



# LONG TERM DISABILITY INCOME Insurance<sup>TM</sup>

From American Fidelity Assurance Company

## CHANNELVIEW ISD

### Ask yourself...

- How long could you go without a paycheck?
- Do you rely on your income?
- What's your most valuable asset?
- If you're like most of us, would you agree that your income is important in maintaining your lifestyle?
- Is your paycheck committed to monthly obligations?
- Do you have auto, homeowners, boat insurance, etc.? Have you insured the income you use to pay those and all your other bills?



### Why do you need disability insurance?

What would happen if your income stopped today? Are you prepared to provide for yourself and those you love in the event of a serious accident or illness? Unless you've planned for such a loss, losing your income can produce tragic results. If you're like most of us, your income is truly your most valuable asset! Without it, all of our other assets go away. Payments for rent, mortgage, utilities, insurance, groceries, clothing, and cars continue regardless of your ability to work. Plan today! Protect yourself before it's too late with an American Fidelity Salary Protection Plan.

### How does your plan work?

Find your monthly salary in the schedule inside to determine your eligible Monthly Disability Benefit. Your monthly salary is determined by dividing your annual salary, exclusive of overtime pay, weekend, or summer work compensation, bus or other allowances, bonuses or district-funded fringe benefits, by 12. If there is a reduction or misstatement of salary that results in your being ineligible for this Monthly Disability Benefit, your Monthly Disability Benefit will be reduced.

### Personal Disability Inventory List

How much sick leave have you accumulated? \$ \_\_\_\_\_

Are you vested in your Retirement System? \$ \_\_\_\_\_

If so, what percentage of your income would this replace\*? \$ \_\_\_\_\_

At your current salary, how many months would your savings last? \$ \_\_\_\_\_

*\*You must qualify for retirement system disability benefits by length of service and definition of disability.*

# BENEFIT SCHEDULE

Monthly Salary	Monthly Disability Benefit*	Accidental Death Benefit	MONTHLY PREMIUMS					
			Plan I (1st/4th)	Plan II (15th)	Plan III (31st)	Plan IV (61st)	Plan V (91st)	Plan VI (151st)
\$ 286.00 - 428.99	\$200	\$20,000	\$8.24	\$5.88	\$4.72	\$4.00	\$3.36	\$2.52
429.00 - 571.99	300	20,000	12.36	8.82	7.08	6.00	5.04	3.78
572.00 - 714.99	400	20,000	16.48	11.76	9.44	8.00	6.72	5.04
715.00 - 857.99	500	20,000	20.60	14.70	11.80	10.00	8.40	6.30
858.00 - 999.99	600	20,000	24.72	17.64	14.16	12.00	10.08	7.56
1,000.00 - 1,142.99	700	20,000	28.84	20.58	16.52	14.00	11.76	8.82
1,143.00 - 1,285.99	800	20,000	32.96	23.52	18.88	16.00	13.44	10.08
1,286.00 - 1,428.99	900	20,000	37.08	26.46	21.24	18.00	15.12	11.34
1,429.00 - 1,571.99	1,000	20,000	41.20	29.40	23.60	20.00	16.80	12.60
1,572.00 - 1,714.99	1,100	20,000	45.32	32.34	25.96	22.00	18.48	13.86
1,715.00 - 1,857.99	1,200	20,000	49.44	35.28	28.32	24.00	20.16	15.12
1,858.00 - 1,999.99	1,300	20,000	53.56	38.22	30.68	26.00	21.84	16.38
2,000.00 - 2,142.99	1,400	20,000	57.68	41.16	33.04	28.00	23.52	17.64
2,143.00 - 2,285.99	1,500	20,000	61.80	44.10	35.40	30.00	25.20	18.90
2,286.00 - 2,428.99	1,600	20,000	65.92	47.04	37.76	32.00	26.88	20.16
2,429.00 - 2,571.99	1,700	20,000	70.04	49.98	40.12	34.00	28.56	21.42
2,572.00 - 2,714.99	1,800	20,000	74.16	52.92	42.48	36.00	30.24	22.68
2,715.00 - 2,857.99	1,900	20,000	78.28	55.86	44.84	38.00	31.92	23.94
2,858.00 - 2,999.99	2,000	20,000	82.40	58.80	47.20	40.00	33.60	25.20
3,000.00 - 3,142.99	2,100	20,000	86.52	61.74	49.56	42.00	35.28	26.46
3,143.00 - 3,285.99	2,200	20,000	90.64	64.68	51.92	44.00	36.96	27.72
3,286.00 - 3,428.99	2,300	20,000	94.76	67.62	54.28	46.00	38.64	28.98
3,429.00 - 3,571.99	2,400	20,000	98.88	70.56	56.64	48.00	40.32	30.24
3,572.00 - 3,714.99	2,500	20,000	103.00	73.50	59.00	50.00	42.00	31.50
3,715.00 - 3,857.99	2,600	20,000	107.12	76.44	61.36	52.00	43.68	32.76
3,858.00 - 3,999.99	2,700	20,000	111.24	79.38	63.72	54.00	45.36	34.02
4,000.00 - 4,142.99	2,800	20,000	115.36	82.32	66.08	56.00	47.04	35.28
4,143.00 - 4,285.99	2,900	20,000	119.48	85.26	68.44	58.00	48.72	36.54
4,286.00 - 4,428.99	3,000	20,000	123.60	88.20	70.80	60.00	50.40	37.80

\* Higher Monthly Disability Benefit amounts available, up to \$6,000, based on your monthly salary

## ELIGIBILITY

All active full-time employees working 20 hours or more per week.

Proof of good health may be required by us in order to be eligible for disability coverage. We will rely on answers given on your application to determine if coverage can be issued. Regardless of your health at the time of application, if coverage is approved and issued, claims incurred while coverage is in force will be subject to all terms of the Policy including any Pre-Existing Condition limitation.

## EFFECTIVE DATE OF COVERAGE

Your coverage will take effect on the requested Effective Date following the date we approve your written application, provided you are on Active Employment and premium has been paid.

## ACTIVE EMPLOYMENT

“Active Employment” means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Employment on a day which is not a scheduled work day only if you are Disabled and would be able to perform in the usual manner all the regular duties of your employment if it were a scheduled work day.

## BENEFITS BEGIN

- **Plan I** - On the 1st day of Disability due to a covered Accidental Injury and on the 4th day of Disability due to a covered Sickness.
- **Plan II** - On the 15th day of Disability due to a covered Accidental Injury or Sickness.
- **Plan III** - On the 31st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan IV** - On the 61st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan V** - On the 91st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan VI** - On the 151st day of Disability due to a covered Accidental Injury or Sickness.

## BENEFITS ARE PAYABLE

Up to the period of time shown in the table below, based on your age as of the date of Disability due to a covered Accidental Injury or Sickness begins.

Age	Maximum Benefit Period
59 or younger	to age 65
60 through 64	5 years
65 through 68	to age 70
69 or older	1 year

## PHYSICIAN EXPENSE BENEFIT

- Accidental Injury - \$100.00
- Sickness - \$50.00

If you need personal treatment by a Physician due to an Accidental Injury or Sickness, the expense incurred for such treatment will be paid if a claim for no other benefit is made under the Policy; the expense is not for routine dental or eye care; and the expense is not more than the Physician's Expense Benefit amount shown above. This benefit will be paid for Sickness only if: the expense is incurred during one full day of Disability during which you missed one full day of work; and you are personally seen and treated by a Physician. To be eligible for more than one payment for the same or related condition, you must have returned to Active Employment for at least 14 consecutive workdays.

# Important Policy Provisions

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## DISABILITY PAYMENT

Means your Disability Benefit minus Deductible Sources of Income.

## MINIMUM DISABILITY BENEFIT

The Disability Payment payable will be no less than \$100.00 or 10% of the Monthly Disability Benefit, whichever is greater.

## IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING:

Your Disability Payment will be calculated as follows:

For the first 36 months Disability Payments are provided, the Disability Payment will be the lesser of: (a) your Disability Benefit; or (b) 70% of your Monthly Compensation less any Deductible Sources of Income you receive or are entitled to receive.

After 36 months the Disability Payment will be the lesser of: (a) the Disability Benefit (as indicated on your application for coverage as approved by us) less any Deductible Sources of Income you receive or are entitled to receive; or (b) 70% of your Monthly Compensation less any Deductible Sources of Income you receive or are entitled to receive.

## DEDUCTIBLE SOURCES OF INCOME WILL INCLUDE:

(a) other group disability income; (b) governmental or other retirement system as a result of your Regular Occupation, whether due to disability, normal retirement, or voluntary election of retirement benefits; (c) United States Social Security Act or similar plan or act, including any amounts due your dependent(s) on account of your Disability; (d) sick leave or salary or wage continuance plans provided by the Employer which extend beyond 60 calendar days (Plans I, II, III, and IV), 90 calendar days (Plan V) and 150 calendar days (Plan VI); (e) State Disability; (f) unemployment compensation; and (g) workers compensation law, occupational disease law or any similar act or law.

If we determine that you may qualify for benefits under items (b), (c) or (g) listed above, we may estimate the amount of benefits you may be entitled to receive.

## COST OF LIVING ADJUSTMENT

The Disability Payment will not be reduced due to a cost of living increase if the increase from a Deductible Source of Income takes effect after the onset of Disability and while benefits are payable under the Policy.

## HOSPITAL

The term "Hospital" shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long term nursing unit or geriatrics ward, an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

## HOSPITAL CONFINEMENT BENEFIT

If you are confined as a Patient in a Hospital due to an Accidental Injury or Sickness, a Hospital Confinement Benefit equal to the Disability Benefit will be paid for each day you are charged room and board up to 60 days. The Hospital Confinement Benefit will be paid in lieu of any other benefit payable under the Policy. The amount payable is the Disability Benefit which will not be reduced by Deductible Sources of Income and will be pro rated based upon the number of days you are hospital confined. The Hospital confinement must be at least 18 continuous hours in duration. The Hospital Confinement Benefit will begin after your satisfaction of the elimination period.

## IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND WORKING:

We will provide a Disability Payment if you are Disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury.

If you are Disabled and your Disability Earnings are greater than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury, we will figure your payment as follows:

You will receive payments based on the percentage of Compensation you are losing due to your Disability computed as follows: (a) Subtract your Disability Earnings from your Monthly Compensation; (b) Divide the answer in item (a) by your Monthly Compensation. This is your percentage of lost earnings; and (c) Multiply your Disability Payment by the answer in item (b).

We will stop payments and your claim will end, if at any time you are no longer Disabled or if your earnings exceed 80% of your Monthly Compensation or at the end of 1 year, whichever comes first.

The Elimination Period cannot be satisfied with days you are Disabled and working.

## DISABILITY EARNINGS

Means the gross monthly earnings you receive while Disabled and working.

## MENTAL ILLNESS LIMITED BENEFIT

If you are Disabled due to a Mental Illness, regardless of the cause, Disability Payments will be provided for the period of up to 2 years, not to exceed the Maximum Disability Period, as long as: (a) you are under the Regular and Appropriate Care of a Physician; and (b) you receive medical treatment (mental or medical examination alone will not be considered treatment) from either: (1) a registered specialist in psychiatry; (2) a Physician administering treatment on the advice of a registered specialist in psychiatry who certifies that such is medically necessary; or (3) a Physician, if in our opinion, a specialist in psychiatry is not required to certify that such treatment is medically necessary.

## ALCOHOLISM AND DRUG ADDICTION LIMITED BENEFIT

If you are Disabled due to alcoholism or drug addiction, a limited benefit of up to 15 days for each Disability will be paid. In no event will benefits be paid for more than 15 days of Disability in any 12-month period. If drug addiction is sustained at the hands of, or while under the Regular and Appropriate Care of a Physician in the course of treatment for Accidental Injury or Sickness, it will be covered the same as any other illness.

## ACCIDENTAL DEATH BENEFIT

The Accidental Death Benefit of \$20,000 will be paid if you die as a direct result of an Accidental Injury and death occurs within 90 days after the date of the Accidental Injury.

If you die and the Accidental Death Benefit applies, such benefit will be increased 1% for each full month that your Certificate was continuously in force just prior to death. The increase shall not be more than 60%.

## WAIVER OF PREMIUM

If you become Disabled due to a covered Accidental Injury or Sickness and are eligible to receive a Disability Payment, your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following: (a) your satisfaction of the Elimination Period; or (b) 6 months of continuous Disability, whichever is later, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins.

Waiver of Premium will continue until: (a) the end of your Disability; (b) the end of the Maximum Benefit Period; (c) the date you are no longer eligible to receive a Disability Payment; (d) the date the Policy terminates; or (e) the date your employment with the Policyholder or subscribing Employer unit ends, whichever first occurs. We will require proof on an annual basis that you remain Disabled during said period.

## EXCLUSIONS

The Policy does not cover any loss, fatal or non-fatal, which results from: (a) intentionally self-inflicted injury while sane or insane; (b) an act of war, declared or undeclared; (c) Accidental Injury sustained or Sickness contracted while in the service of the armed forces of any country; (d) committing a felony; or (e) penal incarceration. We will not pay benefits for Disability or any other loss for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.

## PRE-EXISTING CONDITION LIMITATION

A limited benefit up to 1 month's Disability Benefit in any 12-month period will be payable for Disability due to a Pre-Existing Condition. This provision will not apply if you have: gone treatment free; incurred no expense; taken no medication; and received no diagnosis or advice from a Physician, for 12 consecutive months for such condition(s).

Benefits will not be excluded for Disability due to a Pre-Existing Condition, which begins after you have been continuously covered under the Policy for 24 months following your Effective Date of coverage.

Any increase in benefits will be subject to this Pre-Existing Condition limitation. A new Pre-Existing Condition period must be satisfied with respect to any increase applied for and approved by us.



### HOME OFFICE

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Oklahoma City, Oklahoma 73106  
(800) 654-8489

## PRE-EXISTING CONDITION

The term "Pre-Existing Condition" means a disease, Accidental Injury, Sickness, physical condition or mental illness for which you have experienced any of the following: treatment; incurred expense; took medication; received care or services including diagnostic testing or related measures; or received a diagnosis or advice from a Physician, during the 12-month period immediately before your Effective Date of coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Accidental Injury, Sickness, physical condition, or mental illness.

## DISABILITY

Disability (or **Disabled**) for the first 12 months of Disability, means that you are unable to perform the material and substantial duties of your Regular Occupation. After that, Disability means you are unable to perform the material and substantial duties of any Gainful Occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

## LEAVE OF ABSENCE

Your coverage may be continued for up to 1 year during a Leave of Absence approved in writing by your Employer.

## TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

- (a) the date you do not meet the Eligibility requirements as defined in the Eligibility paragraph in this brochure;
- (b) the date you retire;
- (c) the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision;
- (d) the end of the last period for which premium has been paid; or
- (e) the date the Policy is discontinued.

*If:*

- (a) your coverage ends as a result of your termination of Active Employment;
- (b) such termination is caused by an Accidental Injury or Sickness for which Disability Benefits would be payable; and
- (c) Disability is established prior to the termination of Active Employment,

*then:*

Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no effect on Disability Payments which began before termination. We may end your coverage if you submit a fraudulent claim.



### HOUSTON OFFICE

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