

# Protecting Your Paycheck

You work hard to make  
ends meet



So, what happens  
when you can't ?

## Short Term Disability Insurance

What happens when an illness or injury keeps you off the job?

Who will pay you when you can't work?

Your paycheck may be gone but your bills will still be there.

*Your Ability To Earn  
An Income . . .*

*It may be your most valuable asset,  
so why not insure it today?*

AVAILABLE PLANS				
Elimination Periods <sup>1</sup>		Benefit Periods <sup>2</sup>		
Accident	Sickness	3 Months	6 Months	12 Months
0 Days	7 Days	✓	✓	✓
7 Days	7 Days	✓	✓	✓
14 Days	14 Days	✓	✓	✓
30 Days	30 Days	✓	✓	✓

<sup>1</sup>The time period during which the Insured must be totally disabled from a Covered Accident or Covered Sickness before benefits are payable.

<sup>2</sup>The maximum time period immediately following the elimination period for which benefits are payable for a Covered Accident or Covered Sickness.

If Your Monthly Compensation <sup>3</sup> Is:	Your Maximum Monthly Benefit Is:	If Your Monthly Compensation <sup>3</sup> Is:	Your Maximum Monthly Benefit Is:
\$ 500 - \$ 665.99	\$ 300	\$2,833 - \$2,999.99	\$1,700
\$ 666 - \$ 832.99	\$ 400	\$3,000 - \$3,165.99	\$1,800
\$ 833 - \$ 999.99	\$ 500	\$3,166 - \$3,332.99	\$1,900
\$1,000 - \$1,165.99	\$ 600	\$3,333 - \$3,499.99	\$2,000
\$1,166 - \$1,332.99	\$ 700	\$3,500 - \$3,665.99	\$2,100
\$1,333 - \$1,499.99	\$ 800	\$3,666 - \$3,832.99	\$2,200
\$1,500 - \$1,665.99	\$ 900	\$3,833 - \$3,999.99	\$2,300
\$1,666 - \$1,832.99	\$1,000	\$4,000 - \$4,165.99	\$2,400
\$1,833 - \$1,999.99	\$1,100	\$4,166 - \$4,332.99	\$2,500
\$2,000 - \$2,165.99	\$1,200	\$4,333 - \$4,499.99	\$2,600
\$2,166 - \$2,332.99	\$1,300	\$4,500 - \$4,665.99	\$2,700
\$2,333 - \$2,499.99	\$1,400	\$4,666 - \$4,832.99	\$2,800
\$2,500 - \$2,665.99	\$1,500	\$4,833 - \$4,999.99	\$2,900
\$2,666 - \$2,832.99	\$1,600	\$5,000 +	\$3,000

### Here's How Your Plan Works

From the chart above, select the Monthly Benefit to meet your individual needs, not to exceed the Maximum Monthly benefit for your Monthly Compensation. This is the amount of monthly benefit you may be insured for. The premium and the benefits paid are based on the plan chosen, your maximum monthly benefit and any optional riders. The selected plan, maximum monthly benefit and any optional riders will be shown on the schedule page of the certificate and are chosen at time of application.

<sup>3</sup>**Monthly Compensation** means: (a) one-twelfth (1/12) of Your annual salary paid for services performed for the Policyholder or a member of the Policyholder; or, (b) with respect to Your salary if solely or partially based on commissioned sales, one-twelfth (1/12) the preceding 12 months' salary and commissions. Covered monthly commissions shall be based on the average commission amount over the 12-month period prior to disability. Monthly Compensation does not include bonus or overtime earnings. If there is a reduction of salary that results in Your being ineligible for the benefits selected: (a) Your Monthly Disability Benefit will be reduced to the maximum amount for which You are eligible at the time benefits become payable; and, (b) any premium overpaid for the previous 12 month period will be returned.

## IMPORTANT POLICY PROVISIONS

### ELIGIBILITY

You are eligible for insurance under the Policy if You work either under contract to or as an employee of the Policyholder, or are a member in or employed by the association, if the Policy is issued to an association. You must be under age 70, qualify as an eligible Insured as defined in the Master Application, and be Actively at Work on the Certificate Effective Date. Evidence of insurability acceptable to Us may be required.

### INSURED'S EFFECTIVE DATE

You must use forms provided by Us when applying for insurance. The insurance will take effect on the requested Certificate Effective Date; or the Certificate Effective Date assigned by Us upon approval of Your application, whichever is later, if: Our underwriting rules are met; You are Actively at Work; and premium has been paid.

If You are not Actively at Work due to an Injury or Sickness when Your coverage would otherwise take effect, it will take effect on the first day of the month after the date You are next considered Actively at Work.

## TOTAL DISABILITY BENEFITS INCLUDE

**Monthly Disability Benefit.** We will pay the Monthly Disability Benefit Amount for each month You are Totally Disabled beyond the Elimination Period. Total Disability must begin while Your coverage is in force and You are Actively at Work.

No Monthly Disability Benefit will be paid for any period beyond the Maximum Disability Period stated in the Certificate Schedule; or, for any period that you are not under the Regular Care and Attendance of a Physician.

Monthly Disability Benefits will be paid for only one disability when more than one disability exists at the same time, or a disability results from two or more causes.

If benefits are to be paid for a period of less than a full month, We will pay one-thirtieth (1/30<sup>th</sup>) of the Monthly Disability benefit for each day You are totally Disabled.

Any Monthly Disability Benefit paid is subject to the Adjustment and Limitations provision.

**Recurrent Disabilities.** Periods of Total Disability, which result from the same or related causes, will be considered one period of disability unless the disabilities are separated by Your return to Active Work for at least six (6) consecutive months.

**Total Disability - Alcoholism or Drug Addiction Benefit.** We will pay a daily benefit, as shown in the Certificate Schedule, for any period, beyond the Elimination Period, that You are Totally Disabled due to alcoholism or drug addiction. Such benefit will be limited to a maximum of fifteen (15) days in any one twelve (12) month period.

No other benefit will be payable under this Certificate for Total Disability due to alcoholism or drug addiction.

**Total Disability - Mental Illness Benefit.** We will pay a daily benefit, as shown in the Certificate Schedule, for any period, beyond the Elimination Period, that You are Totally Disabled due to a mental illness disorder. Such benefit will be limited to a maximum of thirty (30) days in any one twelve (12) month period.

No other benefit will be payable under this Certificate for Total Disability due to a mental illness disorder.

**Waiver of Premium Benefit.** If You are Totally Disabled due to a covered Injury or Sickness, Your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following the later of: satisfaction of the Elimination Period; or, 90 days of continuous Total Disability.

Premium must be paid from the beginning of Total Disability to the date Waiver of Premium begins. Your premiums will continue to be waived until the earlier of: the end of the Maximum Disability Period; or, the date You are no longer considered to be Totally Disabled.

## ADJUSTMENTS AND LIMITATIONS

The Monthly Disability Benefit Amount We will pay is the lesser of:

1. the Named Insured Monthly Benefit selected by You as shown in the Certificate Schedule; or,
2. Your Monthly Compensation multiplied by the Maximum Covered Percent, as shown in the Certificate Schedule, less the following benefits which You may receive:
  - (a) the amount of any Disability Income Benefits which You are eligible to receive under any other group insurance plan of any employer;
  - (b) the amount of any Disability Income Benefits which You are eligible to receive under any governmental retirement system;
  - (c) the amount of disability or retirement benefit under the United States Social Security Act or an similar state or federal government plan or act that You or Your dependents or spouse are eligible to receive;
  - (d) the amount of benefits from any employer's pension or retirement plan to which the Policyholder or Employer contributes or makes payroll deductions;
  - (e) the amount of earnings You receive from any sick leave or formal salary continuation plan paid for by the Policyholder or Employer which extend beyond the Elimination Period stated in the Schedule.

For the purposes of item (c), unless You show proof to Us that payments under these acts have been applied for but will not be paid, We will:

- (a) assume each Insured who is covered under Federal Social Security Act is receiving such payments; and,
- (b) deduct any lump sum payment received by You from the Monthly Disability Benefits payable.

The Monthly Disability Benefit payable will be no less than \$100 per month.

The Policy will not pay any benefits for Total Disability if You earn or receive any form of earnings from any form of employment, or if You are Totally Disabled due to an Injury or Sickness that occurs while working at any job for pay or benefit.

## EXCLUSIONS

This policy does not cover any loss which results from:

- (a) intentionally self-inflicted Injury while sane;
- (b) an act of war, declared or undeclared;
- (c) taking part in a riot, insurrection or rebellion;
- (d) taking part in a civil commotion, civil disobedience or unlawful assembly;
- (e) Injury sustained or Sickness contracted while in the service of the armed forces of any country;
- (f) committing a felony or misdemeanor;
- (g) voluntarily ingesting or injecting any drug, narcotic or sedative, unless administered on the advice and in such doses as are prescribed by a Physician, except as stated in the Alcoholism and Drug Addiction Benefit provision;
- (h) taking part in a sport or contest of speed, parachuting, or hang gliding;
- (i) intoxication, except as stated in the Alcoholism and Drug Addiction Benefit provision;
- (j) air travel, except while riding as a fare-paying passenger on a commercial airline;
- (k) elective or cosmetic surgery, unless due to an Accident;
- (l) Accident or Sickness arising out of and in the course of any occupation for wage or profit;
- (m) Pre-Existing Condition, except as stated in the Pre-Existing Conditions Limitation provision. Pregnancy is covered as any other Sickness, subject to the Pre-Existing Conditions Limitation provision.

## PRE-EXISTING CONDITIONS LIMITATION

Any period of Disability which begins during the first twelve (12) months of coverage which is caused by, contributed to by, or results from a Pre-Existing Condition, will not be covered except as shown in the Limited Monthly Disability Benefit—Pre-Existing Condition provision, unless You have received no Treatment for the condition for twelve (12) consecutive months after the Certificate Effective Date.

**Limited Monthly Disability Benefit—Pre-Existing Condition.** We will pay a Limited Monthly Disability Benefit for a period, beyond the Elimination Period, that You are Totally Disabled due to a Pre-Existing Condition. This benefit will not exceed one Monthly Disability Benefit during any twelve (12) month period.

## TERMINATION OF INSURANCE

**Termination of Certificate.** The insurance coverage on an Insured will end on the earliest of these dates:

- the date You no longer meet the definition of Insured;
- the date You retire;
- the date You cease to be Actively at Work;
- the last day of the period for which premium has been paid, subject to the Grace Period provision;
- the date the Policy terminates;
- the Certificate anniversary following Your 70th birthday; or
- the date of Your written request for termination.

We may terminate Your coverage if you make a fraudulent claim.

## DEFINITIONS

**ACCIDENT or INJURY** means bodily Injury directly caused by an Accident, independent of Sickness, disease, bodily infirmity, or all other causes, which takes place while Your coverage is in force. The Accident must take place independent of any Sickness and be the direct cause of the loss.

**ACTIVELY AT WORK (ACTIVE WORK)** means that You are:

- (a) performing in the usual manner all of the regular duties of Your employment on a full-time basis on a scheduled work day; and,
- (b) These duties are being performed at one of the places of business where You would normally perform such duties or at some location to which Your employment would send You.

You will be said to be on Actively at Work on a day which is not a scheduled work day only if You would be able to perform in the usual manner all of the regular duties of Your employment if it were a scheduled work day.

**CERTIFICATE** means the individual Certificate issued to You. It describes Your coverage under the Policy.

**CERTIFICATE EFFECTIVE DATE** means the effective date of an individual Certificate issued to You.

**ELIMINATION PERIOD** that period of time, which starts after the Certificate Effective Date, during which: You are Totally Disabled; and, no disability benefits are payable. The Elimination Period is shown in the Certificate Schedule.

**HOSPITAL** means a licensed institution that:

- (a) has on its premises:
  - (1) laboratory, x-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians;

- (2) permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
- (3) 24-hour-a-day nursing service by graduate registered nurses; and
- (4) the patient's written history and medical records;

or

(b) is accredited by the Joint Commission on Accreditation of Hospitals.

The term Hospital shall not include any institution used by the Insured Person as:

- (a) a place for rehabilitation;
- (b) a place for rest, or for the aged;
- (c) a nursing or convalescent home
- (d) a long term nursing unit or geriatrics ward; or
- (e) an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

**INSURED, YOU, YOUR** mean the person shown in the Certificate Schedule of Benefits. The Insured must:

- (a) be employed by or be a contractor of the Policyholder, or be a member in or employed by the association, if the Policy is issued to an association;
- (b) normally work 30 or more hours per week; and
- (c) be actively at Work on the Certificate Effective Date.

**PRE-EXISTING CONDITION** means an Injury or Sickness for which You: received treatment from a Physician; incurred expense; took medication; or, received a diagnosis or advice from a Physician, during the twelve (12) month period immediately before the Effective Date of Your coverage. The term "Pre-Existing Condition" will also include the conditions which are related to such Injury or Sickness.

**SICKNESS** means Sickness or disease, which starts while Your coverage is in force and is the direct cause of the loss.

**TOTAL DISABILITY or TOTALLY DISABLED** means You are under the regular care and attendance of a Physician and:

- (a) during the first year of a disability You are unable, as a result of a covered Injury or Sickness, to perform the substantial and material duties of Your occupation and are not engaged in any employment or occupation for wages or profit; and,
- (b) after the first year of a disability You are unable, as a result of a covered Injury or Sickness, to perform the duties of any occupation for which You are reasonably suited by education, training, or experience and are not engaged in any employment or occupation for wages or profit.

**WE, US, OUR** mean American Public Life Insurance Company.

### **OPTIONAL RIDER (additional premium)**

**Family Accident Benefit Rider.** Additional benefits under this Rider include:

- Accidental Death and Dismemberment Benefit
- Dislocation/Fracture Indemnity Benefit
- Medical Transportation Benefit
- Hospital Confinement Indemnity Benefit
- Medical Fee Expense Benefit

The benefits listed for this rider provide only a brief description of the actual benefit. This rider also has limitations and exclusions associated with each benefit. You should refer to the actual rider for complete details.

### **RENEWABILITY**

We may terminate this policy on any premium due date after the first policy anniversary. We must provide at least 60 days notice prior to cancellation. We cannot cancel the policy due to your age or a change in health. We can change your premium if we change it for all similar policyholders. We must give you at least 60 days notice of any premium change.



**American Public Life  
Insurance Company**

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