

Long-Term Disability Riders

COLA BENEFIT

This rider will increase the benefit amount payable at a rate meant to help keep pace with inflation. The first cost of living adjustment occurs after the employee has been disabled for one year. The increase will be determined by multiplying the employee's Total Disability net monthly benefit by 3%. The new monthly benefit will include any prior years' cost of living adjustments - meaning that the increases are compounded. The rider will allow for a total of 5 increases (*this can be changed to more or less*). This is one of the richest benefits available on an LTD policy.

RETIREMENT BENEFIT

The Retirement Rider (also known as a Pension Contribution Rider) will pay a contribution into a totally, or sometimes partially, disabled employee's defined contribution retirement plan. The benefit is based on a percentage of the employee's total monthly earnings. The employee must have been contributing to the defined contribution plan for a certain amount of time prior to the date of disability. The amount contributed is usually the lesser of 4% or the actual contribution that the employee was depositing monthly.

MEDICAL PREMIUM PAYMENT RIDER

The carrier will pay a monthly benefit to be applied toward the employee's, and any dependent's, premium for medical coverage under the employer sponsored medical plan. The amount of the benefit is the lesser of the employee's actual contribution or \$500. To qualify the employee must have experienced a qualifying event while covered on the policy and have elected to continue medical coverage and must have been covered on the medical plan on the date of disability.

ACTS OF DAILY LIVING (ADL) RIDER

The ADL Rider, also known as the Progressive Income Benefit or the Assisted Living Benefit, is a sort of catastrophic rider that mirrors language commonly found in Long Term Care contracts. The policy will increase the benefits payable by 10% - 40% (options differ by carrier) should a disabled employee become unable to perform at least 2 acts of daily living or has a cognitive impairment. Acts of daily living are defined as - bathing, dressing, toileting, transferring, continence, and eating.

BUSINESS PROTECTION RIDER

This rider pays a benefit to the employer for a specified amount in case a partner or key employee becomes disabled. The benefit is usually payable if the key employee is totally or partially disabled and is generally a set percentage of the employee's total monthly earnings or a set benefit amount. The benefits from this policy can be used for overhead costs, training a new employee, or paying off loans.

CHILD/FAMILY CARE BENEFIT

The benefit amount for this rider differs by carrier but is generally an indemnity/reimbursement benefit that will pay out the lesser of 50% of actual expenses charged by day care or a maximum benefit amount and it will pay until the employee is no longer disabled, no longer in the rehab program, or at the max rider duration.

EXTENDED EARNINGS/RECOVERY INCOME PROTECTION RIDER

This benefit is best suited for employees who are commission based or are paid on billable hours. It is meant to protect employees who may return to work because they are now able to perform the material duties of their occupation but may still be experiencing an earnings loss as it relates to their commissions. The rider allows for an additional benefit to be paid out while they work on building their sales/hours back up.

ADVANCED SURVIVOR BENEFIT

The standardly included Survivor Benefit is only payable upon death during a disability in which case the beneficiary would be eligible to receive 3 months LTD payment. The Advanced Survivor Benefit allows for a "living benefit" of the 3x monthly benefit should the employee have a life expectancy of 12 months or less due to a terminal illness.

CONVERSION

LTD Conversion does not convert to the actual plan that the employee currently has. Instead, it converts them to a base plan that is a pooled product, it is usually a \$2,500 monthly max, but it allows the employee to take some level of disability protection with them when they leave the employer.

INFECTIOUS & CONTAGIOUS DISEASE BENEFIT

This benefit is almost exclusively used for physician groups and industries where employees may be exposed to these sorts of risks. It provides a residual benefit based on a percentage of income loss for a specified duration.

PROGRESSIVE ILLNESS RIDER

A rider that protects employees should they become diagnosed and suffer from a deteriorating condition such as Parkinson's. If an employee is diagnosed with a progressive disease then the employee's Total Monthly Earnings are "locked in" at the greater of: Total Monthly Earnings at the time the employee provides proof of the diagnosis or the Total Monthly Earnings at the time the employee becomes disabled under the plan.

MALPRACTICE INSURANCE REIMBURSEMENT RIDER

This rider is for physicians and dentists. It helps them pay the tail end of their MedMal premium and reimburses premium due and paid during a 12 month period while on approved disability for a total up to \$25,000. Longer durations and higher max benefit amounts are available on approved groups.