



LTD

**COMPANION
BUSINESS PLAN
FOR GROUPS OF
2 THROUGH 9
EMPLOYEES**



Long Term Disability (LTD) for the Small Employer

It's the small employer — one who carries as few as two people on the payroll — who can least afford to lose a key employee due to disability. And all over the United States, 780,000 employees become seriously disabled every year.*

In fact, during their working careers, employees are more likely to become disabled than they are to die. What can that small employer do?

The Companion Business Plan can provide LTD Coverage for most industries!

LTD Coverage Standard Features

Companion Life's LTD program for small businesses pays 60% of an employee's earnings up to a maximum monthly benefit of \$6,000.

Definition of Disability: The definition of disability is critical in determining eligibility for benefits. Companion Life's definition does differ from other carriers. What makes it different and better?

Disability or disabled means that an employee is prevented from performing one or more of the essential duties of his/her:

- occupation during the elimination period;
- occupation for the 24 months following the elimination period, and as a result, the current monthly earnings are less than 80% of the indexed pre-disability earnings, and
- after that, any occupation.

Occupation is defined as it is recognized in the general workplace and not the specific job performed for a specific employer or at a specific location.

Any occupation means an occupation for which the employee is qualified by education, training, or experience, and that has an earnings-potential greater than the lesser of: the product of the indexed pre-disability earnings and the benefit percentage, or the maximum monthly benefit.

Minimum Monthly Benefit: The greater of \$100 or 10% of the gross benefit.

Maternity: Treated as any other illness.

Continuity of Coverage: An employee will not lose coverage as a result of a change in carriers by the employer.

Cost of Living Freeze: Once a gross disability payment is established, it will not be further reduced due to cost of living increases from other income amounts, except for increases in income from employment.

Temporary Recovery: If a claimant returns to work for less than six months and is disabled again due to the same or related causes, a new elimination period is not required.

Waiver of Premium: Premiums are waived while an insured is disabled and benefits are payable.

Work Incentive Benefit: A monthly benefit will be provided for a partial disability

if the insured returns to part-time work but still is suffering at least a 20% loss of income. The insured must be under the regular care of a licensed physician and submit proof of disability. This benefit will encourage a return to work.

Rehabilitation Assistance: As part of rehabilitation efforts, vocational services and assistance in applying for Social Security benefits may be provided to disabled employees.

Lump Sum Survivor Benefit: A lump sum benefit equal to three times an insured's gross disability payment is payable to an eligible survivor, provided the insured was disabled for a minimum of 180 consecutive days and was receiving a monthly benefit at the time of death.

Accumulation of the Elimination Period: An insured can return to work during the elimination period for a specific period of time without having to begin a new elimination period.

Mental Illness/Substance Abuse Limitation: Payment for disability resulting from a mental illness or substance abuse is limited to 24 months per occurrence.

Benefit Integration: Benefits are reduced by income from other sources as follows: Social Security primary and dependent disability and retirement payments, other group insurance disability payments, Workers Compensation or any Federal/State sponsored program, income from employment, and retirement, pension, sick leave, or salary continuation plans.

Pre-Existing Condition 12/6/24: A disability that begins in the first 24 months after the effective date will not be covered if it is the result of a pre-existing condition with treatment (or symptoms for which an ordinarily prudent person would seek treatment) within 12 months prior to the effective date, unless no treatment was received for the condition for six months after the effective date. (12/12 in MD and SC, 3/12 in PA).

LTD Choices

Two Year/Reducing Benefit Duration (RBD)

This program is popular with companies with a mostly “blue collar” workforce. All the valuable features of the standard LTD contract are included in the plan. All employees receive coverage equal to 60% of their earnings to a maximum benefit of up to \$6,000 per month. Elimination Period options are 90 or 180 days, and the maximum payment duration is for two years with a Reducing Benefit Duration (RBD) for older workers.

Five Year/Reducing Benefit Duration (RBD)

A maximum payment duration of five years is also available. A Reducing Benefit Duration (RBD) is included for older workers. All employees receive coverage equal to 60% of their earnings to a maximum benefit of up to \$6,000 per month. This plan also provides a choice of Elimination Periods of either 90 days or 180 days before benefit payments begin. All standard LTD features apply to this program.

Age 65/Reducing Benefit Duration (RBD)

This benefit design is also available to all groups. With this plan, benefits can be extended to age 65. A Reducing Benefit Duration (RBD) is included for older workers. All employees receive coverage equal to 50% of their earnings to a maximum benefit of up to \$6,000 per month.

LTD Choices – Maximum Payment Duration

Two Years/RBD Plan

Age at Disability	Duration
Less than Age 66	2 Years
66	21 Months
67	18 Months
68	15 Months
69+	12 Months

Five Years/RBD Plan and Age 65/RBD Plans

Age at Disability	Duration	Age of Disability	Duration
Less than Age 61	5 Years (or Age 65)	65	24 Months
61	48 Months	66	21 Months
62	42 Months	67	18 Months
63	36 Months	68	15 Months
64	30 Months	69+	12 Months



About Companion Life Insurance Company

Companion Life Insurance Company has specialized in group benefits for more than 30 years. It has earned A.M. Best’s Rating of A+ (Superior) due to its fiscal strength, investment practices, and sound operational and management structure. The company has earned a reputation as a financially sound organization due, in large part, to its conservative, well-managed portfolio. At Companion Life we are committed to financial strength, effective corporate management and the highest level of service and responsiveness to our clients and sales associates.

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SOME PRODUCTS ARE NOT AVAILABLE IN ALL STATES.

General Information On All Coverages

Employer Eligibility: Employers meeting the following requirements are eligible for coverage.

- Two to nine eligible employees,*
- No more than 50% of the group related by blood or marriage, unless special consideration is given,
- No more than 50% of the group over 50,
- In business for more than two years, and
- No more than 50% of its funding from government sources.

* Available to groups of 6 through 9 employees in PA.

The following are **ineligible** for Long Term Disability Coverage:

Agricultural Production – Crops	Liquor Stores	Facilities Support Management Services
Agricultural Production – Livestock	Fuel Oil Dealers	Private Households
Agricultural Services	Liquefied Petroleum Gas	Services, not elsewhere classified
Forestry	Fuel Dealers, not elsewhere classified	Executive, Legislative and General
Fishing, Hunting and Trapping	Miscellaneous Retail	Government, except Finance
Mining	Hotels, Rooming Houses, Camps and	Justice, Public Order and Safety
Heavy Construction	other Lodging Places	Administrative of Human Resource
Chemicals and Allied Products	Employment Agencies; Help Supply	Programs
Railroad Transportation	Services	Administration of Environmental Quality
Local and Suburban Passenger	Detectives, Guard and Armored Car	and Housing Programs
Transportation	Services, Security Services	Administration of Economic Programs
U.S. Postal Services	Auto Repair, Services and Parking	National Security and International
Water Transportation	(except 7514 and 7515)	Affairs
Transportation by Air	Amusement and Recreation Services	Non-Classified Establishments
Pipelines, except Natural Gas	Health Services	
Auto Dealers, Gas Services and Sanitary	Legal	
Services	Social Services	
Eating and Drinking Establishments	Membership Organizations	

Employee Eligibility: Employees meeting all of the following requirements are eligible for coverage:

- Full-time permanent employment (i.e., working 30 or more hours per week).
- Work 15 of the 20 working days prior to the effective date of coverage.
- Actively at work on effective date of coverage.
- 90 days of continuous service with the employer.

Participation:

If the employer pays the entire cost – 100% participation required.

If the employees contribute to the cost –

Number of Employees	2	3	4	5	6	7	8	9
Participation Required	2	3	4	5	5	5	6	7

Effective Date: Coverage is effective on the first or the 15th of the month following approval of the group’s application by Companion Life.

Evidence of Insurability: Required for groups with two through five eligible employees.

This brochure contains only a brief description of the benefits. It is not the contract. Rates and provisions are subject to change. Actual coverage is subject to the terms and conditions of the contract when it becomes effective, and actual contract language will be reflected in each employee’s Certificate of Coverage.