

# DISABILITY INSURANCE

YOUR INCOME IS THE FINANCIAL SECURITY THAT HELPS PROTECT YOUR FAMILY AND LIFESTYLE. *But if a serious accident or sickness suddenly stopped your income, would you be able to cover everyday living expenses?*



## Consider these statistics:

- In 2000, accidental injuries were the fifth leading cause of death.<sup>1</sup>
- Within 10 minutes, 390 people will suffer a disability.<sup>1</sup>
- 20.4 million disabling injuries were reported in 2002; 3.6 million of those were work related.<sup>1</sup>
- About two-thirds of the disabling injuries suffered by workers in 2002 occurred off the job.<sup>1</sup>

Disability coverage replaces a portion of your income if you become totally disabled because of a covered accident or a covered sickness. This benefit can be used to help you continue paying:

- Mortgage or rent payments.
- Utility bills and other household expenses.
- Food, clothing and other necessities.
- Co-payments.
- Medical costs not covered under other plans.
- Travel and lodging expenses for treatment.

## Highlights of this coverage

1. You're paid regardless of any other insurance you may have with other insurance companies.
2. Benefits are paid directly to you, unless you specify otherwise.
3. Your disability coverage is guaranteed renewable to age 70.<sup>2</sup> AD&D coverage is guaranteed renewable for life.
4. You may choose the amount of your disability benefits to meet your needs, subject to income.
5. If you change jobs or leave your employer, you can take your coverage with you.
6. You're covered worldwide.<sup>3</sup>
7. Waiver of Premium is included.<sup>4</sup>

<sup>1</sup> Injury Facts, National Safety Council, 2003.

<sup>2</sup> Please refer to the "Renewability" section of the Disclosure Statement in this brochure.

<sup>3</sup> Please refer to the "Geographical Limitations" section of the Disclosure Statement in this brochure.

<sup>4</sup> Please refer to the "Waiver of Premium" section of the Disclosure Statement in this brochure.

## Accident and Sickness Disability Income

### Disability Definition

*Totally disabled* means you are unable to perform with reasonable continuity the substantial and material acts necessary to pursue your usual occupation in the usual or customary way.

*Usual occupation* means the last full-time job you had before becoming totally disabled.

*Residual disability* means:

- You are unable to perform the substantial and material acts necessary to pursue your usual occupation in the usual or customary way for 20 hours or more per week;
- You are able to work at your place of employment for less than 20 hours per week.

*\* The total disability benefit must have been paid for at least one full month prior to your having a residual disability.*

### Waiver of Premium

After you have been totally disabled or qualify for residual disability benefits as the result of a covered accident or covered sickness for more than 90 consecutive days while your coverage is in effect, or after the elimination period, whichever is greater, we will waive the premium for the coverage for as long as you remain disabled, up to the benefit period.

### Pre-Existing Condition Definition

Pre-existing condition means a sickness or physical condition for which you were treated, received medical advice or had taken medication within 12 months before the effective date of the coverage.

If you become disabled because of a pre-existing condition, we will not pay for any disability period if it begins during the first 12 months the coverage is in force. Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability.

After the coverage has been in force for 12 months from the effective date of coverage, we will pay benefits for any pre-existing condition not excluded by name or specific description if the covered disability began 12 months after the effective date and the elimination period has been satisfied.

### Accidental Death and Dismemberment (AD&D)

For injuries received as the result of a covered accident that lead to an accidental death or dismemberment, this plan provides benefits that can help see you and your family through the loss.

*Please refer to the Disclosure Statement contained in this brochure for complete details.*

<b>Benefit Worksheet</b>		For use by Colonial representative	<input type="checkbox"/> Flexible Benefit
<b>AD&amp;D Benefits</b>			
Accidental Death (Named Insured):			\$25,000
Common Carrier (Named Insured):			\$50,000
Loss of Finger/Toe/Hand/Foot/Sight of Eye:			\$750 to \$15,000
<b>Monthly Disability Benefit</b>			
Total Disability			
On- and Off-Job Accident/Sickness:		\$	_____
Off-Job Accident/Off-Job Sickness:		\$	_____
Residual Disability (50% of Total Disability Amount)			
<b>Elimination Period</b>	Accident _____ days	Sickness _____ days	
<b>Benefit Period:</b>			
Total Disability			_____ months
Residual Disability			3 months

**Total Premium Per Pay Period:**

\$ \_\_\_\_\_

*The premium will vary based on the benefits selected.*

## COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

P.O. Box 1365, Columbia, South Carolina 29202

(800) 325 - 4368

### ACCIDENT ONLY INSURANCE COVERAGE

#### Disclosure Statement (Applicable to Policy Form ADD-Ind-CA)

THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the Company.

**Please Read The Policy Carefully.** This disclosure statement provides a very brief description of the important features of the policy. This is not an insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. It is, therefore, important to READ THE POLICY CAREFULLY.

**Accident Only Coverage.** This category of coverage is designed to provide, to the named insured, benefits for certain losses resulting from injuries received from a covered accident ONLY, subject to any limitations or exclusions. It does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

**Benefits** - All benefits are payable once per covered accident unless specified otherwise. We will pay these benefits for the named insured when he receives injuries as the result of a covered accident:

#### **Accidental Death – See benefit worksheet inside of this brochure**

Benefit payable if the named insured is injured in a covered accident and the injury causes the named insured to die within 90 days after the accident. If we pay this benefit, we will not pay the Accidental Death-Common Carrier benefit

#### **Accidental Death – Common Carrier – See benefit worksheet inside of this brochure**

Benefit payable if the named insured is injured while a fare-paying passenger on a common carrier and the injury causes the named insured to die within 90 days after the accident. Common Carrier means: commercial airplanes, trains, buses, trolleys, subways, ferries and boats that operate on a regularly scheduled basis between predetermined points or cities. Taxis and privately chartered vehicles are not common carriers. If we pay this benefit, we will not pay the Accidental Death benefit.

#### **Loss of a Finger, Toe, Hand, Foot or Sight of an Eye**

\$15,000 Payable for loss of: both hands, or both feet, or the sight of both eyes, or a hand and a foot, or a hand and the sight of one eye, or a foot and the sight of an eye.

\$ 7,500 Payable for loss of: one hand, or one foot, or sight of one eye.

\$ 1,500 Payable for loss of: two or more fingers, or two or more toes or one finger and one toe.

\$ 750 Payable for loss of: one finger or one toe.

Benefit payable if the named insured loses a finger, toe, hand, foot or sight of an eye within 90 days after the covered accident.

If the named insured loses a finger or toe and later loses a hand or foot on the same side of the body as a result of the same covered accident, the amount paid for the loss of a finger or toe benefit will be subtracted from the amount paid for the loss of a hand or foot.

Loss of a hand means that the hand is cut off through or above the wrist joint or the use of the hand is permanently lost. Loss of a foot means that the foot is cut off through or above the ankle joint or the use of the foot is permanently lost. Loss of a finger means that the finger is cut off at the joint proximate to the first interphalangeal joint where it is attached to the hand. Loss of a toe means that the toe is cut off at the joint proximate to the first interphalangeal joint where it is attached to the foot. Loss of sight of an eye means that at least 80 percent of vision is permanently lost.

#### **Definitions:**

*Accident* means an unintended or unforeseen bodily injury sustained by the named insured, wholly independent of disease, bodily infirmity, illness, infection, or any other abnormal physical condition which occurs while the policy is in force.

A *covered accident* is an accident which: occurs after the effective date of the policy; occurs while the policy is in force; is of a type of accident listed on the Policy Schedule page; and is not excluded by name or specific description in the policy.

An *injury* means a wound to the named insured's body that is caused solely by or is the result of a covered accident.

A *physician* means a person, other than you or a family member, who: is licensed by the state to practice a healing art; and performs services for you which are allowed by his license.

#### **What Is Not Covered by this Policy**

We will not pay benefits for losses that are caused by or are the result of the named insured's:

- operating, learning to operate or serving as a crew member of any aircraft or hot air balloon. This does not include flying as a fare-paying passenger.
- engaging in hang-gliding, bungee jumping, parachuting, sailgliding, parasailing, parakiting or hot air ballooning.
- committing or attempting to commit a felony or being engaged in an illegal occupation.
- riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
- practicing for or participating in any semi-professional or professional competitive athletic contests for which any type of compensation or remuneration is received.
- having any sickness or declining process caused by a sickness, including physical or mental infirmity. We also will not pay

benefits to diagnose or treat the sickness. Sickness means any illness, infection, disease or any other abnormal physical condition which is not caused by an injury.

- committing or trying to commit suicide or his injuring himself intentionally, whether he is sane or not.
- being exposed to war or any act of war, declared or undeclared, or serving in the armed forces of any country or authority.

**Renewability.** This policy is guaranteed renewable for life as long as premiums are paid when they are due or within the grace period. The premium can be changed only if we change it on all policies of this kind in force in the state where the policy was issued.

## COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

P.O. Box 1365, Columbia, South Carolina 29202  
(800) 325-4368

### ACCIDENT/SICKNESS DISABILITY INCOME RIDER Disclosure Statement (Applicable to Rider Form CA PUBLIC ASD)

THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the Company.

**Read your rider carefully.** This disclosure statement provides a very brief description of the important features of your rider. This is not an insurance contract and only the actual policy and rider provisions will control. The rider sets forth in detail the rights and obligations of both you and us. It is, therefore, important that you READ YOUR RIDER CAREFULLY.

**Disability Income Coverage.** Your rider is designed to provide coverage for disabilities that result from a covered accident or a covered sickness subject to any limitations or exclusions. It does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

**Coverage Provided by the Rider.** We will pay the total disability benefit shown on the Rider Schedule if you become totally disabled and are totally disabled longer than the elimination period as the result of a covered accident or a covered sickness while the rider is in force.

If benefits are payable for less than a full month, we will pay benefits in a daily amount. A month is 30 days. The daily amount is 1/30th of the monthly amount.

If you do not have a job when you become totally disabled, we will pay the total disability benefit as long as you are unable to perform the material and substantial duties of your usual occupation. Your usual occupation means your last full-time job.

If you have a residual disability as a result of a covered accident or a covered sickness, we will pay up to the benefit period and in the amount shown for a residual disability in the Rider Schedule except as described in the Geographical Limitations provision for as long as this coverage is in force and you continue to have a residual disability, subject to the following conditions:

- the total disability benefit must have been paid for at least one full month immediately prior to your residual disability; and
- for a given period of disability, you may receive either a residual disability benefit or a total disability benefit, but not both.

Recurrent Disability: A recurrent disability will be treated as:

- a continuation of the previous disability, not a new disability, if you have returned to work for less than six months.
- a new disability, if you have returned to work for six months or more, working at least the same number of hours you were working before the previous disability began.
- a new disability, if you did not have a job before the previous disability began and you have ceased to be disabled for six months or more.
- a continuation of the previous disability for any circumstances not specifically listed above.

A new disability is subject to a new elimination period, and a new benefit period applies. A disability that is considered a continuation of a previous disability is not subject to a new elimination period, and a new benefit period does not apply.

Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability.

If you become disabled because of a pre-existing condition, we will not pay for any disability period if it begins during the first 12 months the rider is in force.

Concurrent or Subsequent Disability: During any period in which you are disabled due to more than one condition, whether the conditions are related or unrelated, benefits will be paid as if you are disabled due to only one condition. In no event will your being disabled due to more than one condition extend the benefit period beyond the benefit period shown in the Rider Schedule. Separate periods of disability resulting from unrelated conditions are considered a continuation of the previous disability, not a new disability, unless:

- they are separated by a minimum of 10 calendar days;
- during such time you returned to work performing the substantial and material acts of your usual occupation; and
- during such time you are no longer qualified to receive total or residual disability benefits.

This coverage will end on the policy anniversary date on or next following your 70th birthday. Coverage ending at age 70 will not affect any disability that began while the rider was in force. The disability benefit will be limited to the payment of the applicable monthly benefit amount for the length of the applicable benefit period shown on the Rider Schedule.

### Time Limits

After the rider has been in force for 12 months from the effective date of the rider, we will pay benefits for any pre-existing condition not excluded by name or specific description if the covered disability began 12 months after the effective date and the elimination period has been satisfied.

### Geographical Limitations

If you become totally disabled as the result of a covered accident or a covered sickness while you are outside the covered geographical areas and you are totally disabled longer than the elimination period shown in the Rider Schedule, your maximum benefit period for total disability and residual disability combined while outside the covered geographical areas will be limited to 60 days. *Covered geographical areas* are less than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahama Islands, the Virgin Islands, Bermuda, or Jamaica.

After the 60-day period, benefits will not be paid until you return to the covered geographical areas.

If you are still totally or residually disabled as defined in the rider when you return from outside the covered geographical areas, we will determine your remaining applicable benefit period by subtracting the time period for which we have already paid you benefits from the benefit period shown in the Rider Schedule. We will pay the monthly benefit amount shown in the Rider Schedule for up to the remaining applicable benefit period.

### Waiver of Premium Benefit

After you have been totally disabled or qualify for residual disability benefits as the result of a covered accident or a covered sickness for more than 90 consecutive days while the rider is in effect, or after the elimination period shown in the Rider Schedule, whichever is greater, we will waive the premium for the policy and any attached rider(s) for as long as you remain disabled, up to the benefit period shown in the Rider Schedule. You must pay all premiums to keep the policy and any attached rider(s) in force until you have been totally disabled or qualify for residual disability benefits for 90 consecutive days while the rider is in effect, or for the elimination period shown in the Rider Schedule, whichever is greater.

You must send us written notice as soon as you are no longer disabled. We will assume you are no longer disabled if:

- you do not send us satisfactory proof of loss when we request it; or
- you notify us that you are no longer disabled.

You must pay all premiums to keep the policy and any attached rider(s) in force beginning with the first premium due after you are no longer disabled.

The Waiver of Premium Benefit does not apply to any period that you are totally or residually disabled due to an accident or condition which is excluded by specific description in the rider.

There is no limit to the number of times you can receive the Waiver of Premium benefit.

### Important Words in the Rider

A *covered accident* is an accident which:

- occurs after the effective date of the rider;
- is of a type listed on the Rider Schedule;

- occurs while the rider is in force; and
- is not excluded by specific description in the rider.

A *covered sickness* means an illness, infection, disease or any other abnormal physical condition which:

- occurs after the effective date of the rider;
- is of a type listed on the Rider Schedule;
- occurs while the rider is in force; and
- is not excluded by name or specific description in the rider.

*Elimination period* means the period of time during which no benefits are payable, as shown in the Rider Schedule.

*Full-time job* means a job at which you work 20 hours or more per week for pay or benefits.

*Off-job accident* means an accident which occurs while you are not working at any job for pay or benefits.

*Off-job sickness* means a sickness that was not caused by or contributed to by your working at any job for pay or benefits.

*On-job accident* means an accident which occurs while you are working at any job for pay or benefits.

*On-job sickness* means a sickness that was caused by or contributed to by your working at any job for pay or benefits.

A *physician* means a person, other than you or a family member, who is licensed by the state to practice a healing art, and performs services for you which are allowed by his license. For the purposes of this definition, *family member* means your spouse, son, daughter, mother, father, sister or brother.

*Pre-existing condition* means a sickness or physical condition for which you were treated, received medical advice or had taken medication within 12 months before the effective date of the rider.

*Recurrent disability* means becoming disabled, ceasing to be disabled, then becoming disabled again for the same or related conditions. The latter disability will be considered a recurrent disability.

*Residual disability* means:

- you are unable to perform the substantial and material acts necessary to pursue your usual occupation in the usual or customary way for 20 hours or more per week;
- you are able to work at your place of employment for less than 20 hours per week.

*Totally disabled* means you are unable to perform with reasonable continuity the substantial and material acts necessary to pursue your usual occupation in the usual or customary way.

*Usual occupation* means the last full-time job you had before becoming totally disabled.

*You* and *your*, for the purpose of the rider only, refer to the Named Insured identified on the Rider Schedule.

### **What Is Not Covered by the Rider**

We will not pay benefits for losses that are caused by or are the result of your:

- being intoxicated or under the influence of any controlled substance unless administered on the advice of a physician;
- operating, learning to operate, or serving as a crew member of any aircraft or hot air balloon. This does not include flying as a fare paying passenger;
- giving birth within the first nine months after the effective date of the rider as the result of a normal pregnancy, including Cesarean. Complications of pregnancy will be covered to the same extent as any other covered sickness;
- engaging in hang gliding, bungee jumping, parachuting, sailgliding, parasailing, parakiting or hot air ballooning;
- committing or attempting to commit a felony or being engaged in an illegal occupation;
- having a pre-existing condition as defined and limited by the rider;
- having a psychiatric or psychological condition including, but not limited to, affective disorders, neuroses, anxiety, stress and adjustment reactions. However, Alzheimer's Disease and other organic senile dementias are covered under the rider;
- riding in or driving any motor-driven vehicle in a race, stunt show or speed test;

- practicing for or participating in any semi-professional or professional competitive athletic contest for which you receive any type of compensation or remuneration;
- committing or trying to commit suicide or your injuring yourself intentionally whether you are sane or not; or
- being exposed to war or any act of war, declared or undeclared, or serving in the armed forces of any country or authority.

**Renewability.** Your rider is guaranteed renewable to the policy anniversary date on or next following your 70th birthday. Your premium can be changed only if we change it on all riders of this kind in force in the state where the rider was issued. *Policy anniversary date* occurs annually on the same date and in the same month as the date for which we first received premium.