50% expense ratio in conjunction with documented 1099 income to determine insurable income.

If the 1099 contract clearly indicates that the applicant’s contracted client will be paying most of the expenses, we may, at underwriter discretion, be able to utilize an expense ratio as low as 25%. **Exception:** Dentists and Dental Specialists are not eligible for an expense ratio of less than 50%.

Per-diem Employees, Locum Tenens, or employees of Staffing Services

We will consider Per-diem Employees, Locum Tenens, or employees of Staffing Services only when tax returns/pay stubs support stability of income. The documentation must also support at least a one-year history of full-time (minimum of 30 hours per week), year-round employment. For these types of employees, the amount of income used when determining issue amounts may be limited at underwriter discretion. For traveling nurses, the amount of income used when determining issue amounts will be limited to a maximum of 50%.

Real estate and financial industry occupations

Financial services and real estate-related occupations often have volatile incomes that are highly dependent on the overall performance of the economy and subject to business cycles. In times of economic downturn, such as the 2009 recession, financial services and real estate-related occupations can experience severe reductions in earnings. This guideline does not apply to financial planners or other insurance related occupations.

Real estate and financial industry occupations eligible for consideration

- | | | |
|---|---|---|
| ▪ Bonds Brokers (office duties only, not on exchange floor) | ▪ Mortgage Bankers (salaried) | ▪ Real Estate Appraisers |
| ▪ Commodity Brokers (not on exchange floor) | ▪ Mortgage Brokers (salaried or commission) | ▪ Real Estate Brokers |
| ▪ Derivative Managers | ▪ Mortgage Originators (commission) | ▪ Real Estate Developer (no on-site duties) |
| ▪ Futures Brokers | ▪ Options Brokers | ▪ Real Estate Investor (no on-site duties) |
| ▪ Hedge Fund Managers | ▪ Private Equity Analysts | ▪ Residential Construction |
| ▪ Investment Analysts | ▪ Private Equity Bankers | ▪ Stocks Brokers (office duties only, not on exchange floor), |
| ▪ Investment Bankers | ▪ Real Estate Agents | ▪ Venture Capitalists (office duties only) |

Occupations ineligible for coverage: Bond/stock/commodity brokers on the exchange floor, “house flippers”, property managers with manual duties, superintendents and those that do not meet the requirements in the table above.

The occupations outlined in the table on the previous page are not eligible for consideration under any of our published underwriting programs (e.g., EQI, BOA, Start-Up Savvy).

Underwriting Requirements:

- A minimum of three years in the industry.
- Three years of complete corporate and personal federal tax returns with all schedules and supporting statements.
- Current year financial documentation such as pay stubs (for W-2) or profit/loss statements (for business owners).

Financial Underwriting:

Tax returns can be complex for these occupations. Capital gains income from sources such as stocks or real estate will not be counted as income for the purposes of determining issue limits. Only business income will be included.

The stability of earned income will play a key factor in determining appropriate issue limits. If income is trending upward, three-year income averaging will be used. If income is trending downward, we will use the lowest income of the past two years. In addition, if there is a variation/fluctuation in annual income over the last three years greater than 50% we will require an adjusted limit to account for the financial volatility. This adjusted limit will be 75% of the average annual income over the last three years.

Physician Recruitment Agreements/contracts

A recruitment agreement/contract is a financial arrangement used by hospitals to encourage physicians to relocate their practice into the community serviced by the hospital – typically because there are too few doctors in the area to support the hospital. Since the physician does not work for the hospital, payment detailed in such agreements is not the doctor’s earned income. Rather, it is money the physician must use as the practice’s gross revenue, with a portion going to pay business expenses. Amounts paid by such agreements will be viewed as gross revenue and not earned income. Earned income will be considered based on the highest of the following amounts:

- The pre-relocation earned income
- First year physician limits
- 60% of the recruitment contract-amount

Note: Employment Agreements and Physician Recruitment Agreements will only be considered when the employment start date is within 60 days of issue.

Overhead expense (including option exercises)

Overhead Expense

Type of Business	Documentation Required
Sole Proprietor, 1099 Employee or Independent Contractor	Schedule C only.
Partnership	Form 1065 with all schedules.
C Corporation	Form 1120 with all schedules.
S Corporation	Form 1120S with all schedules.
Limited Liability Company (LLC)	May file as any one of the above entities.
Limited Liability Partnership (LLP)	Appropriate forms required accordingly.

Disability buy-out (including future purchase/increase option exercises)

Disability Buy-Out

Type of Business	Documentation Required
Professional/Person 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.

Note: Personal Financial Information section must be completed on all applications.

Income

In order to issue the appropriate amount of individual disability coverage it is first necessary to determine an applicant's insurable income. In order to do this the company considers the applicant's "earned income." Earned Income means the income you are required to report to the Internal Revenue Service ("IRS") for income tax purposes. This includes W-2 wages, salary, bonuses, your share of net business income, and all other compensation you received for work or services. It does not include unearned or passive income and it is not Adjusted Gross Income for federal tax purposes.

The minimum income requirement for disability insurance is \$18,000 in annual earnings.

Section 179 deductions

Section 179 of the IRS Tax Code allows businesses to deduct the full purchase price of qualifying equipment and/or software purchased or financed during the tax year. Underwriting will deduct 50% of qualifying Section 179 deductions from a business owner's otherwise insurable income for underwriting purposes.

Bonus income

Bonus payments can be included in insurable income if it has been earned for at least two years showing it is a regular feature of the insured's income and indications are that it will continue. This applies where there has been no change of employment or business during that two years and the employer/business are the same.

Pension and profit-sharing plans

Except as noted below, pension and profit-sharing contributions of small business owners may be added to earned income for purposes of determining the amount of individual disability coverage available; however, the maximum additional amount is limited to 25% of earnings, up to \$100,000.

Exceptions

Sole proprietors and partnership owners: pension contributions may not be added to earned income, as they are included in the net reportable income figure.

Pension contributions for stockholders/employees of C corporations (including PCs) and S corporations in excess of 25% of base earnings will be considered, providing the amount of the contribution can be verified and the contributions are not covered by a waiver of premium insurance provision.

For more information, see [Product Manual \(Pub7493BL\)](#) for details.

Another way to help insure certain pension contributions is to obtain a separate policy under the Retirement Protection Plus (RPP) program. Under this program certain contributions may be insured at up to 100% (133% if employer-paid). Thus, the total amount of coverage can be greater than when contributions are included with insurable earned income.

If, however, the RPP program is used, benefits from the policy are paid into a trust and are generally not available to the insured until age 65. For details on this program see the Underwriting Program Section.

Short Term Disability Coverage

Short Term Disability (STD) coverage will not be considered if an applicant has Group Long Term Disability (GLTD) coverage in force. On the other hand, if an applicant has STD but no GLTD and the STD benefit period exceeds the elimination period of the IDI coverage being applied for, Underwriting may have to either adjust the applied-for elimination period or include the STD coverage in the financial calculations (utilizing the same discount criteria and issue and participation limits for GLTD).

Financial documentation

The financial section of the disability insurance application must be fully completed, even though other substantiating financial documentation is required. Underwriting reserves the right to request additional verifying data at the underwriter's discretion.

Issue and Participation for individual products

Once an applicant's income is determined, the next step is to use this income to determine how much coverage they are eligible for. This can be done using the Individual Disability Illustration system, or can be calculated manually by applying the guidelines outlined in the following pages. If earnings fall between those shown on the table, interpolate between the amounts listed.

We will consider issuing a disability policy when the applicant's total disability income coverage, both in-force and applied-for in all companies (including Berkshire and Guardian), does not exceed the limits given in the Issue and Participation Limit tables, subject to set maximums.

For Future Increase/Purchase Options, additional rules may apply. See Issue and Participation tables for additional details.

Issue means the maximum amount of monthly benefit which we will consider issuing, including any disability coverage already in force with Berkshire and Guardian.

Participation means the maximum amount of monthly benefit applied for and in force with all companies, including Berkshire and Guardian.

The maximum Issue and Participation amounts include base, and if included on the policy, Future Increase/Purchase Option, Automatic Benefit Enhancement/Increase rider and Social Insurance Substitute riders, as well as any in-force coverage.

The Maximum Participation with Group LTD Limit is not applicable when determining the allowable amount of a Future Increase Option Rider; however, this limit will apply when exercising a Future Increase Option.

There are special limits for applicants who qualify under one of our special programs. Please refer to the Underwriting Programs section for further information regarding:

New Professionals Program (NPP)

Retirement Protection Plus (RPP)

Enhanced Quick Issue Program (EQI)

Start Up Savvy Underwriting Program (SSU)

Business Owner Advantage Program (BOA)

Home Based Business Program (HBB)

Student Loan Protection Program (SLP)

Government Employee Program (PERS/SERS)

Federal Employee Program (FERS)

Maximum Issue and Participation Limits: Provider Choice (18ID/18UD)

Medical Occupation Classes 6M–2M					
Occupation Class	Issue Ages (determined by age last birthday)	Maximum Issue Limit*	Maximum Participation with Other Company’s Individual Coverage**	Maximum Participation with Group LTD (not all benefits taxable)***	Maximum Participation with Group LTD (all benefits taxable)***
6M, 5M, 4M, 3M	18 – 60	\$30,000	\$30,000	\$35,000	\$42,000
	61+	\$15,000	\$15,000	N/A ^{††}	N/A ^{††}
4D, 3D	18 – 60	\$17,000	\$25,000	\$35,000	\$42,000
	18 – 60 CA only	\$16,000	\$20,000	\$25,000	\$30,000
	61+	\$10,000	\$10,000	N/A ^{††}	N/A ^{††}
2M [†]	18 – 60	\$7,500	\$7,500	N/A ^{††}	N/A ^{††}
	61+	\$6,000	\$6,000	N/A ^{††}	N/A ^{††}

Non-Medical Occupation Classes 6–1					
Occupation Class	Issue Ages (Determined by age last birthday)	Maximum Issue Limit*	Maximum Participation with Other Company’s Individual Coverage**	Maximum Participation with Group LTD (not all benefits taxable)***	Maximum Participation with Group LTD (all benefits taxable)***
6, 5, 4	18 – 60	\$30,000	\$30,000	\$35,000	\$42,000
	61+	\$15,000	\$15,000	N/A ^{††}	N/A ^{††}
3	18 – 60	\$15,000	\$15,000	\$20,000	\$25,000
	61+	\$10,000	\$10,000	N/A ^{††}	N/A ^{††}
2, 1 [†]	18 – 60	\$7,500	\$7,500	N/A ^{††}	N/A ^{††}
	61+	\$6,000	\$6,000	N/A ^{††}	N/A ^{††}

See next page for important Notes and Footnotes.

*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 and 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.”

***The Maximum Participation with Group LTD Limit is not applicable when determining the allowable amount of a Future Increase Option Rider; however, this limit will apply when exercising a Future Increase Option.

†For classes 2, 2M and 1, SIS is required (where available) after the first \$500 of monthly benefit issued. The next \$1,500 will be comprised of coverage issued under the SIS rider (off-set by any in-force SIS or GLTD coverage). The minimum SIS amount is \$200; amounts thereafter will be issued as monthly benefit to the stated maximum. Classes 2, 2M, and 1 are limited to a 2- or 5-year benefit period. Other than the required SIS, the other riders available are the Partial Disability rider (known as Residual in CA), Severe Disability Benefit Rider (also known as the Basic Catastrophic Disability Rider), the Enhanced Catastrophic Disability Rider, and the Unemployment Waiver of Premium Rider.

††For individuals in occupation classes 2/2M and 1 and those over age 60 (regardless of occupation class), only the Individual Paid Issue and Participation column should be used; and, any in-force or applied for Group LTD coverage will be considered as in-force individual coverage and will not be discounted.

- Product provisions and features may vary from state to state.
- Refer to Underwriting Program section for special limits through programs such as New Professionals, Business Owner Advantage, Federal Employees, Government Employees, Retirement Protection Plus, Home Based Business, Student Loan Protection, etc.

Note: Lifetime Issue Limit Restrictions — Inforce or applied for Lifetime benefits from all sources may reduce maximum issue limits. See Lifetime Issue Limit Restrictions section for more details.

Note: 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) employment status (business owner or employee); 3) disability insurance in force at the time of application with Berkshire, Guardian and all other insurers; 4) disability insurance or coverage provided by the employer, 5) disability insurance benefits available to the applicant within 12 months of the policy date; and 6) the tax treatment of all inforce 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). “Earned Income” for purposes of this paragraph has the same meaning as it has 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, FPO, and Benefit Purchase Rider (BPR), as they relate to an insured at the time the insured applies for additional coverage through an FIO, FPO, or BPR. These factors may be different than at the time the insured applies for additional coverage through an FIO, FPO, or BPR, in comparison with the same factors as they existed at the time the insured applied for the policy to which the FIO, FPO, or BPR is attached.

For FIO or FPO exercises while an insured is disabled, 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.

Overview

We will consider issuing a disability policy when the applicant’s total disability income coverage, both in-force, applied for, and for which the applicant is eligible to receive from all companies (including Berkshire 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.

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 the type of in-force or applied for coverages, such as Group LTD or Individual, and if the premiums for the in-force and applied for coverages are paid for 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 coverages are paid for 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 applicant’s earned income is generated from any of the following business entities:
 - Sole Proprietorship
 - Partnership
 - S-Corporation
 - Limited Liability Company¹⁵
 - Limited Liability Partnership¹⁶

Participation with other companies’ individual coverage

For Maximum Issue and Participation Tables, see [page 8-7](#).

PayGuard Plus and Association coverage are treated as Individual coverage for subtraction from issue and participation limits.

¹⁵A Limited Liability Company 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.

¹⁶A 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.

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:

12. 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.
 13. 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.
 14. The additional coverage available through an employer paid plan must fall within the maximum issue and participation limits for the class being insured.
 15. 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 – Cafeteria Plan (pre-tax).
 16. 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.
- Employer-Paid Limits apply when an employer pays the premiums for all disability income coverage (existing and applied for with all companies). On occasion, we encounter “split dollar” or “co-pay” situations where some of the coverage is employer-paid and some is employee-paid. In these instances, proportionate weight will be given to the amount that is taxable vs. non-taxable.

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 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/3D 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 30% and subtract the discounted group amount from the “Individual Paid 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 Paid 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 Paid 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 Paid Issue and Participation” column.
3. When the owner of an S-Corp, Partnership, Sole Proprietorship, Limited Liability Company¹⁷ or Limited Liability Partnership¹⁸ has Group LTD coverage always subtract the non-discounted group amount from the “Individual Paid 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 Paid Issue and Participation” column.
4. When all in-force and applied for individual and Group LTD coverages 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.

¹⁷ A Limited Liability Company 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.

Tax treatment of disability insurance products

The table below provides a brief guide to the tax treatment of disability insurance products. For an overview of the general tax considerations with respect to disability insurance policies based on current federal tax law see [Pub3953BL Disability insurance and general tax considerations](#).

Disability insurance tax guide¹⁹

Disability Insurance Tax Guide				
Premiums Paid By	Benefits Paid To	Policy-owner	Tax Treatment	
			Premiums	Benefits
Personal Disability Income Insurance				
Individual (including a sole proprietor)	Individual	Individual	Nondeductible	Tax-Free
Employer (key person coverage)	Employer	Employer	Nondeductible	Tax-Free
Employer (under a Traditional Qualified Sick Pay Plan)	Employee	Employee	Deductible by employer. Employer-paid premium excluded from employee’s taxable income	Reportable as Income
Partnership, LLC, S Corporation, or C Corporation	Business Owner (assume more than 2% S Corp Owner)	Business Owner (assume more than 2% S Corp Owner)	Deductible by employer; included in business owner’s taxable income.	Tax-Free
Employer (under an Executive Bonus Plan)	Employee	Employee	Bonus is deductible by employer and included in employee’s taxable income if bonus is deemed “reasonable.”	Tax-Free
Overhead Expense				
Business or Owner	Business or Owner	Business or Owner	Tax Deductible	Reportable as Income*
Business Reducing Term				
Business or Owner	Loss Payee	Business or Owner	Unclear and may depend upon facts and circumstances.	N/A benefits go to loss payee.
Disability Buy-Out				
Partnership or Corporation (under Entity Purchase Agreement)	Partnership or Corporation	Partnership or Corporation	Nondeductible	Tax-Free
Partnership or Corporation (under a Cross Purchase Agreement)	Insured’s Partner or Fellow Shareholder	Insured’s Partner or Fellow Shareholder	Nondeductible	Tax-Free

*Although the benefits are taxable as income, the actual business expenses are deductible.

¹⁹This guide 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 the policy benefits. Your client should consult with their own independent tax and legal advisors regarding their particular set of 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.

Section 9

Issue and Participation Tables

Issue and Participation Tables

Issue and Participation Tables ¹				
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

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
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	3,520
52,000	2,960	3,010	3,550	3,590
53,000	3,020	3,060	3,610	3,650
54,000	3,080	3,120	3,660	3,720
55,000	3,130	3,170	3,710	3,790
56,000	3,190	3,280	3,810	3,910
57,000	3,240	3,330	3,870	3,980
58,000	3,300	3,380	3,920	4,060
59,000	3,360	3,440	3,970	4,130
60,000	3,410	3,500	4,020	4,200
61,000	3,470	3,560	4,080	4,330
62,000	3,530	3,620	4,130	4,400
63,000	3,580	3,680	4,180	4,470
64,000	3,640	3,730	4,240	4,600

¹ [See page 9-41 for Notes.](#)

Issue and Participation Tables ¹					
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	
65,000	3,640	3,790	4,290	4,680	
66,000	3,710	3,850	4,340	4,750	
67,000	3,760	3,910	4,390	4,880	
68,000	3,820	3,970	4,450	4,960	
69,000	3,870	4,030	4,500	5,040	
70,000	3,880	4,080	4,550	5,120	
71,000	3,940	4,140	4,610	5,170	
72,000	3,940	4,200	4,660	5,230	
73,000	4,000	4,260	4,710	5,280	
74,000	4,010	4,300	4,770	5,280	
75,000	4,060	4,320	4,820	5,340	
76,000	4,100	4,340	4,890	5,390	
77,000	4,150	4,390	4,950	5,450	
78,000	4,190	4,430	5,020	5,510	
79,000	4,240	4,480	5,080	5,580	
80,000	4,280	4,520	5,150	5,640	
81,000	4,330	4,560	5,220	5,710	
82,000	4,370	4,620	5,280	5,780	
83,000	4,420	4,670	5,350	5,840	
84,000	4,460	4,730	5,420	5,910	
85,000	4,510	4,780	5,480	5,970	
86,000	4,560	4,830	5,550	6,040	
87,000	4,600	4,890	5,620	6,110	
88,000	4,650	4,940	5,680	6,170	
89,000	4,690	5,000	5,750	6,240	
90,000	4,740	5,050	5,820	6,300	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
91,000	4,780	5,100	5,890	6,370	
92,000	4,830	5,160	5,950	6,440	
93,000	4,880	5,210	6,020	6,500	
94,000	4,920	5,270	6,090	6,570	
95,000	4,970	5,320	6,160	6,630	
96,000	5,010	5,370	6,230	6,700	
97,000	5,060	5,430	6,290	6,770	
98,000	5,110	5,450	6,360	6,830	
99,000	5,150	5,480	6,390	6,900	
100,000	5,200	5,490	6,400	6,950	
101,000	5,240	5,530	6,470	7,030	
102,000	5,280	5,590	6,530	7,110	
103,000	5,320	5,640	6,600	7,180	
104,000	5,350	5,700	6,670	7,260	
105,000	5,390	5,750	6,740	7,340	
106,000	5,430	5,800	6,810	7,410	
107,000	5,470	5,860	6,880	7,490	
108,000	5,510	5,910	6,950	7,570	
109,000	5,550	5,970	7,010	7,650	
110,000	5,580	6,020	7,080	7,720	
111,000	5,620	6,070	7,150	7,800	
112,000	5,660	6,130	7,220	7,880	
113,000	5,700	6,180	7,290	7,950	
114,000	5,740	6,240	7,350	8,030	
115,000	5,770	6,290	7,420	8,110	
116,000	5,810	6,340	7,490	8,180	
117,000	5,850	6,400	7,560	8,260	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
118,000	5,890	6,450	7,630	8,340
119,000	5,920	6,510	7,690	8,420
120,000	5,960	6,560	7,760	8,490
121,000	6,000	6,610	7,830	8,570
122,000	6,040	6,670	7,890	8,650
123,000	6,070	6,720	7,960	8,720
124,000	6,110	6,780	7,980	8,800
125,000	6,200	6,860	7,990	8,800
126,000	6,240	6,910	8,050	8,870
127,000	6,280	6,970	8,110	8,930
128,000	6,320	7,020	8,170	9,000
129,000	6,360	7,080	8,230	9,060
130,000	6,400	7,130	8,290	9,130
131,000	6,440	7,180	8,350	9,200
132,000	6,480	7,240	8,420	9,260
133,000	6,520	7,290	8,480	9,330
134,000	6,560	7,350	8,540	9,390
135,000	6,600	7,400	8,600	9,460
136,000	6,640	7,460	8,660	9,530
137,000	6,680	7,510	8,720	9,590
138,000	6,720	7,560	8,780	9,660
139,000	6,760	7,620	8,840	9,720
140,000	6,800	7,670	8,900	9,790
141,000	6,840	7,730	8,960	9,860
142,000	6,880	7,780	9,020	9,920
143,000	6,920	7,830	9,080	9,990
144,000	6,960	7,890	9,140	10,050

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
145,000	7,000	7,940	9,200	10,120
146,000	7,040	8,000	9,260	10,190
147,000	7,080	8,050	9,320	10,250
148,000	7,120	8,100	9,380	10,320
149,000	7,160	8,160	9,440	10,380
150,000	7,300	8,210	9,600	10,470
151,000	7,340	8,260	9,660	10,540
152,000	7,380	8,320	9,720	10,600
153,000	7,430	8,370	9,790	10,670
154,000	7,470	8,430	9,850	10,740
155,000	7,510	8,480	9,910	10,800
156,000	7,550	8,530	9,970	10,870
157,000	7,590	8,590	10,040	10,930
158,000	7,640	8,640	10,100	11,000
159,000	7,680	8,700	10,160	11,070
160,000	7,720	8,750	10,220	11,130
161,000	7,760	8,800	10,290	11,200
162,000	7,800	8,860	10,350	11,260
163,000	7,850	8,910	10,410	11,330
164,000	7,890	8,960	10,480	11,400
165,000	7,930	9,020	10,540	11,460
166,000	7,970	9,070	10,600	11,530
167,000	8,010	9,130	10,660	11,590
168,000	8,060	9,180	10,730	11,660
169,000	8,100	9,230	10,790	11,730
170,000	8,140	9,290	10,850	11,790

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
171,000	8,180	9,340	10,920	11,860
172,000	8,220	9,390	10,980	11,920
173,000	8,270	9,450	11,040	11,990
174,000	8,310	9,500	11,100	12,050
175,000	8,350	9,550	11,120	12,050
176,000	8,390	9,610	11,180	12,120
177,000	8,440	9,660	11,250	12,210
178,000	8,480	9,720	11,310	12,280
179,000	8,530	9,770	11,380	12,350
180,000	8,570	9,820	11,450	12,430
181,000	8,620	9,880	11,510	12,510
182,000	8,660	9,930	11,580	12,580
183,000	8,710	9,980	11,650	12,660
184,000	8,750	10,040	11,710	12,740
185,000	8,790	10,090	11,780	12,820
186,000	8,840	10,140	11,840	12,890
187,000	8,880	10,200	11,910	12,970
188,000	8,930	10,250	11,980	13,050
189,000	8,970	10,300	12,040	13,120
190,000	9,020	10,360	12,110	13,200
191,000	9,060	10,410	12,180	13,280
192,000	9,110	10,460	12,240	13,350
193,000	9,150	10,520	12,310	13,430
194,000	9,200	10,570	12,380	13,510
195,000	9,240	10,620	12,440	13,590
196,000	9,290	10,680	12,510	13,660
197,000	9,330	10,730	12,580	13,740

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
198,000	9,380	10,780	12,650	13,820
199,000	9,420	10,840	12,710	13,840
200,000	9,520	10,890	12,830	13,850
201,000	9,560	10,940	12,900	13,930
202,000	9,610	11,000	12,960	14,000
203,000	9,650	11,050	13,030	14,080
204,000	9,700	11,100	13,100	14,160
205,000	9,740	11,160	13,160	14,230
206,000	9,790	11,210	13,230	14,310
207,000	9,830	11,260	13,300	14,390
208,000	9,880	11,320	13,370	14,470
209,000	9,920	11,370	13,430	14,540
210,000	9,970	11,420	13,500	14,620
211,000	10,010	11,480	13,570	14,700
212,000	10,060	11,530	13,630	14,770
213,000	10,100	11,580	13,700	14,850
214,000	10,150	11,640	13,770	14,930
215,000	10,190	11,690	13,840	15,000
216,000	10,240	11,740	13,900	15,080
217,000	10,280	11,800	13,970	15,160
218,000	10,330	11,850	14,040	15,240
219,000	10,380	11,900	14,100	15,310
220,000	10,420	11,960	14,170	15,390
221,000	10,470	12,010	14,240	15,470
222,000	10,510	12,060	14,310	15,540
223,000	10,560	12,120	14,370	15,620
224,000	10,600	12,170	14,440	15,650

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
225,000	10,700	12,220	14,610	15,680
226,000	10,740	12,270	14,650	15,750
227,000	10,780	12,330	14,690	15,830
228,000	10,820	12,380	14,730	15,910
229,000	10,860	12,430	14,770	15,980
230,000	10,900	12,490	14,810	16,060
231,000	10,940	12,540	14,850	16,140
232,000	10,980	12,590	14,890	16,210
233,000	11,020	12,650	14,930	16,290
234,000	11,060	12,700	14,970	16,370
235,000	11,100	12,750	15,010	16,450
236,000	11,140	12,800	15,050	16,520
237,000	11,180	12,860	15,090	16,600
238,000	11,220	12,910	15,130	16,680
239,000	11,260	12,960	15,160	16,750
240,000	11,300	13,020	15,200	16,830
241,000	11,340	13,070	15,240	16,910
242,000	11,380	13,120	15,280	16,980
243,000	11,420	13,170	15,320	17,060
244,000	11,460	13,230	15,360	17,140
245,000	11,500	13,280	15,400	17,220
246,000	11,540	13,330	15,440	17,290
247,000	11,580	13,390	15,480	17,370
248,000	11,620	13,440	15,520	17,450
249,000	11,660	13,490	15,560	17,480
250,000	11,800	13,540	15,590	17,510
251,000	11,840	13,600	15,610	17,590

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
252,000	11,880	13,650	15,630	17,670
253,000	11,910	13,700	15,650	17,740
254,000	11,950	13,750	15,670	17,820
255,000	11,990	13,810	15,690	17,900
256,000	12,030	13,860	15,700	17,970
257,000	12,070	13,910	15,730	18,050
258,000	12,110	13,970	15,750	18,130
259,000	12,140	14,020	15,760	18,210
260,000	12,180	14,070	15,780	18,280
261,000	12,220	14,120	15,790	18,360
262,000	12,260	14,180	15,820	18,440
263,000	12,300	14,230	15,840	18,510
264,000	12,330	14,280	15,850	18,590
265,000	12,370	14,330	15,870	18,670
266,000	12,410	14,390	15,900	18,740
267,000	12,450	14,440	15,910	18,820
268,000	12,480	14,490	15,930	18,900
269,000	12,520	14,540	15,940	18,980
270,000	12,560	14,600	15,960	19,050
271,000	12,600	14,650	15,990	19,130
272,000	12,640	14,700	16,000	19,210
273,000	12,670	14,750	16,020	19,280
274,000	12,710	14,810	16,040	19,360
275,000	12,800	14,860	16,060	19,420
276,000	12,830	14,910	16,070	19,490
277,000	12,870	14,960	16,080	19,570
278,000	12,900	15,020	16,090	19,650

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
279,000	12,930	15,070	16,100	19,720	
280,000	12,960	15,120	16,120	19,800	
281,000	12,990	15,170	16,130	19,880	
282,000	13,030	15,230	16,140	19,950	
283,000	13,060	15,280	16,150	20,030	
284,000	13,090	15,330	16,170	20,110	
285,000	13,120	15,380	16,180	20,190	
286,000	13,160	15,440	16,190	20,260	
287,000	13,190	15,490	16,200	20,340	
288,000	13,220	15,540	16,210	20,420	
289,000	13,250	15,590	16,230	20,490	
290,000	13,280	15,650	16,240	20,570	
291,000	13,320	15,700	16,250	20,650	
292,000	13,350	15,750	16,250	20,720	
293,000	13,380	15,800	16,270	20,800	
294,000	13,410	15,850	16,280	20,880	
295,000	13,440	15,910	16,290	20,960	
296,000	13,470	15,960	16,300	21,030	
297,000	13,500	16,010	16,310	21,110	
298,000	13,540	16,060	16,330	21,190	
299,000	13,570	16,120	16,340	21,260	
300,000	13,700	16,170	16,350	21,370	
301,000	13,730	16,220	16,360	21,450	
302,000	13,770	16,270	16,380	21,530	
303,000	13,800	16,320	16,390	21,600	
304,000	13,830	16,380	16,400	21,680	
305,000	13,860	16,430	16,410	21,760	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
306,000	13,890	16,480	16,420	21,840
307,000	13,930	16,530	16,440	21,910
308,000	13,960	16,590	16,450	21,990
309,000	13,990	16,640	16,460	22,070
310,000	14,020	16,690	16,480	22,140
311,000	14,060	16,740	16,500	22,220
312,000	14,090	16,790	16,510	22,300
313,000	14,120	16,850	16,520	22,370
314,000	14,150	16,900	16,530	22,450
315,000	14,180	16,950	16,540	22,530
316,000	14,220	17,000	16,560	22,610
317,000	14,250	17,050	16,570	22,680
318,000	14,280	17,110	16,580	22,760
319,000	14,310	17,160	16,590	22,840
320,000	14,340	17,210	16,610	22,910
321,000	14,370	17,260	16,620	22,990
322,000	14,410	17,310	16,630	23,070
323,000	14,440	17,370	16,640	23,140
324,000	14,470	17,420	16,650	23,180
325,000	14,550	17,470	16,670	23,210
326,000	14,580	17,520	16,700	23,290
327,000	14,600	17,570	16,720	23,360
328,000	14,630	17,630	16,750	23,440
329,000	14,650	17,680	16,790	23,520
330,000	14,680	17,730	16,810	23,600
331,000	14,710	17,780	16,840	23,670
332,000	14,730	17,830	16,870	23,750

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
333,000	14,760	17,880	16,890	23,830
334,000	14,780	17,940	16,930	23,900
335,000	14,810	17,990	16,960	23,980
336,000	14,830	18,040	16,980	24,060
337,000	14,860	18,090	17,010	24,130
338,000	14,890	18,140	17,050	24,210
339,000	14,910	18,200	17,080	24,290
340,000	14,940	18,250	17,100	24,370
341,000	14,970	18,300	17,130	24,440
342,000	14,990	18,350	17,160	24,520
343,000	15,020	18,400	17,190	24,600
344,000	15,040	18,450	17,220	24,670
345,000	15,070	18,510	17,250	24,750
346,000	15,100	18,560	17,270	24,830
347,000	15,120	18,610	17,310	24,900
348,000	15,140	18,660	17,340	24,980
349,000	15,140	18,710	17,370	24,990
350,000	15,150	18,760	17,390	25,000
351,000	15,170	18,820	17,410	25,080
352,000	15,190	18,870	17,450	25,160
353,000	15,210	18,920	17,470	25,230
354,000	15,230	18,970	17,490	25,310
355,000	15,250	19,020	17,510	25,390
356,000	15,270	19,070	17,550	25,470
357,000	15,290	19,130	17,570	25,540
358,000	15,310	19,180	17,590	25,620
359,000	15,330	19,230	17,610	25,700

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
360,000	15,350	19,280	17,630	25,770
361,000	15,370	19,330	17,670	25,850
362,000	15,390	19,380	17,690	25,930
363,000	15,410	19,430	17,710	26,000
364,000	15,430	19,490	17,730	26,080
365,000	15,450	19,540	17,770	26,160
366,000	15,470	19,590	17,790	26,240
367,000	15,490	19,640	17,810	26,310
368,000	15,510	19,690	17,830	26,390
369,000	15,530	19,740	17,860	26,470
370,000	15,550	19,790	17,890	26,540
371,000	15,570	19,850	17,910	26,620
372,000	15,590	19,900	17,930	26,700
373,000	15,610	19,950	17,960	26,770
374,000	15,630	20,000	17,990	26,800
375,000	15,650	20,050	18,010	26,810
376,000	15,670	20,100	18,030	26,840
377,000	15,690	20,150	18,050	26,870
378,000	15,710	20,210	18,080	26,910
379,000	15,730	20,260	18,110	26,940
380,000	15,750	20,310	18,130	26,970
381,000	15,770	20,360	18,150	27,010
382,000	15,790	20,410	18,180	27,040
383,000	15,810	20,460	18,210	27,070
384,000	15,830	20,510	18,230	27,100
385,000	15,850	20,560	18,250	27,140
386,000	15,870	20,620	18,280	27,170

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
387,000	15,890	20,670	18,300	27,200
388,000	15,910	20,720	18,330	27,240
389,000	15,930	20,770	18,350	27,270
390,000	15,950	20,820	18,370	27,300
391,000	15,970	20,870	18,400	27,340
392,000	15,990	20,920	18,430	27,370
393,000	16,010	20,970	18,450	27,400
394,000	16,030	21,030	18,470	27,430
395,000	16,050	21,080	18,500	27,470
396,000	16,070	21,130	18,520	27,520
397,000	16,090	21,180	18,550	27,570
398,000	16,110	21,230	18,570	27,620
399,000	16,130	21,280	18,600	27,680
400,000	16,150	21,330	18,620	27,720
401,000	16,170	21,380	18,660	27,780
402,000	16,180	21,440	18,690	27,830
403,000	16,210	21,490	18,710	27,870
404,000	16,230	21,540	18,740	27,930
405,000	16,250	21,600	18,770	27,970
406,000	16,260	21,650	18,810	28,030
407,000	16,290	21,700	18,840	28,080
408,000	16,310	21,760	18,870	28,130
409,000	16,330	21,810	18,900	28,180
410,000	16,350	21,860	18,940	28,230
411,000	16,370	21,920	18,970	28,280
412,000	16,390	21,970	18,990	28,330

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
413,000	16,410	22,020	19,020	28,390
414,000	16,430	22,080	19,050	28,470
415,000	16,450	22,130	19,090	28,530
416,000	16,470	22,180	19,120	28,600
417,000	16,490	22,240	19,150	28,670
418,000	16,510	22,290	19,180	28,740
419,000	16,530	22,340	19,220	28,810
420,000	16,550	22,400	19,250	28,880
421,000	16,570	22,450	19,280	28,940
422,000	16,590	22,500	19,310	29,020
423,000	16,610	22,560	19,330	29,080
424,000	16,630	22,610	19,370	29,150
425,000	16,650	22,660	19,400	29,220
426,000	16,670	22,720	19,430	29,290
427,000	16,680	22,770	19,460	29,360
428,000	16,710	22,820	19,500	29,430
429,000	16,730	22,880	19,530	29,490
430,000	16,750	22,930	19,560	29,570
431,000	16,760	22,980	19,590	29,630
432,000	16,790	23,040	19,620	29,700
433,000	16,810	23,090	19,650	29,770
434,000	16,830	23,140	19,680	29,840
435,000	16,850	23,200	19,710	29,910
436,000	16,870	23,250	19,740	29,980
437,000	16,890	23,300	19,780	30,040
438,000	16,910	23,360	19,810	30,120
439,000	16,930	23,410	19,840	30,180

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
440,000	16,950	23,460	19,870	30,250
441,000	16,970	23,520	19,900	30,320
442,000	16,990	23,570	19,940	30,390
443,000	17,010	23,620	19,970	30,460
444,000	17,030	23,680	20,000	30,530
445,000	17,050	23,730	20,020	30,590
446,000	17,070	23,780	20,060	30,670
447,000	17,090	23,840	20,090	30,730
448,000	17,110	23,890	20,120	30,800
449,000	17,130	23,940	20,150	30,870
450,000	17,150	24,000	20,180	31,000
451,000	17,170	24,050	20,210	31,060
452,000	17,190	24,100	20,230	31,100
453,000	17,210	24,160	20,250	31,160
454,000	17,230	24,210	20,280	31,220
455,000	17,250	24,260	20,310	31,260
456,000	17,270	24,320	20,330	31,320
457,000	17,290	24,370	20,350	31,380
458,000	17,310	24,420	20,370	31,420
459,000	17,330	24,480	20,390	31,480
460,000	17,350	24,530	20,420	31,540
461,000	17,370	24,580	20,440	31,580
462,000	17,390	24,640	20,460	31,640
463,000	17,410	24,690	20,480	31,700
464,000	17,430	24,740	20,510	31,740
465,000	17,450	24,800	20,540	31,800
466,000	17,470	24,850	20,560	31,860

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
467,000	17,490	24,900	20,580	31,900	
468,000	17,510	24,960	20,600	31,960	
469,000	17,530	25,010	20,630	32,020	
470,000	17,550	25,060	20,650	32,060	
471,000	17,570	25,120	20,670	32,120	
472,000	17,590	25,170	20,690	32,180	
473,000	17,610	25,220	20,720	32,220	
474,000	17,630	25,280	20,740	32,280	
475,000	17,650	25,330	20,780	32,340	
476,000	17,670	25,380	20,800	32,380	
477,000	17,690	25,440	20,820	32,440	
478,000	17,710	25,490	20,850	32,500	
479,000	17,730	25,540	20,870	32,540	
480,000	17,750	25,600	20,890	32,600	
481,000	17,770	25,650	20,910	32,660	
482,000	17,790	25,700	20,940	32,700	
483,000	17,810	25,760	20,960	32,760	
484,000	17,830	25,810	20,980	32,820	
485,000	17,850	25,860	21,000	32,860	
486,000	17,870	25,920	21,040	32,920	
487,000	17,890	25,970	21,060	32,980	
488,000	17,910	26,020	21,080	33,020	
489,000	17,930	26,080	21,100	33,080	
490,000	17,950	26,130	21,130	33,140	
491,000	17,970	26,180	21,150	33,180	
492,000	17,990	26,240	21,170	33,240	
493,000	18,010	26,290	21,190	33,300	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
494,000	18,030	26,340	21,220	33,340
495,000	18,050	26,400	21,240	33,400
496,000	18,070	26,450	21,260	33,460
497,000	18,090	26,500	21,290	33,500
498,000	18,110	26,560	21,320	33,560
499,000	18,130	26,610	21,340	33,620
500,000	18,150	26,660	21,360	33,660
501,000	18,170	26,720	21,380	33,720
502,000	18,190	26,770	21,410	33,780
503,000	18,210	26,820	21,430	33,820
504,000	18,230	26,880	21,460	33,880
505,000	18,250	26,930	21,480	33,940
506,000	18,270	26,980	21,510	33,980
507,000	18,290	27,040	21,520	34,040
508,000	18,310	27,090	21,550	34,100
509,000	18,330	27,140	21,570	34,140
510,000	18,350	27,200	21,600	34,200
511,000	18,370	27,250	21,620	34,260
512,000	18,390	27,300	21,640	34,300
513,000	18,410	27,360	21,670	34,360
514,000	18,430	27,410	21,690	34,420
515,000	18,450	27,460	21,720	34,460
516,000	18,470	27,520	21,740	34,520
517,000	18,490	27,570	21,770	34,580
518,000	18,510	27,620	21,790	34,620
519,000	18,530	27,680	21,810	34,680
520,000	18,550	27,730	21,830	34,740

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
521,000	18,570	27,780	21,860	34,780
522,000	18,590	27,840	21,880	34,840
523,000	18,610	27,890	21,910	34,900
524,000	18,630	27,940	21,930	34,940
525,000	18,650	28,000	21,960	35,000
526,000	18,670	28,050	21,980	35,060
527,000	18,690	28,100	22,010	35,100
528,000	18,710	28,160	22,020	35,160
529,000	18,730	28,210	22,050	35,220
530,000	18,750	28,260	22,070	35,260
531,000	18,770	28,320	22,100	35,320
532,000	18,790	28,370	22,120	35,380
533,000	18,800	28,420	22,140	35,420
534,000	18,830	28,480	22,160	35,480
535,000	18,850	28,530	22,190	35,540
536,000	18,870	28,580	22,210	35,580
537,000	18,890	28,640	22,240	35,640
538,000	18,910	28,690	22,250	35,700
539,000	18,930	28,740	22,280	35,740
540,000	18,950	28,800	22,300	35,800
541,000	18,970	28,850	22,330	35,860
542,000	18,990	28,900	22,350	35,900
543,000	19,010	28,960	22,370	35,960
544,000	19,030	29,010	22,390	36,020
545,000	19,050	29,060	22,420	36,060
546,000	19,070	29,120	22,440	36,120
547,000	19,090	29,170	22,470	36,180

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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	19,110	29,220	22,480	36,220
549,000	19,130	29,280	22,510	36,280
550,000	19,150	29,330	22,540	36,340
551,000	19,170	29,380	22,560	36,380
552,000	19,190	29,440	22,580	36,440
553,000	19,210	29,490	22,610	36,500
554,000	19,230	29,540	22,630	36,540
555,000	19,250	29,600	22,660	36,600
556,000	19,270	29,650	22,680	36,660
557,000	19,290	29,700	22,700	36,700
558,000	19,310	29,760	22,720	36,760
559,000	19,330	29,810	22,750	36,820
560,000	19,350	29,860	22,770	36,860
561,000	19,370	29,920	22,800	36,920
562,000	19,390	29,970	22,820	36,980
563,000	19,410	30,000	22,850	37,000
564,000	19,430	30,000	22,870	37,000
565,000	19,450	30,000	22,900	37,000
566,000	19,470	30,000	22,920	37,000
567,000	19,490	30,000	22,950	37,000
568,000	19,510	30,000	22,970	37,000
569,000	19,530	30,000	22,980	37,000
570,000	19,550	30,000	23,010	37,000
571,000	19,570	30,000	23,030	37,000
572,000	19,590	30,000	23,060	37,000
573,000	19,610	30,000	23,080	37,000
574,000	19,630	30,000	23,110	37,000

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
575,000	19,650	30,000	23,130	37,000
576,000	19,670	30,020	23,160	37,020
577,000	19,690	30,040	23,180	37,040
578,000	19,710	30,060	23,200	37,060
579,000	19,730	30,080	23,220	37,080
580,000	19,750	30,100	23,250	37,100
581,000	19,770	30,120	23,270	37,120
582,000	19,790	30,140	23,300	37,140
583,000	19,800	30,160	23,310	37,160
584,000	19,830	30,180	23,340	37,180
585,000	19,850	30,200	23,360	37,200
586,000	19,870	30,220	23,390	37,220
587,000	19,890	30,240	23,420	37,240
588,000	19,910	30,260	23,430	37,260
589,000	19,930	30,280	23,460	37,280
590,000	19,950	30,300	23,480	37,300
591,000	19,970	30,320	23,510	37,320
592,000	19,990	30,340	23,530	37,340
593,000	20,010	30,360	23,550	37,360
594,000	20,030	30,380	23,570	37,380
595,000	20,050	30,400	23,600	37,400
596,000	20,070	30,420	23,620	37,420
597,000	20,090	30,440	23,650	37,440
598,000	20,110	30,460	23,660	37,460
599,000	20,130	30,480	23,690	37,480
600,000	20,150	30,500	23,710	37,500
601,000	20,170	30,520	23,740	37,520

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
602,000	20,190	30,540	23,760	37,540
603,000	20,210	30,560	23,790	37,560
604,000	20,230	30,580	23,810	37,580
605,000	20,250	30,600	23,840	37,600
606,000	20,270	30,620	23,860	37,620
607,000	20,290	30,640	23,870	37,640
608,000	20,310	30,660	23,900	37,660
609,000	20,330	30,680	23,920	37,680
610,000	20,350	30,700	23,950	37,700
611,000	20,370	30,720	23,970	37,720
612,000	20,390	30,740	24,000	37,740
613,000	20,410	30,760	24,020	37,760
614,000	20,430	30,780	24,050	37,780
615,000	20,450	30,800	24,070	37,800
616,000	20,470	30,820	24,100	37,820
617,000	20,490	30,840	24,120	37,840
618,000	20,510	30,860	24,150	37,860
619,000	20,520	30,880	24,160	37,880
620,000	20,550	30,900	24,180	37,900
621,000	20,570	30,920	24,210	37,920
622,000	20,590	30,940	24,230	37,940
623,000	20,600	30,960	24,260	37,960
624,000	20,630	30,980	24,280	37,980
625,000	20,650	31,000	24,310	38,000
626,000	20,670	31,020	24,330	38,020
627,000	20,690	31,040	24,360	38,040
628,000	20,710	31,060	24,380	38,060

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
629,000	20,730	31,080	24,410	38,080
630,000	20,750	31,100	24,420	38,100
631,000	20,770	31,120	24,440	38,120
632,000	20,790	31,140	24,470	38,140
633,000	20,810	31,160	24,490	38,160
634,000	20,830	31,180	24,520	38,180
635,000	20,850	31,200	24,540	38,200
636,000	20,870	31,220	24,570	38,220
637,000	20,890	31,240	24,590	38,240
638,000	20,910	31,260	24,610	38,260
639,000	20,930	31,280	24,630	38,280
640,000	20,940	31,300	24,660	38,300
641,000	20,970	31,320	24,680	38,320
642,000	20,990	31,340	24,710	38,340
643,000	21,010	31,360	24,730	38,360
644,000	21,020	31,380	24,750	38,380
645,000	21,050	31,400	24,780	38,400
646,000	21,070	31,420	24,790	38,420
647,000	21,090	31,440	24,820	38,440
648,000	21,100	31,460	24,840	38,460
649,000	21,130	31,480	24,870	38,480
650,000	21,150	31,500	24,890	38,500
651,000	21,170	31,520	24,920	38,520
652,000	21,200	31,540	24,940	38,540
653,000	21,210	31,560	24,970	38,560
654,000	21,230	31,580	24,990	38,580
655,000	21,250	31,600	25,020	38,600

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
656,000	21,270	31,620	25,040	38,620
657,000	21,290	31,640	25,050	38,640
658,000	21,310	31,660	25,080	38,660
659,000	21,330	31,680	25,100	38,680
660,000	21,350	31,700	25,130	38,700
661,000	21,370	31,720	25,150	38,720
662,000	21,390	31,740	25,180	38,740
663,000	21,410	31,760	25,200	38,760
664,000	21,430	31,780	25,230	38,780
665,000	21,440	31,800	25,250	38,800
666,000	21,470	31,820	25,280	38,820
667,000	21,490	31,840	25,300	38,840
668,000	21,510	31,860	25,330	38,860
669,000	21,520	31,880	25,340	38,880
670,000	21,550	31,900	25,360	38,900
671,000	21,570	31,920	25,390	38,920
672,000	21,590	31,940	25,410	38,940
673,000	21,600	31,960	25,440	38,960
674,000	21,630	31,980	25,460	38,980
675,000	21,650	32,000	25,490	39,000
676,000	21,670	32,020	25,510	39,020
677,000	21,700	32,040	25,540	39,040
678,000	21,710	32,060	25,560	39,060
679,000	21,730	32,080	25,590	39,080
680,000	21,750	32,100	25,600	39,100
681,000	21,770	32,120	25,620	39,120
682,000	21,790	32,140	25,650	39,140

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
683,000	21,810	32,160	25,670	39,160
684,000	21,830	32,180	25,700	39,180
685,000	21,850	32,200	25,720	39,200
686,000	21,870	32,220	25,750	39,220
687,000	21,890	32,240	25,770	39,240
688,000	21,910	32,260	25,790	39,260
689,000	21,930	32,280	25,810	39,280
690,000	21,940	32,300	25,840	39,300
691,000	21,970	32,320	25,860	39,320
692,000	21,990	32,340	25,890	39,340
693,000	22,010	32,360	25,910	39,360
694,000	22,020	32,380	25,930	39,380
695,000	22,050	32,400	25,960	39,400
696,000	22,070	32,420	25,970	39,420
697,000	22,090	32,440	26,000	39,440
698,000	22,100	32,460	26,020	39,460
699,000	22,130	32,480	26,050	39,480
700,000	22,150	32,500	26,070	39,500
701,000	22,170	32,520	26,090	39,520
702,000	22,190	32,540	26,120	39,540
703,000	22,210	32,560	26,140	39,560
704,000	22,220	32,580	26,170	39,580
705,000	22,250	32,600	26,190	39,600
706,000	22,270	32,620	26,210	39,620
707,000	22,300	32,640	26,240	39,640
708,000	22,310	32,660	26,260	39,660
709,000	22,330	32,680	26,290	39,680

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
710,000	22,350	32,700	26,300	39,700
711,000	22,370	32,720	26,320	39,720
712,000	22,390	32,740	26,350	39,740
713,000	22,410	32,760	26,370	39,760
714,000	22,430	32,780	26,400	39,780
715,000	22,450	32,800	26,420	39,800
716,000	22,470	32,820	26,440	39,820
717,000	22,490	32,840	26,470	39,840
718,000	22,500	32,860	26,490	39,860
719,000	22,530	32,880	26,520	39,880
720,000	22,550	32,900	26,540	39,900
721,000	22,570	32,920	26,560	39,920
722,000	22,590	32,940	26,590	39,940
723,000	22,610	32,960	26,610	39,960
724,000	22,630	32,980	26,640	39,980
725,000	22,650	33,000	26,650	40,000
726,000	22,670	33,020	26,670	40,020
727,000	22,690	33,040	26,700	40,040
728,000	22,710	33,060	26,720	40,060
729,000	22,730	33,080	26,750	40,080
730,000	22,750	33,100	26,770	40,100
731,000	22,760	33,120	26,800	40,120
732,000	22,800	33,140	26,820	40,140
733,000	22,810	33,160	26,850	40,160
734,000	22,830	33,180	26,870	40,180
735,000	22,850	33,200	26,900	40,200
736,000	22,870	33,220	26,910	40,220

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
737,000	22,890	33,240	26,940	40,240
738,000	22,910	33,260	26,960	40,260
739,000	22,930	33,280	26,990	40,280
740,000	22,950	33,300	27,010	40,300
741,000	22,970	33,320	27,040	40,320
742,000	22,990	33,340	27,060	40,340
743,000	23,010	33,360	27,090	40,360
744,000	23,040	33,380	27,110	40,380
745,000	23,050	33,400	27,140	40,400
746,000	23,070	33,420	27,160	40,420
747,000	23,090	33,440	27,190	40,440
748,000	23,110	33,460	27,200	40,460
749,000	23,130	33,480	27,230	40,480
750,000	23,150	33,500	27,250	40,500
751,000	23,170	33,520	27,270	40,520
752,000	23,190	33,540	27,300	40,540
753,000	23,210	33,560	27,320	40,560
754,000	23,230	33,580	27,340	40,580
755,000	23,250	33,600	27,370	40,600
756,000	23,270	33,620	27,390	40,620
757,000	23,290	33,640	27,420	40,640
758,000	23,310	33,660	27,440	40,660
759,000	23,330	33,680	27,460	40,680
760,000	23,350	33,700	27,490	40,700
761,000	23,370	33,720	27,510	40,720
762,000	23,390	33,740	27,530	40,740
763,000	23,410	33,760	27,560	40,760

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
764,000	23,430	33,780	27,580	40,780
765,000	23,450	33,800	27,600	40,800
766,000	23,470	33,820	27,630	40,820
767,000	23,490	33,840	27,650	40,840
768,000	23,510	33,860	27,670	40,860
769,000	23,530	33,880	27,700	40,880
770,000	23,550	33,900	27,720	40,900
771,000	23,570	33,920	27,750	40,920
772,000	23,590	33,940	27,770	40,940
773,000	23,610	33,960	27,790	40,960
774,000	23,630	33,980	27,820	40,980
775,000	23,650	34,000	27,840	41,000
776,000	23,670	34,020	27,850	41,020
777,000	23,690	34,040	27,870	41,040
778,000	23,710	34,060	27,880	41,060
779,000	23,730	34,080	27,900	41,080
780,000	23,750	34,100	27,910	41,100
781,000	23,770	34,120	27,930	41,120
782,000	23,790	34,140	27,930	41,140
783,000	23,810	34,160	27,950	41,160
784,000	23,830	34,180	27,960	41,180
785,000	23,850	34,200	27,970	41,200
786,000	23,870	34,220	27,990	41,220
787,000	23,890	34,240	28,000	41,240
788,000	23,910	34,260	28,020	41,260
789,000	23,930	34,280	28,030	41,280
790,000	23,950	34,300	28,050	41,300

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
791,000	23,970	34,320	28,050	41,320
792,000	23,990	34,340	28,060	41,340
793,000	24,010	34,360	28,080	41,360
794,000	24,030	34,380	28,090	41,380
795,000	24,050	34,400	28,110	41,400
796,000	24,070	34,420	28,120	41,420
797,000	24,090	34,440	28,140	41,440
798,000	24,110	34,460	28,150	41,460
799,000	24,130	34,480	28,160	41,480
800,000	24,150	34,500	28,170	41,500
801,000	24,170	34,520	28,190	41,520
802,000	24,190	34,540	28,200	41,540
803,000	24,210	34,560	28,220	41,560
804,000	24,230	34,580	28,230	41,580
805,000	24,250	34,600	28,250	41,600
806,000	24,280	34,620	28,270	41,620
807,000	24,290	34,640	28,280	41,640
808,000	24,310	34,660	28,300	41,660
809,000	24,330	34,680	28,310	41,680
810,000	24,350	34,700	28,330	41,700
811,000	24,370	34,720	28,360	41,720
812,000	24,390	34,740	28,360	41,740
813,000	24,410	34,760	28,390	41,760
814,000	24,430	34,780	28,390	41,780
815,000	24,450	34,800	28,420	41,800
816,000	24,470	34,820	28,440	41,820
817,000	24,490	34,840	28,450	41,840

¹ [See page 9-41 for Notes.](#)

Issue and Participation Tables ¹				
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
818,000	24,520	34,860	28,470	41,860
819,000	24,520	34,880	28,480	41,880
820,000	24,550	34,900	28,500	41,900
821,000	24,570	34,920	28,520	41,920
822,000	24,590	34,940	28,530	41,940
823,000	24,610	34,960	28,550	41,960
824,000	24,630	34,980	28,560	41,980
825,000	24,650	35,000	28,580	42,000
826,000	24,670	35,000	28,600	42,000
827,000	24,690	35,000	28,610	42,000
828,000	24,710	35,000	28,630	42,000
829,000	24,730	35,000	28,640	42,000
830,000	24,750	35,000	28,660	42,000
831,000	24,770	35,000	28,680	42,000
832,000	24,790	35,000	28,690	42,000
833,000	24,820	35,000	28,710	42,000
834,000	24,830	35,000	28,720	42,000
835,000	24,850	35,000	28,740	42,000
836,000	24,870	35,000	28,760	42,000
837,000	24,890	35,000	28,770	42,000
838,000	24,910	35,000	28,790	42,000
839,000	24,930	35,000	28,790	42,000
840,000	24,950	35,000	28,820	42,000
841,000	24,970	35,000	28,840	42,000
842,000	24,990	35,000	28,840	42,000
843,000	25,010	35,000	28,870	42,000
844,000	25,030	35,000	28,870	42,000

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
845,000	25,050	35,000	28,890	42,000	
846,000	25,070	35,000	28,910	42,000	
847,000	25,090	35,000	28,920	42,000	
848,000	25,110	35,000	28,940	42,000	
849,000	25,130	35,000	28,950	42,000	
850,000	25,150	35,000	28,970	42,000	
851,000	25,170	35,000	29,000	42,000	
852,000	25,190	35,000	29,010	42,000	
853,000	25,210	35,000	29,030	42,000	
854,000	25,230	35,000	29,040	42,000	
855,000	25,250	35,000	29,060	42,000	
856,000	25,270	35,000	29,080	42,000	
857,000	25,290	35,000	29,090	42,000	
858,000	25,310	35,000	29,120	42,000	
859,000	25,330	35,000	29,130	42,000	
860,000	25,350	35,000	29,150	42,000	
861,000	25,380	35,000	29,170	42,000	
862,000	25,390	35,000	29,180	42,000	
863,000	25,410	35,000	29,200	42,000	
864,000	25,430	35,000	29,210	42,000	
865,000	25,450	35,000	29,240	42,000	
866,000	25,470	35,000	29,260	42,000	
867,000	25,490	35,000	29,270	42,000	
868,000	25,510	35,000	29,290	42,000	
869,000	25,530	35,000	29,300	42,000	
870,000	25,550	35,000	29,320	42,000	
871,000	25,570	35,000	29,350	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
872,000	25,600	35,000	29,360	42,000	
873,000	25,610	35,000	29,380	42,000	
874,000	25,630	35,000	29,390	42,000	
875,000	25,650	35,000	29,410	42,000	
876,000	25,670	35,000	29,430	42,000	
877,000	25,690	35,000	29,440	42,000	
878,000	25,700	35,000	29,470	42,000	
879,000	25,730	35,000	29,480	42,000	
880,000	25,750	35,000	29,500	42,000	
881,000	25,770	35,000	29,520	42,000	
882,000	25,790	35,000	29,530	42,000	
883,000	25,810	35,000	29,550	42,000	
884,000	25,830	35,000	29,560	42,000	
885,000	25,850	35,000	29,590	42,000	
886,000	25,870	35,000	29,610	42,000	
887,000	25,890	35,000	29,620	42,000	
888,000	25,910	35,000	29,640	42,000	
889,000	25,920	35,000	29,650	42,000	
890,000	25,950	35,000	29,670	42,000	
891,000	25,970	35,000	29,690	42,000	
892,000	25,990	35,000	29,710	42,000	
893,000	26,010	35,000	29,730	42,000	
894,000	26,030	35,000	29,740	42,000	
895,000	26,050	35,000	29,760	42,000	
896,000	26,070	35,000	29,780	42,000	
897,000	26,090	35,000	29,790	42,000	
898,000	26,110	35,000	29,810	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
899,000	26,130	35,000	29,830	42,000	
900,000	26,150	35,000	29,850	42,000	
901,000	26,170	35,000	29,870	42,000	
902,000	26,190	35,000	29,890	42,000	
903,000	26,220	35,000	29,910	42,000	
904,000	26,230	35,000	29,930	42,000	
905,000	26,260	35,000	29,950	42,000	
906,000	26,280	35,000	29,980	42,000	
907,000	26,310	35,000	29,990	42,000	
908,000	26,320	35,000	30,000	42,000	
909,000	26,350	35,000	30,000	42,000	
910,000	26,370	35,000	30,000	42,000	
911,000	26,400	35,000	30,000	42,000	
912,000	26,410	35,000	30,000	42,000	
913,000	26,430	35,000	30,000	42,000	
914,000	26,460	35,000	30,000	42,000	
915,000	26,480	35,000	30,000	42,000	
916,000	26,500	35,000	30,000	42,000	
917,000	26,520	35,000	30,000	42,000	
918,000	26,550	35,000	30,000	42,000	
919,000	26,570	35,000	30,000	42,000	
920,000	26,590	35,000	30,000	42,000	
921,000	26,610	35,000	30,000	42,000	
922,000	26,640	35,000	30,000	42,000	
923,000	26,660	35,000	30,000	42,000	
924,000	26,680	35,000	30,000	42,000	
925,000	26,700	35,000	30,000	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
926,000	26,720	35,000	30,000	42,000
927,000	26,740	35,000	30,000	42,000
928,000	26,760	35,000	30,000	42,000
929,000	26,790	35,000	30,000	42,000
930,000	26,810	35,000	30,000	42,000
931,000	26,830	35,000	30,000	42,000
932,000	26,850	35,000	30,000	42,000
933,000	26,880	35,000	30,000	42,000
934,000	26,900	35,000	30,000	42,000
935,000	26,920	35,000	30,000	42,000
936,000	26,940	35,000	30,000	42,000
937,000	26,970	35,000	30,000	42,000
938,000	26,990	35,000	30,000	42,000
939,000	27,000	35,000	30,000	42,000
940,000	27,030	35,000	30,000	42,000
941,000	27,050	35,000	30,000	42,000
942,000	27,080	35,000	30,000	42,000
943,000	27,090	35,000	30,000	42,000
944,000	27,120	35,000	30,000	42,000
945,000	27,140	35,000	30,000	42,000
946,000	27,170	35,000	30,000	42,000
947,000	27,180	35,000	30,000	42,000
948,000	27,210	35,000	30,000	42,000
949,000	27,230	35,000	30,000	42,000
950,000	27,250	35,000	30,000	42,000
951,000	27,270	35,000	30,000	42,000
952,000	27,300	35,000	30,000	42,000

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
953,000	27,310	35,000	30,000	42,000	
954,000	27,340	35,000	30,000	42,000	
955,000	27,360	35,000	30,000	42,000	
956,000	27,380	35,000	30,000	42,000	
957,000	27,400	35,000	30,000	42,000	
958,000	27,430	35,000	30,000	42,000	
959,000	27,440	35,000	30,000	42,000	
960,000	27,470	35,000	30,000	42,000	
961,000	27,490	35,000	30,000	42,000	
962,000	27,510	35,000	30,000	42,000	
963,000	27,530	35,000	30,000	42,000	
964,000	27,560	35,000	30,000	42,000	
965,000	27,580	35,000	30,000	42,000	
966,000	27,600	35,000	30,000	42,000	
967,000	27,630	35,000	30,000	42,000	
968,000	27,640	35,000	30,000	42,000	
969,000	27,670	35,000	30,000	42,000	
970,000	27,690	35,000	30,000	42,000	
971,000	27,710	35,000	30,000	42,000	
972,000	27,730	35,000	30,000	42,000	
973,000	27,760	35,000	30,000	42,000	
974,000	27,770	35,000	30,000	42,000	
975,000	27,800	35,000	30,000	42,000	
976,000	27,830	35,000	30,000	42,000	
977,000	27,840	35,000	30,000	42,000	
978,000	27,870	35,000	30,000	42,000	
979,000	27,890	35,000	30,000	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹				
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
980,000	27,910	35,000	30,000	42,000
981,000	27,930	35,000	30,000	42,000
982,000	27,950	35,000	30,000	42,000
983,000	27,970	35,000	30,000	42,000
984,000	28,000	35,000	30,000	42,000
985,000	28,020	35,000	30,000	42,000
986,000	28,040	35,000	30,000	42,000
987,000	28,070	35,000	30,000	42,000
988,000	28,080	35,000	30,000	42,000
989,000	28,110	35,000	30,000	42,000
990,000	28,130	35,000	30,000	42,000
991,000	28,150	35,000	30,000	42,000
992,000	28,180	35,000	30,000	42,000
993,000	28,200	35,000	30,000	42,000
994,000	28,220	35,000	30,000	42,000
995,000	28,240	35,000	30,000	42,000
996,000	28,260	35,000	30,000	42,000
997,000	28,280	35,000	30,000	42,000
998,000	28,310	35,000	30,000	42,000
999,000	28,320	35,000	30,000	42,000
1,000,000	28,350	35,000	30,000	42,000
1,001,000	28,380	35,000	30,000	42,000
1,002,000	28,390	35,000	30,000	42,000
1,003,000	28,420	35,000	30,000	42,000
1,004,000	28,430	35,000	30,000	42,000
1,005,000	28,460	35,000	30,000	42,000
1,006,000	28,490	35,000	30,000	42,000

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
1,007,000	28,500	35,000	30,000	42,000	
1,008,000	28,530	35,000	30,000	42,000	
1,009,000	28,540	35,000	30,000	42,000	
1,010,000	28,570	35,000	30,000	42,000	
1,011,000	28,600	35,000	30,000	42,000	
1,012,000	28,610	35,000	30,000	42,000	
1,013,000	28,640	35,000	30,000	42,000	
1,014,000	28,650	35,000	30,000	42,000	
1,015,000	28,680	35,000	30,000	42,000	
1,016,000	28,710	35,000	30,000	42,000	
1,017,000	28,720	35,000	30,000	42,000	
1,018,000	28,750	35,000	30,000	42,000	
1,019,000	28,760	35,000	30,000	42,000	
1,020,000	28,790	35,000	30,000	42,000	
1,021,000	28,820	35,000	30,000	42,000	
1,022,000	28,830	35,000	30,000	42,000	
1,023,000	28,860	35,000	30,000	42,000	
1,024,000	28,870	35,000	30,000	42,000	
1,025,000	28,900	35,000	30,000	42,000	
1,026,000	28,930	35,000	30,000	42,000	
1,027,000	28,940	35,000	30,000	42,000	
1,028,000	28,970	35,000	30,000	42,000	
1,029,000	28,980	35,000	30,000	42,000	
1,030,000	29,010	35,000	30,000	42,000	
1,031,000	29,040	35,000	30,000	42,000	
1,032,000	29,050	35,000	30,000	42,000	
1,033,000	29,080	35,000	30,000	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
1,034,000	29,090	35,000	30,000	42,000	
1,035,000	29,120	35,000	30,000	42,000	
1,036,000	29,150	35,000	30,000	42,000	
1,037,000	29,160	35,000	30,000	42,000	
1,038,000	29,190	35,000	30,000	42,000	
1,039,000	29,200	35,000	30,000	42,000	
1,040,000	29,230	35,000	30,000	42,000	
1,041,000	29,260	35,000	30,000	42,000	
1,042,000	29,270	35,000	30,000	42,000	
1,043,000	29,300	35,000	30,000	42,000	
1,044,000	29,310	35,000	30,000	42,000	
1,045,000	29,340	35,000	30,000	42,000	
1,046,000	29,370	35,000	30,000	42,000	
1,047,000	29,380	35,000	30,000	42,000	
1,048,000	29,410	35,000	30,000	42,000	
1,049,000	29,420	35,000	30,000	42,000	
1,050,000	29,450	35,000	30,000	42,000	
1,051,000	29,480	35,000	30,000	42,000	
1,052,000	29,490	35,000	30,000	42,000	
1,053,000	29,520	35,000	30,000	42,000	
1,054,000	29,530	35,000	30,000	42,000	
1,055,000	29,560	35,000	30,000	42,000	
1,056,000	29,590	35,000	30,000	42,000	
1,057,000	29,600	35,000	30,000	42,000	
1,058,000	29,630	35,000	30,000	42,000	
1,059,000	29,640	35,000	30,000	42,000	
1,060,000	29,670	35,000	30,000	42,000	

¹ See page 9-41 for Notes.

Issue and Participation Tables ¹					
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	
1,061,000	29,700	35,000	30,000	42,000	
1,062,000	29,710	35,000	30,000	42,000	
1,063,000	29,740	35,000	30,000	42,000	
1,064,000	29,750	35,000	30,000	42,000	
1,065,000	29,780	35,000	30,000	42,000	
1,066,000	29,810	35,000	30,000	42,000	
1,067,000	29,820	35,000	30,000	42,000	
1,068,000	29,850	35,000	30,000	42,000	
1,069,000	29,860	35,000	30,000	42,000	
1,070,000	29,890	35,000	30,000	42,000	
1,071,000	29,920	35,000	30,000	42,000	
1,072,000	29,930	35,000	30,000	42,000	
1,073,000	29,960	35,000	30,000	42,000	
1,074,000	29,970	35,000	30,000	42,000	
1,075,000	30,000	35,000	30,000	42,000	

¹ [See page 9-41 for Notes.](#)

- Always observe maximum issue and participation limits for the appropriate occupation class.
- Refer to the Program Section for New Professionals, Enhanced Quick Issue, Business Owner Advantage Program, Government Employees (federal state, municipal, county and town), Retirement Protection Plus, and Group Conversion, 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.

Notes: 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) employment status (business owner or employee); 3) disability insurance in force at the time of application with Berkshire, Guardian and all other insurers; 4) disability insurance or coverage provided by the employer, 5) disability insurance benefits available to the applicant within 12 months of the policy date; and 6) the tax treatment of all inforce 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). “Earned Income” for purposes of this paragraph has the same meaning as it has 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, FPO, and Benefit Purchase Rider (BPR), as they relate to an insured at the time the insured applies for additional coverage through an FIO, FPO, or BPR. These factors may be different than at the time the insured applies for additional coverage through an FIO, FPO, or BPR, in comparison with the same factors as they existed at the time the insured applied for the policy to which the FIO, FPO, or BPR is attached.

For FIO or FPO exercises while an insured is disabled, 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.

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:

Example 1: Sample Calculation Individual-Paid Scenario, No In-force Coverage

The Facts: Individual-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?

Step	Process	Purpose	Result	Where do I find this?
1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See Facts Above
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 Above
3	Determine client’s income	To be used in Step 4	\$220,000	See Facts Above
4	Find client’s income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$10,420	Individual Pay Issue and Participation Tax-Free Monthly Indemnity column
5	Determine occupation classification	To be used in Step 6	6	Occupation Classification Guide
6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$30,000	Provider Choice Section 4, Maximum Issue and Participation Limits
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)	\$10,420	
8	Determine prospect’s age	Verify prospect is between the issue ages of 18-50 for FIO eligibility	Yes	See Facts Above
9	Subtract Step 7 from Step 6	Ensure maximum issue limit has not been exceeded (FIO rule 2x base, 3x for residents)	FIO Limit \$30,000 <u>-\$10,420</u> \$19,580*	

Conclusion: The issue limit for this scenario is \$10,420 base coverage and maximum FIO rider is \$19,580. 2x base (\$20,840) plus base (\$10,420) exceeds issue limit. Max FIO (\$19,580) is used instead.

*Keep in mind when requesting FIO, the prospect must have the potential to earn the salary listed to financially qualify.

Example 2: Sample Calculation Individual-Paid Scenario, Has Guardian Coverage In Force

The Facts: Individual-paid coverage—The prospect is a 35-year-old auditor, in NV who has an annual income of \$37,500 plus a guaranteed bonus of \$2,500. Currently, the prospect has individual-paid, in-force Guardian coverage of \$1,400 (no optional riders). What is the maximum monthly indemnity for which the prospect qualifies?

Step	Process	Purpose	Result	Where do I find this?
1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See Facts Above
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 Above
3	Determine client's income	To be used in Step 4	\$40,000 (annual income plus guaranteed bonus)	See Facts Above
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
5	Determine occupation classification	To be used in Step 6	5	Occupation Classification Guide
6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$30,000	Provider Choice Section 4, Maximum Issue and Participation Limits
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	
8	Verify Minimum Issue Policy Size	To confirm \$900 is not under issue limit	The minimum issue limit is \$500*	
9	Determine prospect's age	Verify prospect is between the issue ages of 18 - 50 for FIO eligibility	Yes	See Facts Above
10	Determine the FIO amount based on the total applied and in force	FIO Rule: 2x Base, 3x for Residents/Students	\$2,300 <u>x 2</u> \$4,600	FIO Rule
11	Subtract total in Steps 4 & 10 from Step 6	Ensure maximum issue limit has not been exceeded	FIO Limit \$30,000 <u>-\$2,300</u> <u>-\$4,600</u> \$23,100	Provider Choice Section 4, Maximum Issue and Participation Limits

Conclusion: The issue limit for this scenario is \$900 base coverage and maximum FIO rider is \$4,600. The maximum base plus FIO rider is less than maximum issue and participation limits.

*Monthly benefit amounts under \$1,000 require a \$75 policy fee.

Note: FIO 2x/3x rule is based on total GLIC coverage (less any existing FIO rider amounts).

Employer-paid limits

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:

- 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
- 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.
- The additional coverage available through an employer-paid plan must fall within the maximum issue and participation limits for the class being insured.
- 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 Cafeteria (Section 125) Plans.
- 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.

Employer-Paid Limits apply when an employer pays the premiums for all disability income coverage (existing and applied-for with all companies). On occasion, we encounter “split dollar” or “co-pay” situations where some of the coverage is employer-paid and some is employee-paid. In these instances, proportionate weight will be given to the amount that is taxable vs. non-taxable.

See Example on next page

Example 1: Sample Calculation Employer-Paid Scenario, No In-force Coverage

The Facts: Employer-paid coverage – The prospect is a 28-year-old manager in NY 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?

Step	Process	Purpose	Result	Where do I find this?
1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Employer	See Facts Above
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 Above
3	Determine client’s income	To be used in Step 4	\$130,000	See Facts Above
4	Find client’s income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$8,290	Employer-Paid Issue and Participation Taxable Monthly Indemnity column
5	Determine occupation classification	To be used in Step 6	3	Occupation Classification Guide
6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$15,000	Provider Choice Section 4, Maximum Issue and Participation Limits
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	\$8,290	
8	Determine prospect’s age	Verify prospect is between the issue ages of 18 - 50 for FIO eligibility	Yes	See Facts Above
9	Subtract Step 7 from Step 6	Ensure maximum issue has not been exceeded	FIO Limit \$15,000 -\$8,290 \$6,710	

Conclusion: The issue limit for this scenario is \$8,290 base coverage and maximum FIO rider is \$6,710. 2x base (\$16,580) plus base (\$8,270) exceeds issue limit. Max FIO (\$6,710) is used instead.

Participation with other companies' individual coverage

For other occupation classes and issue ages, refer to the Maximum Issue and Participation Limit Tables in Section 4.

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.

See Example on next page.

Example 1: Sample Calculation Individual-Paid Scenario, Has Other Coverage In-force

The Facts: Individual-paid coverage—The prospect is a 40-year-old attorney, in MA, who has an annual income of \$800,000. Currently, the prospect has individual-paid, in-force coverage of \$8,000 with another carrier. What is the maximum monthly indemnity for which the prospect qualifies?

Step	Process	Purpose	Result	Where do I find this?
1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Individual	See Facts Above
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 Above
3	Determine client's income	To be used in Step 4	\$800,000	See Facts Above
4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$24,150	Individual Pay Issue and Participation Tax-Free Monthly Indemnity column
5	Determine occupation classification	To be used in Step 6	6	Occupation Classification Guide
6	Determine maximum participation limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$30,000	Provider Choice Section 4, Maximum Issue and Participation Limits
7	Subtract in-force coverage from participation amount	Determines the amount client is eligible to purchase based on the current income and occupation classification	\$24,150 - \$8,000 \$16,150	
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	\$16,150	
9	Determine prospect's age	Verify prospect is between the issue ages of 18 - 50 for FIO eligibility	Yes	See Facts Above
10	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$30,000	Provider Choice Section 4, Maximum Issue and Participation Limits
11	Determine the FIO amount based on the total applied and in force	FIO Rule: 2x Base, 3x for Residents/Students	\$16,150 x 2 \$32,300	FIO Rule
12	Subtract Step 4 from Step 6	Ensure maximum issue and participation limits have not been exceeded	FIO Limit \$30,000 - \$24,150 \$5,850	
13	Subtract Step 7 from Step 10	Ensure maximum issue limit has not been exceeded	FIO Limit \$30,000 - \$16,150 \$13,850	
14	Use lesser of Step 12 and 13	Determine FIO Issue Amount	\$5,850	

Conclusion: The issue limit for this scenario is \$16,150 base coverage and maximum FIO rider is \$5,850. 2x base (\$32,300) plus base (\$16,150) exceeds issue limit. Max FIO (\$5,850) is used instead.

Participation with Group LTD

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 18-60²⁰, if the applicant has in-force or applied-for group coverage, and occupation classes 6/6M thru 3/3M/3D are illustrated, the following will outline which Issue and Participation column to use in the given situation:

- When the applied-for individual coverage is being paid by the applicant, and the group coverage is employer-paid, discount the group by 30% 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.
- 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.
- When the owner of an S-Corp, Partnership, Sole Proprietorship, Limited Liability Company²¹ or Limited Liability Partnership³ 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.
- 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.

²⁰ For individuals in occupation classes 2/2M & 1 and those over age 60 (regardless of occupation class) only the Individual Paid Issue and Participation column should be used; and, any in-force or applied-for Group LTD coverage will be considered as in-force individual coverage and will not be discounted.

²¹ 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: Individual-paid coverage – The prospect 35-year-old, neurologist, occupation class 4M in GA, 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	Result	Where do I find this?
1	Determine who is paying for the new coverage	Determines which column in the Issue and Participation table to use	Individual	See Facts Above
2	Determine whether Employer-Paid Group LTD is in force	Determines which column in the Issue and Participation table to use	Yes, \$15,000 of monthly indemnity	See Facts Above
3	Determine client's income	To be used in Step 4	\$320,000	See Facts Above
4	Find client's income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$17,210	Individual Pay Participation with Group LTD column
5	Determine occupation classification	To be used in Step 6	4M	Occupation Classification Guide
6	Determine maximum participation limit for occupation class	Ensure occupation class maximum limits are not exceeded	\$35,000	Provider Choice Section 4, Maximum Issue and Participation Limits
7	Discount existing group coverage by 30%*	To be used in Step 6	\$15,000 <u>x .70</u> \$10,500	
8	Subtract Step 7 from Step 4	Determines how much the prospect may purchase	\$17,210 <u>-\$10,500</u> \$6,710	
9	Compare amount from Step 6 with the amount in the Individual Pay Issue and Participation Tax-Free Monthly Indemnity column	Use whichever is less	\$6,710	Issue and Participation Limit Table
10	Determine prospect's age	Verify prospect is between the issue ages of 18 – 50 for FIO eligibility	Yes	See Facts Above
11	Determine maximum issue limit for occupation	Ensure occupation class maximum limits are not exceeded	\$30,000	Provider Choice Section 4, Maximum Issue and Participation Limits
12	Determine the FIO amount based on the total applied and in force	FIO Rule: 2x Base, 3x for Residents/Students	\$6,710 <u>x 2</u> \$13,420	FIO Rule
13	Subtract Step 9 from Step 11	Ensure maximum issue and participation limits have not been exceeded	FIO Limit \$30,000 <u>-\$6,710</u> \$23,290	

Conclusion: The issue limit for this scenario is \$6,710 base coverage and maximum FIO rider is \$13,420. The maximum base plus FIO rider is less than maximum issue and participation limits.

* The 30% Group LTD discount is only available when individually paid for non-cancellable disability income is written in conjunction with existing or new taxable Group LTD. Discount the group amount by 30% 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.

See Example 2 on next page.

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 publicity agent in SD 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?

Step	Process	Purpose	Result	Where do I find this?
1	Determine who will be paying for this new coverage	Determines which column in the Issue and Participation table to use	Employer	See Facts Above
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 Above
3	Determine client’s income	To be used in Step 4	\$190,000	See Facts Above
4	Find client’s income in the Issue and Participation table	Determines the amount client is eligible to purchase based on current income	\$13,200	Employer-Paid Participation with Taxable Group LTD column
5	Determine occupation classification	To be used in Step 6	3	Occupation Classification Guide
6	Determine maximum issue limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$15,000	Provider Choice Section 4, Maximum Issue and Participation Limits
7	Determine maximum participation limit for occupation classification	Ensure occupation class maximum limits are not exceeded	\$25,000	Provider Choice Section 4, Maximum Issue and Participation Limits
8	Subtract Step 2 from Step 4	Determines how much the prospect may purchase	\$13,200 <u>-\$6,400</u> \$6,800	
9	Use the lesser of the amount from Step 6 or Step 8	Determines the amount client is eligible to purchase based on the current income and occupation classification	\$6,800	
10	Determine prospect’s age	Verify prospect is between the issue ages of 18 - 50 for FIO eligibility	Yes	See Facts Above
11	Determine the FIO amount based on the total applied and in force	FIO Rule: 2x Base, 3x for Residents/Students	\$6,800 <u>x 2</u> \$13,600	FIO Rule
12	Subtract Step 9 from Step 6	Ensure maximum issue and participation limits have not been exceeded	FIO Limit \$15,000 <u>-\$6,800</u> \$8,200	

Conclusion: The issue limit for this scenario is \$6,800 base coverage and maximum FIO rider is \$8,200. 2x base (\$13,600) plus base (\$6,800) exceeds the issue limit.

Section 10

Supplementary Information

Supplementary Information

This section will provide you with additional information regarding Berkshire products and procedures." For further detailed information, see [Product Manual \(Pub7493BL\)](#).

Age calculation

The method used to calculate the age of the applicant: Age last birthday—Current age as of last birthday

Example: Applicant's Date of Birth is 11/01/1980
Today's date is 05/10/2016
Applicant's age (actual) is 35

Saving age

To save age for an age last birthday product, the contract should be dated one day prior to the applicant's birthday. A policy can be back dated no more than 30 days prior to the date the application was signed. Request a policy date to save age in the Special Request section of the application. See the Policy dating section for further details.

Appointment and licensing requirements

For the company to accept and process an application for insurance, all producers involved with the solicitation and sale (and as listed on the Producers Certification) must be licensed in both the selected contract state and in the state where the application was solicited and signed, if different than the contract state. An application cannot be accepted or processed if any soliciting producer is not properly licensed.

Additionally, a policy cannot be issued if all producers (soliciting and commissionable) do not hold an active license and appointment in both the contract state and solicitation state. License and appointment verification is checked against the date the application was signed and the policy issue date.

Guardian also verifies license and appointment at the time the commission is scheduled to be paid.

Note: Approved state appointments are required prior to solicitation of an application in Pennsylvania. This means that the company will not be able to process applications solicited in Pennsylvania by a producer not yet appointed.

Conditional Receipt

If the first premium is paid with the application, a Conditional Receipt must be completed and signed by the applicant at the time of application solicitation. This receipt is subject to certain conditions and is, therefore, a Conditional Receipt. Those conditions should be covered in detail with the applicant. The Conditional Receipt does not create any temporary or interim insurance. In no event should this ever be referred to as a "binder" or "binding 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.

No receipt other than the regular Conditional Receipt should be given for any amount collected. The check and conditional receipt must be dated the same and on or after the date the application is signed.

A prepayment can be taken when applying for a disability income, overhead expense, or disability buy-out policy. A prepayment cannot be taken in connection with a request for a Business Reducing Term, PayGuard, or Guaranteed Standard Issue policy. Also, prepayment cannot be taken nor a Conditional Receipt be issued in connection with a Conversion Application for Disability Insurance or an Inquiry application.

A Conditions of Coverage form should be issued when a prepayment is taken with an Application for Disability Insurance Option Exercises for an Option Exercise of a Future Increase Option or Future Purchase Option. A prepayment cannot be taken nor a Conditions of Coverage be issued for an Option Exercise of a Benefit Purchase Rider.

Refer to the Conditional Receipt and the Conditional Receipt Guidelines (AA1707) for further details.

Contract state, required forms, and residence requirements

Applicants who are not citizens of the United States of America must intend to reside permanently in the United States, have a valid Social Security number and file a United States Federal Tax Return. A "green card" is considered evidence of permanent residency.

Canadian citizens will be considered, but they must have a tie to the United States through residency or place of business. The contract state will be the address of residence or business in the United States. The application must be signed in the United States, and the agent must be licensed in the contract state and the state in which the application is signed.

The residence of the application generally determines the contract state unless the applicant has a connection with another state. That connection could be a residence, workplace, or a secondary residence (generally defined as the state where the applicant 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 rider exercises, follow the same rules as above. If the policyowner no longer resides in the same state as the original policy was issued, the applicant must be issued a policy in his/her new state of residence, unless:

The original policy form is not 18ID or 18UD, and

- The insured has moved to Arizona, California, Florida, or Nevada since the issuance of the original policy.
- If the above two criteria are met, an applicant can request the same contract state as the original policy.

If the applicant is a Canadian citizen exercising an FIO but no longer lives or works in the United States, they will not be eligible to add any additional benefits (such as optional riders) during an FIO exercise and the FIO application must be taken in the same state that the original policy was issued.

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), a Declaration of Insurability or the initial premium. 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, no initial premium collected, and the company should be notified immediately.

Foreign nationals

We will consider applicants who are foreign nationals and hold one of the following valid visas: H1B, L1, J1, G1 and TN. We will also consider students holding a valid F1 Visa (Student Visa) who indicate their intentions to reside permanently in the United States. All policies issued to foreign nationals (except Canadian Citizens in the U.S, on a temporary Visa) will include a travel exclusion.

Foreign travel

Applicants planning foreign travel may require the addition of a foreign travel exclusion rider, or in some situations, coverage may not be available. Consult the Underwriting Department regarding specific situations.

Inquiry applications

An Underwriting Inquiry form is used when an applicant has significant medical history and insurability is in question. The Underwriting Inquiry form enables the company to obtain medical records and determine on what basis (if any) an offer can be made. Inquiry applications can also be submitted in order for underwriting to provide a preliminary financial evaluation when the applicant has a complex or unusual financial situation.

The applicant must sign the form.

- The Underwriting Inquiry²² should be as complete as possible. This includes listing what other companies have done including rating, exclusions or modifications, if applicable. Providing this information will greatly help the underwriter reach a decision.
- When multiple physicians are involved, the producer should always find out which doctor has the complete records concerning the impairment. It may be the primary care physician or the specialist.
- When the producer can tell the underwriter which doctor holds the complete set of records, the time-consuming process of contacting multiple physicians can be avoided.
- A Conditional Receipt and prepayment cannot be taken with an inquiry application.

Note: An Inquiry Application is designed to provide you with a preliminary and non-binding assessment regarding the medical history as noted on the Inquiry Application. To apply for an insurance policy, the full Application for Disability Insurance needs to be completed. At the time of actual underwriting, evidence of overall insurability and any interim health changes will be considered.

Policy dating

Non-Conditionally receipted policies will automatically be postdated 15 days from the date the policy is approved unless:

- A request is made on Part 1 ("Remarks and Special Requests" section) of the application to backdate to save the age of the applicant. The age of the applicant can be saved by dating between the date of the Part I application and the date of issue. The back dating may be no more than 30 days prior to date the application is signed; or
- There is a request on the application to date the policy ahead to a specific date not over 60 days from the date of the application (the policy will be issued no more than 15 days prior to the date requested and a Declaration of Insurability will 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).

Policy delivery

Part I of the application provides "Except as provided in the Conditional Receipt (if an advance payment has been made and acknowledged and such Receipt issued), no insurance shall take effect unless and until the policy is delivered, the first premium is paid, and there has been no change in the health, the income level, status of employment or occupation of the proposed insured."

It is exceedingly important that this provision be strictly adhered to when delivering a policy which 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 nor initial premium collected.

²² This form is available at [GuardianOnline](#) or from your agency's Disability Income Specialist.

Refund of Initial premiums

Incomplete Policies

Policy is not issued due to incomplete underwriting information: the initial premium is refunded to the applicant.

Not Taken Policies

Policy is issued but the conditions for policy delivery are not met: the initial premium is refunded to the applicant.

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 provide the agent time to contact the applicant.

Issued policy goes in force with an overpayment

If the initial premium exceeds the amount of premium needed to place the policy in force, the overpayment of premium will be refunded to the client except when the overpayment is sufficient to pay the next modal premium; provided the policy is not paid more than one year in advance. For example: If the initial premium submitted is \$150.00 and the premium needed to pay the monthly mode is \$75.00, the next monthly payment will automatically be applied, crediting the policy for the following month. If the initial premium submitted was \$100.00 and the premium needed to pay the monthly mode is \$75.00, a refund of \$25.00 will be sent to the applicant.

Reissues

Reissue requests can be submitted up to six months after the policy is issued or three months after the policy goes in force. Thereafter, an in-force policy change request must be submitted. Policies not eligible for an in-force change must be handled as a replacement.

Replacements

When Berkshire issues a contract with the understanding that the existing DI coverage with another company will be terminated or reduced, 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 benefit that the Berkshire coverage is replacing. It further specifies that it is understood that the in-force coverage will be terminated or reduced as a result of the issuance of the Berkshire contract.

Berkshire is required by law to notify the other insurer in Florida. However, in Florida and all other states, it is the applicant's responsibility to terminate the existing coverage. Some states also require additional replacement forms be completed at time of application and included at submission to begin processing. Refer to [GuardianOnline](#) for a current and complete listing of forms by state.

Note: It may not be in the best interests of the policyholder to replace existing disability insurance coverage.

Sports hazards

Some types of sports involve hazards which exceed the hazards normally expected in recreation or a hobby and may require an exclusion rider.

It is important to include information regarding the extent of participation in these activities with the application. Questionnaires for the more common sports hazards are on [GuardianOnline](#).

Note: We will not accept most applicants who are professional or semi-professional athletes.

Section 11

Multi-Life Guarantee Standard Issue (GSI)

Supplemental Income Protection Program

Multi-Life Guarantee Standard Issue (GSI) – Supplemental Income Protection Program

For Use with Employer-Sponsored Multi-Life GSI Cases

This section covers Multi-Life GSI philosophy when utilizing Provider Choice (policy form 18GI). It provides general guidance on practices and is intended to help the producer underwrite cases.

Determining a company’s Multi-Life Disability business profile

When complete information about the employer and employees is received in the Multi-Life Team, the underwriters will review the request and determine if an offer is available.

- What is the nature of the business?
- What is the business entity (i.e. LLC, LLP, C Corporation, S Corporation)
- Nature of the eligible employee population (i.e. Executives, Partners, Lawyers)
- Existing Coverage information (i.e. Group Long Term Disability, current in-force Individual Disability Insurance or Guarantee Standard Issue program)

Additional information that will be helpful to underwrite a case includes:

- Length of time the business has been in existence
- Financial stability of the business
- Mergers and Acquisitions
- Are voluntary benefits offered, and if so, what is the participation
- Enrollment timing – First enrollment best if off cycle from other benefits
- Producer’s level of Multi-Life experience
- Producer’s relationship with the company and experience rolling out other products with the company

Target markets

- Corporate Executives, Middle Management, Technical Management
- Accounting Firms
- Business Services
- “Creative” Firms (Advertising Agencies/Graphic Design)
- Engineers/Architects
- Law Firms
- Scientific Firms
- White collar populations with bonus compensation not covered by LTD

Preferred risk factors

- Professional white-collar service industries. (Construction, manufacturing and other blue/gray collar employees are not a desirable risk for this program.)
- Businesses that are at least two years old within a profitable and stable industry.
- A significant portion of the proposed eligible population’s income is high relative to the Group Long Term Disability (LTD) cap.

Case level demographics

- Proposed eligible employees (“Eligibles”) should consist of a clearly defined carve out. General wording of “Executives” or “Employees” will not suffice or provide clarity around the intended program for the employer or Guardian.
- Not more than 10% of the overall eligible population should be over age 64 (excluding 5-9 Life Program, see guidelines specific to 5-9 Life Program instead).

Plan designs

The income replacement percentage and covered compensation (referred to as “Insurable Income”) for each case will vary based on the specific information presented by the Employer and the Employer’s specific plan design. The selected replacement level and insurable income will be consistent among participants of the designated class within each case/plan.

There are a number of plan designs that package Individual and Group Disability coverage to provide an integrated concept. The plans outlined below provide an overview of how they work.

Percentage less LTD plan design

This is the most common of all plan designs. The plan design layers Individual Disability Insurance (IDI) on top of the LTD plan. The LTD coverage typically is employer paid (but can be employee paid), and the IDI coverage can be either employee or employer paid. It is not unusual for the IDI GSI offer to cover different compensation than the LTD. For example, the LTD typically covers base salary only, and the IDI GSI offer will consider insurable income of base plus variable compensation not covered under the LTD plan.

Distinguishing features:

- Supplements the LTD and provides additional coverage in excess of the LTD capped benefit maximum and/or replaces compensation such as bonus that is not replaced by the LTD.

Combo plan design

The combination plan provides a traditional replacement ratio (i.e., 60%) with both Group and Individual insurance. This is achieved by splitting the benefit percentage (and/or the maximum) between the two coverages (i.e., 40% to \$10,000 with LTD and 20% to \$5,000 with IDI).

Distinguishing features:

- Truly integrates with LTD coverage providing a consistent percentage of IDI replacement.
- Employer paid or 100% participation required.
- Requires increased coordination of provisions between LTD and IDI.
- LTD and IDI would need to cover the same source of income. (For example: the LTD covers base salary only; IDI would cover base salary only.)

Reverse combo plan design

The reverse combination plan combines Group and Individual with IDI covering the first portion of insurable income and LTD covering income in excess of the DI GSI offer. (Stated another way, the LTD benefit insures the income in excess of what the IDI benefit insures.) For example, IDI covering 60% of the first \$100,000 of insurable income for a \$5,000 GSI monthly indemnity amount, plus LTD covering 60% of insurable income from \$100,001 - \$200,000 provides \$5,000 indemnity amount, totaling \$10,000 total coverage.

Distinguishing features:

- LTD supplements IDI.
- Provides a specific percentage of IDI coverage based on a fixed amount replacing the first portion of income paid and supplemented by LTD.
- Employer Paid or 100% participation required.
- Requires increased coordination of provisions between LTD and IDI.
- LTD and IDI would need to cover the same source of income. (For example: if LTD covers base salary only, then IDI must cover base salary only.)
- LTD plan design should reflect covering 0% of the 1st \$XXX,XXX.

Stand-alone plan design

This concept is highly discouraged; however, there will be situations when the company may be able to support a limited GSI amount with the maximum replacement ratio of 60% on an Employer Paid basis.

Distinguishing features:

- The employer does not provide LTD coverage.
- A specific percentage of IDI coverage can be provided.
- Limited GSI amount.
- Maximum replacement ratio of 60%.

Flat amount

Utilized to provide a single, identical amount of coverage to all Eligibles (e.g., \$1,000 base indemnity for all Eligibles). A variety of riders may be utilized for enrollment options on a Voluntary offering.

Product overview

Provider Choice (policy form 18GI) is issued by Berkshire Life Insurance Company of America for use with employer-sponsored GSI cases. This product is designed to provide the flexibility to customize benefit design for specific employer requirements. Benefits are offered for programs at the discretion of the Multi-Life Underwriter.

Provider Choice (18GI)

State Availability	Available in all states
Definition of Disability	<ul style="list-style-type: none">▪ Two-Year Modified Own Occupation (Any Occupation Thereafter)▪ Modified Own Occupation▪ Two-Year True Own Occupation (Modified Thereafter)▪ True Own Occupation▪ True Own Occupation with Enhanced Medical Specialty (All M Classes)
Non-cancellable Guaranteed Renewable to Age 65/67	Yes
Conditionally Renewable After Age 65/67	For life if not disabled and working full-time at least 10 months of the year.
Premium Structure	Level and Unisex State Variations: FL – 10% increase, CA – 20% increase
Minimum Policy Size	\$300/mo. Base
Policy Fees	\$30
Non-Nicotine Use (Select Risk)	25% Discount if no use of any nicotine in any form in the last 12 months. As a case level exception, we may disregard cigar use less than twelve times per year.
Occupation Classes	6/6M, 5/5M, 4/4M, 3/3M
Benefit Period	2 / 5 / 10 Year, to Age 65 / 67 / 70
Mental and/or Substance Related Disorders Limitation	12 Month 24 Month No Limitation (Subject to Underwriter Approval) In CA, DE, FL, MT, NY, ND, SD, and WY the 12 Month Limitation is replaced with the 6 Month Limitation. All 12 month rules apply to the 6 month limitation.

Provider Choice (18GI) (continued)

Issue Ages 18 – 75

Exceptions

- All 18GI Policies
- Max Issue Age of 55 for 10 Year Benefit Period
 - Max Issue Age of 64 for to Age 65 Benefit Period
 - Ages 67 – 74 valid with 2 Year Benefit Period Only
 - Max Issue Age of 60 for 5 Year Benefit Period
 - Max Issue Age of 66 for to Age 67 / 70 Benefit Periods
 - Ages 75+ valid with 1 Year Benefit Period Only

RPP Policies Max Issue Age of 60 for Level

Elimination Period (EP) / Accumulation Period (AP)	90 Day / 210 Days	180 Day / 360 Days	360 Day / 540 Days	720 Day / 900 Days
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Exceptions

RPP Policies 180 and 360 EPs Only

- 360 Day EP
- Not Available with 1 Year Benefit Period in NY.
 - Not Available with 2 Year Benefit Period in DE and NY.
- 720 Day EP
- Not Available with 1/2 Year Benefit Period in NY.
 - Not Available with 2 / 5 Year Benefit Periods.
 - Not Available in CA and DE.

Available Riders/Endorsements (Provider Choice 18GI)

Additional Monthly Benefit (AMB) Allows additional coverage to be added onto the existing, inforce policy, which is also referred to as Automatic Increases.

Issue Ages 18 – 64
 Minimal Issue \$50

Catastrophic Disability (CAT)

Basic Catastrophic/Severe Disability

Issue Ages 18 – 64 for 2 / 5 / 10 Year and to Age 65
 18 – 66 for to Age 67 / 70
 Benefit Periods All
 Elimination Periods All

Enhanced Catastrophic (Not Available in CA)

Issue Ages 18 – 64 for 2 / 5 / 10 Year and to Age 65
 18 – 66 for to Age 67 / 70
 Benefit Periods All
 Elimination Periods All

Cost of Living Adjustment (COLA)

Four-Year Delayed

Issue Ages 18 – 60
 Benefit Periods 10 Year, to Age 65 / 67 / 70
 Elimination Periods All

3% Compound

Issue Ages 18 – 62
 Benefit Periods All – Except 2 Year
 Elimination Periods All

6% Maximum

Issue Ages 18 – 62
 Benefit Periods All – Except 2 Year
 Elimination Periods All

Available Riders/Endorsements (Provider Choice 18GI) (continued)

Partial Disability

Basic Partial

Issue Ages 18 – 60 for to Age 65
18 – 64 for to Age 67

Benefit Periods All

Elimination Periods All

Enhanced Partial

Issue Ages 18 – 64

Benefit Periods All

Elimination Periods All

Retirement Protection Plus (RPP) - Not available in CA

Issue Ages 18 – 62 for Rider
18 – 60 for Stand-Alone

Benefit Periods to Age 65 Only

Elimination Periods 180 or 360 Day — Rider EP cannot be Less Than base Policy EP.

Short-Term Residual

Issue Ages 18 – 60

Benefit Periods 2 / 5 / 10 Year, to Age 65

Elimination Periods All

Student Loan Protection (SLP) — Not Available in FL and NY

<u>Issue Ages</u>	<u>Benefit Terms</u>	<u>Elimination Periods</u>	Minimum: \$250
18 – 45	10 Year	90 or 180 Day	Maximum: \$1,000 for Undergraduate Degree
18 – 40	10 / 15 Year	(Base EP cannot exceed rider EP)	\$2,000 for Advanced Degree \$2,500 for MD or DO

Supplement Benefit Term — Only Available in FL and NY

<u>Issue Ages</u>	<u>Benefit Terms</u>	<u>Elimination Periods</u>	Minimum: \$250
18 – 45	10 Year	90 or 180 Day	Maximum: \$2,000 for Insured
18 - 40	10 / 15 Year	(Base EP cannot exceed rider EP)	

Unemployment Waiver of Premium (UWP) * — Not Available in NY

Issue Ages 18 – 55

Benefit Periods All

Elimination Periods All

Pre-Existing Conditional Limitations Default: No Pre-X
Others: 3/12, 6/12, 12/12

* Not available to self-employed business owners, shareholders, etc.

For more information on the availability of combinations of product features, see [Product Manual \(Pub7493BL\)](#).

Catastrophic Disability Benefit (CAT) rider

Issue limits are outside of normal individual disability income issue and participation limits. Coverage may be up to, but not more than, 100% of income from all sources, and the CAT rider cannot exceed 40% of insurable income.

Minimum: \$100

Maximum: Up to \$12,500 per month of Catastrophic Coverage from all sources.

Age calculation

The method used to calculate the age of the applicant is:

Age last birthday – Current age as of last birthday

Example: Applicant’s Date of Birth is 11/1/1970

Today’s date is 8/15/2017

Applicant’s age (actual) is 47

Multi-Life discounts

Provider Choice is eligible for the following Employer-Sponsored Program Discounts, which are permanent discounts applied on the cumulative premium for the policy prior to policy fee.

Employer-Sponsored Multi-Life Discounts

# of Eligible Lives	Employer Paid Discount	Voluntary Discount	Medical Groups
5 – 9	30%	N/A	15% (Stand-Alone RPP Only)
10 – 19	30%	N/A	15%
20 – 99	40%	15%	25% Employer Paid 15% – Voluntary
100 & Above	50%	25%	30% – Employer Paid 15% – Voluntary

Only one case-level discount can be issued per policy; however, a Select Demographic Adjustment can be applied at the case level, in addition to the Employer-Sponsored discount, subject to underwriting availability.

Enhanced Portability Option (Increase option after policyowner leaves the employer)

This is a standard provision within the policy which enables the policyowner a one-time opportunity to purchase additional coverage under the GSI offer if he or she leaves the employer where the policy was purchased.

- It is to be applied for within 90 days of leaving the employer that sponsored the GSI program.
- 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 on the date the policyowner left the former employer.
- We learn of the policyowner’s departure through requests for a billing change or from the policyowner or producer directly.
- The policyowner does not have to provide evidence of medical insurability but must provide documentation of income and any/all other disability insurance with any other insurer that is in force, eligible for, or applied for, including Group LTD.
- Financial Requirements:
 - Employment Letter; or
 - Copy of contract; or
 - Payroll stub.
- Occupational underwriting is based on the occupation stated in new application.
- Benefits issued under this provision have the same discount as the original coverage.
- Benefits issued under this provision will be added via an Additional Monthly Benefit rider instead of a new policy. However, policyowners exercising an Income ProVider (1200) Enhanced Portability Option will be issued a Provider Choice (18GI) policy for the increased amount and will apply using the Company’s policy change form.
- Insureds who are self-employed are not eligible for this option, as they cannot provide accurate net income figures to financially underwrite and insure.

Occupational underwriting

Multi-Life occupation classing is SIC Code and income based to provide increased case level consistency for all participants with like titles, duties, and/or incomes. Determination of all classifications is the final decision of the Multi-Life Underwriter.

SIC Code and income-based occupation classing guidelines:

- Applies to Non-Medical Occupations only
- Subject to underwriting of company information and stability
- Job/Occupation Titles still required on Census

Following industries are ineligible for SIC Code and income-based occupation classing and will be determined by the Multi-Life Underwriter on a case by case basis instead:

- Agriculture, Forestry, and Fishing: SIC 0100 – 0900
- Mining: SIC 1000 – 1400
- Construction: SIC 1500 – 1700
- Transportation, Communications, Electric, Gas, and Sanitary Services: SIC 4000s
- Services (Repairs): SIC 7500 – 7600
- Services (Entertainment): SIC 7800 – 7900
- Public Administration: SIC 9100 – 9900

Part-time occupations

All applicants must be employed on a full-time basis year-round. Thirty hours per week is the accepted minimum standard for full-time employment.

Financial underwriting

Income means the compensation that the proposed Eligibles receive for work or personal services, after business expenses, but before any other deductions. Income may include salaries, wages, fees, commissions, bonuses, pension and profit-sharing contributions.

Our philosophy is that the plan design and corresponding GSI only be specific to the income received from the sponsoring Employer, as our plan designs do not take into consideration benefits received outside of that firm and usually would not be consistent among eligible employee participants.

Accurate income information is critical to the success of a case from making the offer to a smooth enrollment. The employer census with salary and additional income history, if applicable, should be submitted with the request for a GSI offer.

When insuring bonus or other earned variable income, we generally calculate insurable income based on the following:

- Two years of variable income submitted – consider average of the two figures
- One-year variable income submitted – consider 75% of that figure

When the underlying LTD covers 100% of variable income, we may also align accordingly. However, there may be times that due to the prospect, Underwriting decides our usual calculation above better manages the risk.

Determination of all insurable income is the final decision of the Multi-Life Underwriter.

Minimal insurable income

Below are general guidelines for minimal insurable incomes. Determination of the minimal insurable income is the final decision of the Multi-Life Underwriter.

- Employer Paid: \$40,000 Annually
- Voluntary: \$75,000 Annually

Although the general guidelines for minimal insurable income on a voluntary basis is \$75,000, additional considerations at the case level may increase this threshold. An employer's LTD plan benefit maximum, percentage and covered earnings, will impact which employees are fully insured within the program and which others will have income that is not included or are limited to less than the intended income replacement. Supplemental Income Protection is intended to fill those gaps, bringing an employee population into better alignment of benefits.

\$300 entry level policies

For Employer Paid cases, Eligibles at the LTD Cap but not yet financially generating the \$300 minimal policy size, will be eligible for a \$300 entry level policy to get the eligible employee into the plan.

Issue and participation for Multi-Life

Once income is determined, the next step is to determine the amount of coverage participants are eligible for. For Multi-Life GSI, this is done by applying the replacement ratio as shown in examples outlined in the following pages.

We will consider issuing a disability policy when the participant’s total disability income coverage, both in-force and applied-for in all companies (including Berkshire Life and Guardian), does not exceed the limits given in the Issue and Participation table below, set at the case level.

Issue means the maximum amount of monthly indemnity which we will consider issuing, including any individual disability already in-force with Berkshire Life and Guardian or other carriers.

Participation means the maximum amount of monthly indemnity applied for, eligible for and in-force with all companies, including LTD.

Issue and Participation for Multi-Life			
Occupation Classification	States	Maximum IDI Issue Limit	Maximum Participation with LTD
6, 6M, 5, 5M, 4, 4M, 3, 3M	All States	\$20,000	\$42,000

Calculating the Multi-Life issue amount – replacement ratios

For Multi-Life GSI, all benefit amounts are typically calculated using replacement ratios, most commonly 60%, 75%, or 80% of gross monthly eligible income. First one must determine the taxation of any LTD benefit and the Multi-Life GSI benefit being calculated.

Calculating the Multi-Life Issue Amount – Replacement Ratios			
GLTD	Multi-Life GSI	Replacement Ratio	Additional Guidelines
Taxable	Taxable	Up to 80%	Supplemental Employer Paid cases
Taxable	Non-Taxable	Up to 75%	
Non-Taxable	Taxable	Up to 75%	
Non-Taxable	Non-Taxable	Up to 65%	All Supplemental Mandatory Plans For Supplemental Voluntary cases greater than 75 Eligibles. Favorable Considerations: <ul style="list-style-type: none"> ▪ Uncovered Variable Compensation ▪ Underlying LTD Tax Choice ▪ Experienced Multi-Life Producer Ineligible: Underlying Voluntary LTD
None	Taxable or Non-Taxable	Up to 60%	

Tax treatment of Multi-Life disability income policies

See Field Underwriting Guide Section 4 – Financial Underwriting – Tax Treatment of Disability Insurance Products.

Employer Paid vs. Employee Paid terminology

For Multi-Life, Employer Paid vs Employee Paid is often not the best indicator of premium payer and/or taxability. Additionally, the terminology tends to be different from LTD terminology.

Employer Paid

- For Multi-Life, this indicates the plan will be Mandatory/100% Participation.
- These Multi-Life plans are often taxable, unless the following:
 - Owners of S-Corp, LLC, LLP and Partners
 - Premiums are “Bonused Back / Grossed Up” into employee’s taxable income

Employee Paid

- For Multi-Life, this indicates the plan will be Voluntary
- These Multi-Life plans are always non-taxable

LTD

- Non-Contributory means the employee does not contribute to the cost of their LTD coverage, resulting in taxable benefits
- Contributory means the employee does contribute to the cost of their LTD coverage, resulting in non-taxable benefits

Key questions in determining taxability

- Is the plan Mandatory/100% Participation (Employer Paid) or Voluntary (Employee Paid)?
- If Mandatory/100% Participation, will the benefits be Taxable or Non-Taxable?
- What is the taxability of the underlying LTD?

Business entity, taxability and replacement ratios

Business entity needs to be determined to evaluate how the LTD and IDI benefits may be paid. By determining the entity this may tell you the owners currently have Taxable or Non-Taxable LTD benefits and determine the plan design you'll be able to offer. Owners of S-Corp, LLC, LLP and Partners will have Non-Taxable LTD and IDI benefits.

Corporate names can include P.A., P.C., Inc., or L.T.D., and do not signify a business entity. We would need confirmation the business entity is either C-Corp or S-Corp.

There are different ways an employer could pay benefit to their employees regardless of the entity and you will want to verify if the LTD benefit is Taxable (non-contributory) or Non-Taxable (contributory).

Bonused back / gross up

In some cases, the employer will “bonus back” or “gross up” premiums resulting in a Non-Taxable benefit which could potentially limit the replacement percentage we are able to offer. The employer typically will include the premiums in the employee's W-2 wages at year-end, making this a non-taxable benefit at time of claim.

“Stacking”

“Stacking” is a term often used to describe two potential scenarios:

- Stacking a GSI offer on top of another carrier's active GSI program
- Stacking a GSI policy on top of another carrier's in force GSI policy, with an active GSI program no longer in force.

Stacking a GSI offer

Requests for stacking of GSI offers with another carrier's active GSI program should be declined. The unfavorable nature of such requests includes:

- Lack of coordination between IDI carriers. Either carrier's plan design and/or GSI can be increased easily, creating an over insurance scenario. The first IDI carrier is not likely going to check with the second IDI carrier who layered coverage on top to discuss the over insurance potential should they decide to increase their GSI cap.
- If first IDI carrier decides to discontinue their program, potential for second carrier to assume the “gap” in coverage left.
- With risk and administrative issues inherent in such layered IDI carrier plans, would be difficult to manage for even experienced Multi-Life producers.

Stacking GSI policies

Stacking GSI policies refers to issuing coverage under a GSI Offer to an employee/company that has instituted a GSI program with another carrier in the past that has since been discontinued. Risk considerations:

- Stacking results in an individual building a higher monthly benefit without providing evidence of insurability (full underwriting with exam, labs, etc.) than any single carrier would be willing to take on. This practice is also known as “loading up” on GSI benefit and increases risk issued by carriers.
- Additionally, people most interested in additional GSI coverage, especially if voluntary, may well indicate an increased risk of anti-selection.

Offsetting and programming

The Multi-Life GSI benefit should program around any IDI coverage already in-force or applied for so that the total coverage to be in-force would not exceed the plan design or Issue and Participation limits.

The Multi-Life GSI benefit should be offset dollar for dollar by any in-force individual coverage that was issued on a GSI basis as to not exceed the GSI Maximum offered.

LTD

Tax choice LTD plans

Tax Choice LTD Plans are becoming increasingly popular. Whenever the LTD Plan is Tax Choice, the GSI Offer Plan Design will assume all Eligibles have a Non-Taxable LTD benefit.

Core LTD plans with voluntary buy up

Some LTD Plans have an Employer Paid core benefit and the ability for employees to voluntarily purchase additional LTD benefits via an increased income replacement and/or benefit cap. In such cases, the GSI Offer Plan Design will assume all Eligibles participation in the Voluntary LTD Buy Up.

LTD experience

LTD experience will be required for cases with 1,000 or more eligible lives and for risk transfers.

Corporate situs or state specific

Corporate situs is the term used to indicate that the contract state for all employees is the state where the business maintains its headquarters. The same contract state leads to consistency in policy language and provisions for employers with employees located in multiple states as these can vary from state to state. The Corporate Situs state dictates the application and policy forms that clients will receive.

If a case is state specific, each eligible employee will receive the application that corresponds to the state they are located in as designated by the work state on the census.

Applications solicited via internet, mail or phone

Producers may solicit applications via internet, mail or phone, subject to the following conditions:

- The producer must be licensed (and appointed if required) in both the producer's resident state and the state in which the application is solicited/signed.
- The contract state will be the Corporate Situs state (explained above) or state in which the applicant works – the application and all relevant forms must reflect this contract state.
- The Agent Certification must be completed and signed by the producer prior to enrollment beginning.
- The producer may not accept money and may not issue a conditional receipt.

Appointment and licensing requirements

For the company to accept and process an application for insurance, all producers involved with the solicitation and sale (and as listed on the Producers Certification) must be licensed in both the selected contract state and in the state where the application was solicited and signed, if different than the contract state. An application cannot be accepted or processed if any soliciting producer is not properly licensed.

Additionally, a policy cannot be issued if all producers (soliciting and commissionable) do not hold an active license and appointment in both the contract state and solicitation state. License and appointment verification is checked against the date the application was signed and the policy issue date.

Guardian also verifies license and appointment at the time the commission is scheduled to be paid.

Note: Approved state appointments are required prior to solicitation of an application in Pennsylvania. This means that the company will not be able to process applications solicited in Pennsylvania by a producer not yet appointed.

Temporary coverage

- Berkshire will provide conditional, temporary coverage up to the GSI amount beginning at 12:01 A.M. on the day after the application date for employees who meet the eligibility requirements for this Offer.
- Temporary coverage will end 70 calendar days after the policy effective date, should premiums and/or policy delivery requirements not be received at Berkshire by then, or the date the policy premiums are received at Berkshire, whichever occurs earlier.
- The temporary coverage has the same terms as the policy applied for up to the GSI amount.
- If a policy is not issued, temporary coverage is not applicable and was never in force.

Retirement Protection Plus (RPP) program

The RPP program provides disability insurance protection for retirement plan contributions. This program is to help protect both employee and employer contributions. At the time of total disability, benefits are paid into an irrevocable trust. The trustee invests the funds at the direction of the insured and distributes them to the insured at age 65. Coverage is available as a rider on the policy or as a stand-alone policy. Rider not available in CA. Stand-alone policy not available in CA.

Retirement Protection Plus Program

Issue Ages	18 – 62
Occupation Classes	6/6M, 5/5M, 4/4M, 3/3M
Definition of Disability	Modified Own Occupation Two-Year True Own Occupation (Modified Thereafter) – 18GI only
Elimination Periods	180 Days or 360 Days
Benefit Periods	To Age 65
Riders Available²³	<ul style="list-style-type: none"> ▪ Four-Year Delayed – 18GI Only ▪ 3% Compound ▪ 6% Maximum
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
Discounts	All current discounts allowable for the appropriate base policy form apply to policies issued through the RPP program.

Retirement Protection Plus is not a pension plan, qualified retirement plan or qualified individual retirement account or a substitute for one.

The retirement plan must have been in effect and funded for at least one year. Non-Qualified Deferred Compensation Agreements may be considered on a case-by-case basis. A copy of such agreement is required for consideration.

RPP program issue limits

Maximum issue limits under the Retirement Protection Plus program may change from year to year as the federal annual defined benefit contribution limits are adjusted.

- Minimum policy size: \$500
- Minimal rider indemnity: \$250

RPP Program Issue Limits

Issue Age	Premium Payor	% of Contributions	Maximum Issue Limit
18 – 49	Employee/Employer	100%	\$5,080
50 – 62	Employee/Employer	100%	\$5,620

²³ Including a COLA rider can help ensure the RPP benefit increases with inflation during a period of total disability.

For Employer Paid/100% participation plans

- Up to 15% of annual earned income can be assumed with Employer’s confirmation of Eligible Retirement Plan in effect and funded for at least one year. Not to exceed above stated Maximum Issue Limits.
- Up to 19% of annual earned income can be applied subject to actual contribution/match figures and proof of existence of a qualified plan. Required prior to enrollment. Not to exceed above stated Maximum Issue Limits.

For Voluntary plans

- Up to 15% of annual earned income can be applied subject to actual contribution/match figures and proof of existence of a qualified plan. Required prior to enrollment. Not to exceed above stated Maximum Issue Limits.
- Target Participation is 15%.
- Paper enrollment with 1/1 meetings recommended.

For applicants who are over insured by replacement ratio, RPP may not be available and will be considered on a case level basis.

Multi-life medical market program

While many physicians and personnel in the medical market practice within firms as small businesses, a growing number of professionals are working within a large group practice or health care organization that provides a steady salary and predictable work schedules. Unlike physicians in small firms whose incomes are closely integrated with changeable business P&Ls, irregular work hours, and stress, these W-2 physicians are intentionally seeking work/life balance in their careers and appreciate an income that is more conventional. Trends suggest that the next generation physician currently getting out of residency is more likely going to work in a hospital/healthcare system than join a private practice.

Multi-Life Medical Market Program Guidelines

	Employer Paid Only (No VGSI Buy Up Plan Designs)	Voluntary (Including Employer Paid with VGSI Buy Up Plan Designs)
Eligibles	MD, DO, NP, PA and OD personnel to be Full-Time Non-Owner W-2 Employees Consider Private Practice Groups when Physician ownership is 10% or less.	MD, DO, NP, PA and OD personnel to be Full-Time Non-Owner W-2 Employees
Discounts (Including RPP)	10 – 19 Eligible Lives = 15% 20 – 99 Eligible Lives = 25% At least 100 Eligible Lives = 30%	15%
Minimal Number of Eligibles Lives	At least 10 Eligible Lives (Financially Eligible)	At least 100 Eligibles (Financially Eligible)

Stand-Alone Retirement Protection Plus (RPP) can be considered as an alternative on all Employer Paid opportunities with at least 5 Eligibles.

Not available

- Dental Groups
- Group Conversions
- Part Time Employees (less than 30 hours per week)
- Private Practice Groups
- RNs, LPNs or Technicians
- Students/Residents

Healthcare executive carve outs

“True” Executive Carve Outs would be considered C-Suite and other Non-Physician Executives (VPs Administration, etc.). These carve outs should exclude Physician Administration such as Department Heads, Medical Directors, Nursing Officers, etc.

True Executives can be classed out from the Physician population and considered with the same Discount and I&P as Executives in other Industries.

Voluntary program

Overview

The rate of participation achieved on a Voluntary GSI (VGSI) case has a significant impact on the performance of that case over time as well as our overall Multi-Life block profitability. Initial Participation required is 30%.

The level of VGSI supported is based on anticipated participation driven by predictive factors such as industry, occupation mix, average age, and income levels. Factors that go outside these parameters may directly impact the ability to meet participation and are factored into VGSI consideration.

When underwriting Voluntary opportunities, the following general guidelines should be considered:

- At least 75 Eligibles
- No “Entry Level Policies”

Target industries

- Corporate Executives, Middle Management, Technical Management
- Accounting Firms
- Business Services
- “Creative” Firms (Advertising Agencies/Graphic Design)
- Engineers/Architects
- Law Firms
- Scientific Firms
- White collar populations with bonus compensation not covered by LTD

Ineligible industries

The following Industries are ineligible for VGSI:

- 1099/Independently Contracted Employees
- Associations
- Professional Employment Organizations (PEOs)
- Organizations lacking Employee/Employer Relationship

Minimum income

Defining an appropriate carve out population is a key factor in designing a successful VGSI program. Income level is a critical aspect of this determination as this plays a large role in affordability and the level of disposable income. Our target population for VGSI offers is those earning \$75,000 and above. Depending upon the underlying Group LTD Plan, higher earnings for Eligibility may be required.

Requests to include those earning below \$75,000 should consider percentage to overall population and/or any uncovered variable compensation to drive perceived need. Often, increasing the eligible population size by lowering the income threshold below \$75,000 does not enhance the overall risk, rather it increases concerns over participation and may negatively affect the level of VGSI supported.

If participation is achieved among the higher income earners during the 1st enrollment, a 2nd enrollment may be extended to those in a lower income threshold.

Applicant eligibility and policy delivery

Multi-life GSI eligibility factors

- All applicants must be employed on a full-time basis year-round.
- Employees are eligible for coverage if they are working continuously full-time (minimum of thirty hours per week) for 90 days prior to the application date. (90 Day Active at Work Requirement.) The intent of our 90 Day Active at Work requirement is to identify risk associated with those who could not perform their duties due to injury/sickness vs. a waiting period for newly eligible employees.
- Eligibles must not be currently disabled and/or collecting disability benefits from any source.
- Employees must be citizens of the United States or hold a permanent U.S. resident visa and must work and reside in the United States.

Expatriates (“Expats”)

On a case-by-case basis we will support U.S. Citizens going on temporary assignment overseas (e.g. Expats). Direction should be established at the case level for consistency among the eligible population. Considerations should include:

- Premium payor
- Overall risk profile
- Number of Expats comprising the risk
- Applications required to be signed in the U.S. Using e-enrollment to give the appearance of being signed in the U.S. is not supported.
- Expats unable to sign the application in the U.S. will be treated as newly eligible employees once they return to the U.S.

Previous Guardian/Berkshire declines

As stated in our Offer Letters, we reserve the right to decline GSI coverage to any employee who has been previously declined for disability insurance by The Guardian Life Insurance Company of America (Guardian) or Berkshire Life Insurance Company of America (Berkshire Life). This includes Group LTD.

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 through Guardian Contact Center at 1-888-GUARDIAN.

Policy delivery requirements

A delivery requirement is any requirement, including amendments, that is communicated at issue and must be received by the Multi-Life Team to place the policy in force and pay commissions.

Renewals and re-enrollments

Offer renewals

All GSI offers are subject to underwriting review on an annual basis aligned with the enrollment time-period in order to continue to submit applications under the program. Case performance is shared with the producer of record and employer.

During the annual review, Underwriting will proactively review the Maximum GSI amount and Replacement Ratios to determine if enhancements in the offer can be made based on current guidelines.

Re-enrollment

On an annual basis, we may implement a formal re-enrollment to include:

- newly eligible employees,
- employees who may have previously declined the enrollment, and
- employees who qualify for a coverage increase based upon their original purchase amount and/or income increases.

Generally, employees who may have previously declined to participate in annual enrollment may be solicited up to a maximum of 3 times, subject to a 12/12 Pre-Existing Conditions Limitation.

Unless the employee (policyowner) declines the automatic increase for coverage, the company will automatically institute the increase. To be considered for an automatic increase in coverage, a Census must be supplied by the Employer to identify individuals who are actively at work.

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