

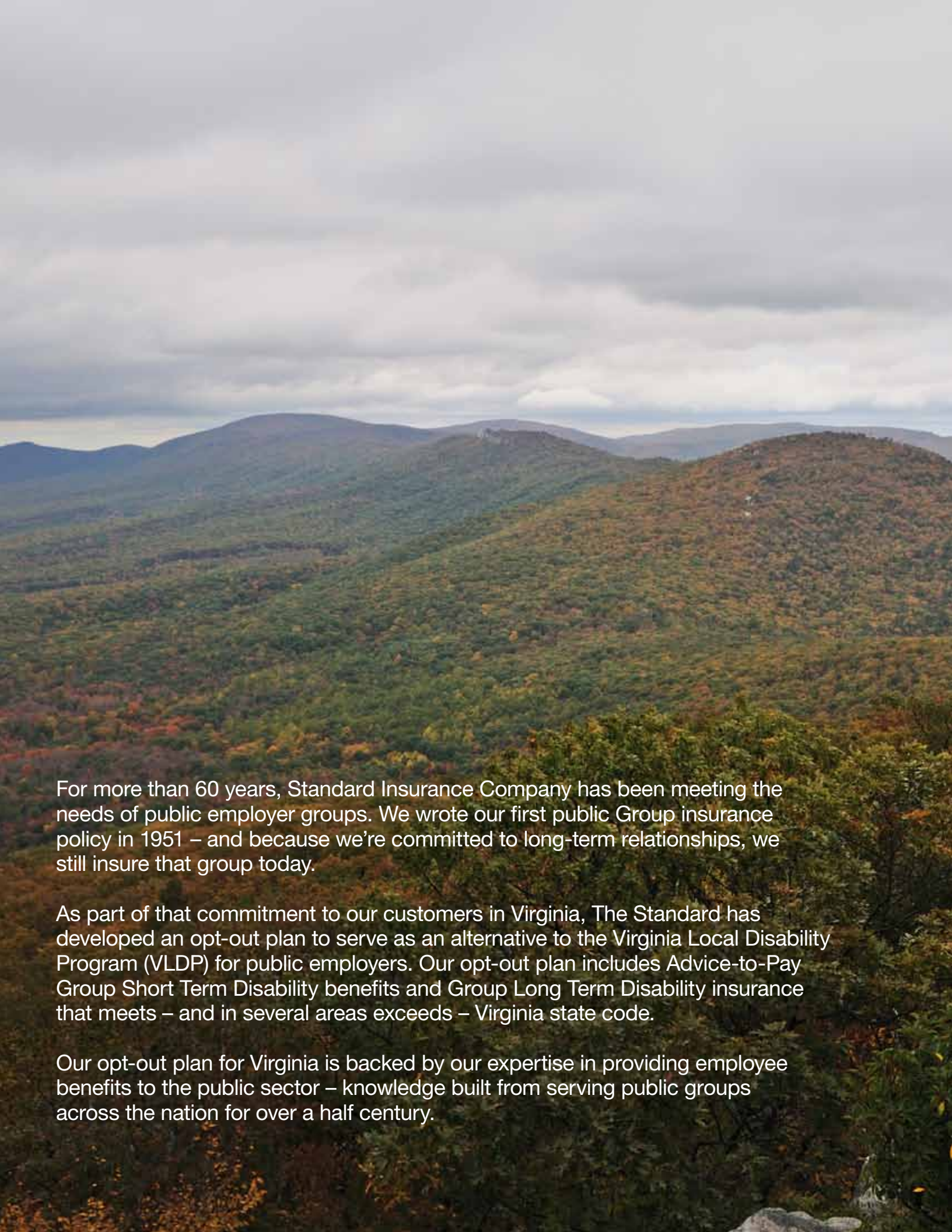
Expertise Virginia's Public Employers Can Count On

The Standard's Opt-Out Plan: An Alternative For Virginia



Standard Insurance Company
Employee Benefit Plans For Public Employers





For more than 60 years, Standard Insurance Company has been meeting the needs of public employer groups. We wrote our first public Group insurance policy in 1951 – and because we’re committed to long-term relationships, we still insure that group today.

As part of that commitment to our customers in Virginia, The Standard has developed an opt-out plan to serve as an alternative to the Virginia Local Disability Program (VLDP) for public employers. Our opt-out plan includes Advice-to-Pay Group Short Term Disability benefits and Group Long Term Disability insurance that meets – and in several areas exceeds – Virginia state code.

Our opt-out plan for Virginia is backed by our expertise in providing employee benefits to the public sector – knowledge built from serving public groups across the nation for over a half century.

Putting The Standard’s Expertise To Work For Virginia

The Standard provides employee benefits to 4,574 public groups across the country,¹ with 23 in-force policies in the state of Virginia.² Public employers account for 27 percent of our in-force policies nationwide.³

Because of our large block of public business, we understand the unique circumstances public employers face when it comes to their employee benefits plans. Our long history of serving this sector has taught us how to ask the right questions about contractual provisions, administrative and reporting needs, integration with other benefits and programs, budget concerns and funding requirements.

Dedicated Support For Public Employers

To meet the needs of our sizable public sector business, we have specific claims teams dedicated to serving our state accounts and other large public accounts, with team members who specialize in public employee benefits. Our team implements benefits packages with minimal impact to your organization. We also offer enrollment support and online plan administration tools that give policyholders instant, round-the-clock access to resources and forms they need.

VRS-Specific Expertise

All of our analysts are knowledgeable in Public Employee Retirement Systems (PERS). We’re able to obtain information directly from the Virginia Retirement System (VRS), exchange data electronically and customize our forms for Virginia’s retirement plans. We can tailor our contract language to correspond with how the VRS pays benefits. We can also provide voluntary or employer-paid insurance plans that coordinate with VRS Disability Retirement.

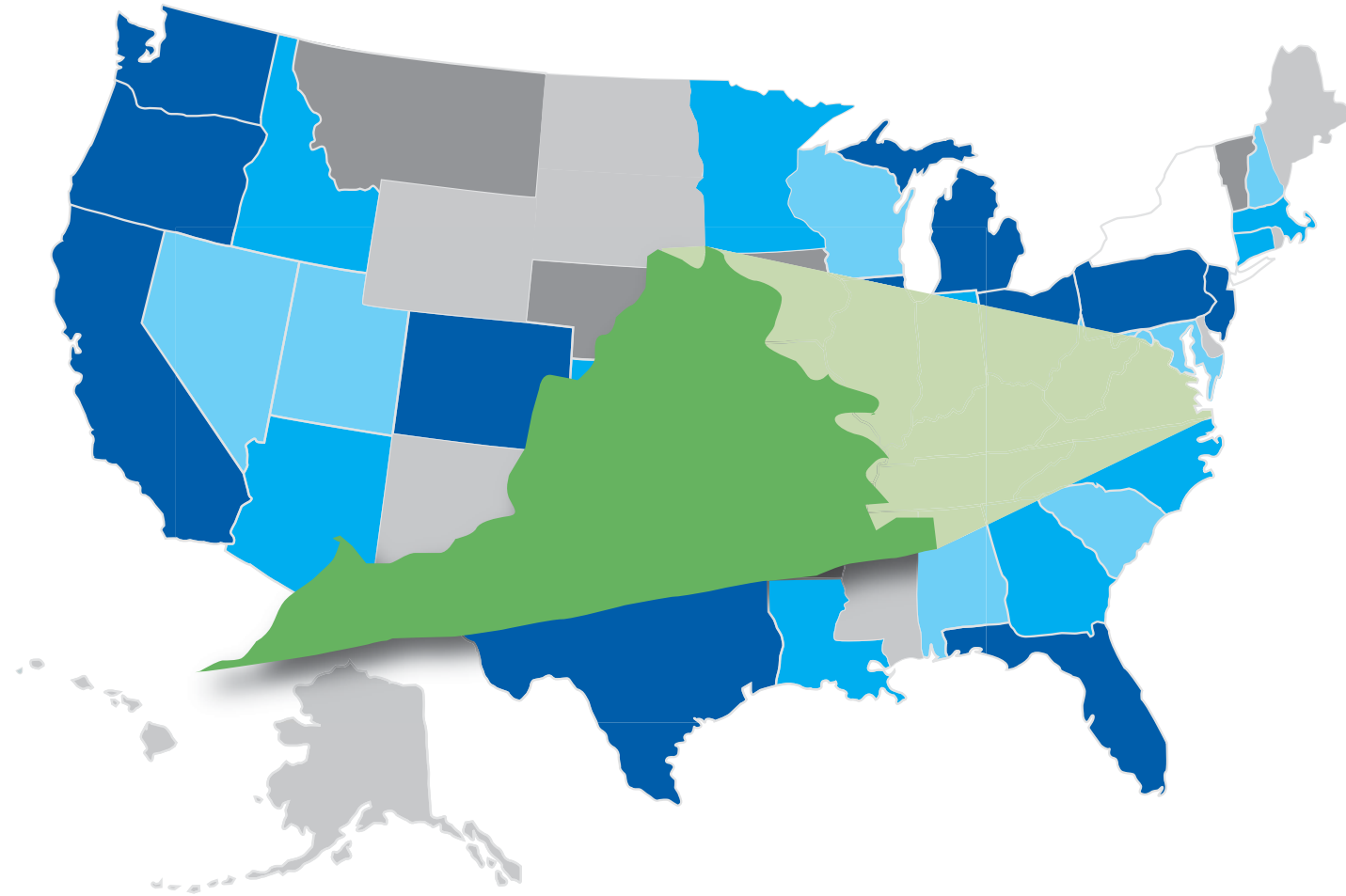
Underwriting For The Public Sector

Our long-time experience with public employers has given us a thorough understanding of typical public-employee occupations, enabling us to provide accurate risk underwriting. It’s a strategy we call right pricing: We don’t start with an artificially low price only to raise it later. We price our policies correctly from the beginning – which saves policyholders the time, energy and frustration involved in changing carriers.

¹ Based on internal data as of December 31, 2011

² Based on internal data as of March 31, 2013

³ As of September 2012, based on in-force premiums for Life and Long Term Disability insurance



Total Group Policies With Public Employers In Virginia As Of March 31, 2013

Type of policies	
City Contract	5
County Contract	3
School Contract	6
College Contract	5
Safety Contract	2
Misc. Public Contracts	2
Total Contracts	23

Total Group Policies With Public Employers As Of December 31, 2011

Total policies in force	Type of policies	
101 and up	City	1,292
51-100	County	275
31-50	School	1,686
16-30	College	124
1-15	Safety	615
	State	22
	Tribal	9
	Utility	95
	Miscellaneous	456
	Total	4,574

Note: Policyholders may have one or more coverages with The Standard.
 For a state-by-state breakdown of public policies in force with The Standard, refer to Public Employers Map flyer (SI 8029).
 Standard Insurance Company is not authorized to sell products in the state of New York. In New York, group insurance products are available from our sister company, The Standard Life Insurance Company of New York.

How The Standard's Opt-Out Plan Stacks Up

To serve Virginia's public employers, The Standard has developed a comprehensive opt-out plan that includes Long Term Disability (LTD) insurance and an Advice To Pay (ATP) service arrangement for Short Term Disability (STD) benefits. Our opt-out plan design is compliant with Virginia state code, and in certain areas, goes beyond what the code requires, which demonstrates The Standard's commitment to providing comprehensive benefits and facilitating employees' return to work.

Long Term Disability Insurance

Group LTD insurance helps to protect employees from the loss of income and lifestyle associated with an extended disabling illness or injury. The Standard's LTD plan design meets or exceeds the state code in all areas, and includes additional enhancements that focus on helping disabled employees recover and return to work sooner.



Comparing The Standard's LTD To Virginia Code

Virginia Code	The Standard's Opt-Out Offering	Comparable To Code	Exceeds Code
Benefit Waiting Period 51.1-1157	LTD benefits will begin upon the expiration of the maximum period for which the employee receives STD benefits.	✓	
Maximum Benefit Period 51.1-1161	<p>Age At Date Of Disability 59 or younger</p> <p>Maximum Benefit Period To Social Security Normal Retirement Age (SSNRA) 5 years To age 70 1 year</p> <p>60 through 64 65 through 68 69 or older</p>	✓	
Minimum Benefit	\$100 minimum benefit		✓
Taxability	The benefit is taxable since the employer will pay premiums for the insurance.	✓	
Catastrophic Condition Benefit 51.1-1171	If the insured is unable to perform two or more activities of daily living without hands-on assistance or requires substantial supervision for their health or safety due to severe cognitive impairment, the benefit percentage will be at least 80% of the insured's predisability earnings.	✓	
Own Occupation – Definition Of Total Disability 51.1-1150: Definitions	24-month Own Occupation period; the insured is disabled if he or she is unable to perform the essential duties of their own occupation.	✓	
Any Occupation – Definition Of Total Disability 51.1-1150: Definitions	After the first 24 months of benefit payment, the employee is disabled if he or she is unable to perform any occupation for which he or she is reasonably educated, trained and experienced to perform and he or she continues to suffer a loss of at least 20% of predisability earnings.	✓	
Definition Of Partial Disability 51.1-1150: Definitions	The insured is partially disabled if he or she is working in an occupation but is unable to earn 80% or more of predisability earnings.	✓	
Successive Periods Of Long Term Disability/Recurrent Disabilities 51.1-1158	The insured may temporarily recover from disability and then become disabled again from the same cause or causes without having to serve a new benefit waiting period. During the benefit waiting period, an insured is allowed 45 consecutive days of recovery before a new waiting period is required. During the maximum benefit period, an insured is allowed 125 consecutive workdays for each period of recovery before a new benefit waiting period is required.	✓	
Military Disability Benefits Offset 51.1-1159(F)	The Standard will not offset LTD benefits for any military disability benefits received.	✓	
Social Security Offset 51.1-1159(A)(3)	Social Security benefits payable to the insured or to the dependents of the insured will be considered deductible.	✓	
Workers' Compensation Benefit Offset 51.1-1159(A)(5)	Any amount received by the insured from workers' compensation, including amounts for partial or total disability, will reduce the LTD benefit.	✓	

Comparing The Standard's LTD To Virginia Code

Virginia Code	The Standard's Opt-Out Offering	Comparable To Code	Exceeds Code
Group Insurance Disability Offset 51.1-1159(A)(4)	Any amount received from another group disability plan provided by the employer will reduce LTD benefits from The Standard.	✓	
Cost-Of-Living Adjustments (COLA) Increases To Other Benefits 51.1-1159(C)	If a cost-of-living adjustment increases a deductible income benefit amount, The Standard will not increase the offset amount and will continue to offset the initial award amount.	✓	
Return-To-Work Incentive 51.1-1159(A)(1)-(2)	For the first 12 months after returning to work, the employee's LTD benefit will not be reduced until work earnings plus the LTD benefit exceed 100% of pre-disability earnings. After the first 12 months, The Standard will reduce LTD benefits by only 50% of the employee's work earnings.		✓
Substance Abuse/Alcohol Use And Drug Use Limitation 51.1-1176(B)	No benefits will be payable unless an employee is actively receiving treatment, and, in the judgment of the case manager, is fully complying with the treatment plan.*	✓	
Commission Of A Felony 51.1-1176(A)	Benefits are not payable for disabilities resulting from the commission of a felony, or during any period when an employee is confined for any reason in a penal or correctional institution.	✓	
Return-To-Work Responsibility 51.1-1160	Failure to cooperate with a prescribed rehabilitation program will reduce benefits payable to an employee by 50%.*	✓	
Mental Disorder Limitation	Mental disorders are not limited by the policy.	✓	
Subjective Conditions Limitation	Subjective conditions are not limited by the policy.	✓	
Reasonable Accommodation Expense Benefit	The Standard will issue up to \$25,000 to any employer for reimbursement of approved worksite modifications in order to assist a claimant returning to work.		✓
Rehabilitation Plan Provision	The Standard may issue payment for expenses a claimant incurs while participating in an approved rehabilitation plan. Expenses may include costs related to training, education, family care, work and job searches.		✓
Rehabilitation Incentive	While a claimant is participating in an approved rehabilitation plan, the LTD benefit will be increased by 10% of pre-disability earnings.		✓
Waiver Of Premium	The Standard will waive payment of premium for insurance while LTD benefits are payable.	✓	
Survivors Benefit	If the employee dies while LTD is payable and had been continuously disabled for 180 days, a lump-sum survivor benefit in the amount of three times the monthly benefit is paid. This is not subject to deductible income.		✓

*This provision is subject to filing with and approval by the Virginia Bureau of Insurance.

Advice-To-Pay Short Term Disability Benefits

Group STD replaces a portion of an employee's weekly income in a time of need, with an option for public employers who want to supplement a sick leave or statutory disability benefits program. The Standard's ATP STD allows public employers to pay their own claims from their payroll department and obtain pretax deductions. With ATP, The Standard will:

- Advise on claim decisions
- Calculate the benefit amount (if desired by the employer)
- Manage all claims to duration and advise on how long to pay

The Standard's ATP STD, available to public employers through our opt-out plan, meets all of the requirements outlined by Virginia's state code.



Comparing The Standard's STD To Virginia Code

Virginia Code	The Standard's Opt-Out Offering	Comparable To Code	Exceeds Code																								
Eligibility 51.1-1150	A regular employee who is actively at work at least 20 hours per week, participating in the Virginia hybrid retirement program and hired on or after January 1, 2014	✓																									
Participation Requirements 51.1-1153	Non-contributory coverage = 100% of eligible employees	✓																									
Income Replacement For Non-Work-Related Disabilities 51.15-1155	<table border="1"> <thead> <tr> <th>Months Of Continuous Service</th> <th>Workdays Of Income Replacement At 100%</th> <th>Workdays Of Income Replacement At 80%</th> <th>Workdays Of Income Replacement At 60%</th> </tr> </thead> <tbody> <tr> <td>Less than 12</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>13-59</td> <td>0</td> <td>0</td> <td>125</td> </tr> <tr> <td>60-119</td> <td>25</td> <td>25</td> <td>75</td> </tr> <tr> <td>120-179</td> <td>25</td> <td>50</td> <td>50</td> </tr> <tr> <td>180 or more</td> <td>25</td> <td>75</td> <td>25</td> </tr> </tbody> </table>	Months Of Continuous Service	Workdays Of Income Replacement At 100%	Workdays Of Income Replacement At 80%	Workdays Of Income Replacement At 60%	Less than 12	0	0	0	13-59	0	0	125	60-119	25	25	75	120-179	25	50	50	180 or more	25	75	25	✓	
Months Of Continuous Service	Workdays Of Income Replacement At 100%	Workdays Of Income Replacement At 80%	Workdays Of Income Replacement At 60%																								
Less than 12	0	0	0																								
13-59	0	0	125																								
60-119	25	25	75																								
120-179	25	50	50																								
180 or more	25	75	25																								
Income Replacement For Work-Related Disabilities 51.1-1163	<table border="1"> <thead> <tr> <th>Months Of Continuous Service</th> <th>Workdays Of Income Replacement At 100%</th> <th>Workdays Of Income Replacement At 80%</th> <th>Workdays Of Income Replacement At 60%</th> </tr> </thead> <tbody> <tr> <td>Fewer than 60</td> <td>0</td> <td>0</td> <td>125</td> </tr> <tr> <td>60-119</td> <td>85</td> <td>25</td> <td>15</td> </tr> <tr> <td>120 or more</td> <td>85</td> <td>40</td> <td>0</td> </tr> </tbody> </table>	Months Of Continuous Service	Workdays Of Income Replacement At 100%	Workdays Of Income Replacement At 80%	Workdays Of Income Replacement At 60%	Fewer than 60	0	0	125	60-119	85	25	15	120 or more	85	40	0	✓									
Months Of Continuous Service	Workdays Of Income Replacement At 100%	Workdays Of Income Replacement At 80%	Workdays Of Income Replacement At 60%																								
Fewer than 60	0	0	125																								
60-119	85	25	15																								
120 or more	85	40	0																								
Benefit Waiting Period 51.1-1155	Seven calendar days. However, the waiting period will be waived for catastrophic or chronic conditions.	✓																									
Maximum Benefit Period 51.1-1155	125 work days	✓																									
Own Occupation Definition Of Disability 51.1-1150: Definitions	The insured is disabled if he or she is unable to perform the essential duties of their own occupation.	✓																									
Partial Disability 51.1-1150: Definitions	The insured is partially disabled if he or she is working in an occupation but is unable to earn 80% or more of their predisability earnings.	✓																									
Non-Occ Or 24-Hour Coverage 51.1-1162	24-hour coverage	✓																									
Preexisting Condition Limitation	Not included	✓																									
Return To Work Responsibility 51.1-1160	Failure to cooperate with a prescribed rehabilitation program will reduce benefits payable to an employee by 50%.*	✓																									
Successive Periods Of Short Term Disability (51.1-1156)	The employee does not have to serve a new benefit waiting period if the period of recovery is less than 45 consecutive calendar days.	✓																									
Catastrophic Condition Benefit 51.1-1171	If the insured is unable to perform two or more activities of daily living without hands-on assistance or requires substantial supervision for their health or safety due to severe cognitive impairment, the benefit percentage will be at least 80% of the insured's predisability earnings.	✓																									

*This provision is subject to filing with and approval by the Virginia Bureau of Insurance.

Key Features That Set The Standard Apart

The Standard's LTD plan design is comparable to the Virginia code, but also comes with some key features that set it apart – especially when it comes to helping disabled employees return to work and focus on recovery.

Return-To-Work Incentive

The Standard does not reduce the LTD benefit during the first 12 months of returning to work unless the employee's work earnings combined with the LTD benefit exceed predisability income – at which point, the benefit is reduced to equal predisability income. This provides more coverage than VLDP.

After 12 months, The Standard reduces the LTD benefit by 50 percent of the employee's work earnings (compared to 70 percent with VLDP).

Reasonable Accommodation Benefit

The Standard is committed to helping disabled employees overcome obstacles to going back to work. That's why we will reimburse an employer up to \$25,000 for making approved worksite modifications that help an employee return to work.

Rehabilitation Incentive

To help encourage a focus on recovery, we increase the LTD benefit by 10 percent of predisability earnings while an employee is participating in an approved Rehabilitation Plan.

Survivors Benefit

If the employee dies while LTD is payable and had been continuously disabled for 180 days, a lump-sum survivor benefit in the amount of three times the monthly benefit will be paid.

Pension Contribution Benefit

When an eligible employee is permanently and totally disabled under the Social Security Administration's definition of disability, The Standard will provide a monthly benefit of 1 percent of the covered predisability earnings to fund the employer contribution portion of the VRS.*

*This provision is subject to filing with and approval by the Virginia Bureau of Insurance.

A Full Suite Of Employee Benefits Products

Public employers can count on The Standard to put over a half-century of public group experience to work for them. In addition to ATP STD and comprehensive LTD insurance, we offer a full suite of products for a well-rounded employee benefits package.

Group Life Insurance

Group Life insurance helps protect your employees and their families from financial hardship in the event of death. It can be combined with Accidental Death and Dismemberment (AD&D) and/or Dependents Life insurance for additional financial security.

Group Dental Insurance

Choose from a variety of group dental plan designs, including flexible indemnity, incentive, Participating Provider Organization (PPO) and Voluntary plans.

Group Vision Insurance

Our three vision plans make it easy to find the right balance of costs versus benefits. Available on both an employer-paid and voluntary basis, our Vision plans contain a variety of provisions that help employers save money on vision care services.

Workplace PossibilitiesSM Program

Our Workplace Possibilities program offers a unique, proactive approach to keeping employees at work and helping those who go out on disability to return to work sooner. Included with Group LTD insurance, the program helps employers realize rapid and measurable reductions in disability-related costs. For more information about the program, visit www.workplacepossibilities.com.

These policies have exclusions, limitations, reductions of benefits and terms under which the policies may be continued in force or terminated. Please contact The Standard for additional information, including costs and complete details of coverage.





Founded in Portland, Oregon in 1906, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 25,000 groups, covering over 8 million employees nationwide.* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

We always strive to do what's right – for our policyholders and their employees. This dedication has resulted in a national reputation for quality products, superior service and industry expertise.

To learn more about group insurance from The Standard, contact your insurance advisor or the Richmond, Virginia, Employee Benefits Sales and Service Office at 888.309.7772 or visit us at **www.standard.com**.

*As of March 31, 2013, based on internal data developed by Standard Insurance Company.

Standard Insurance Company
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GP190-LTD/S399, GPTC1002-LTD, GCTC1002-LTD
GP399-STD, GPTC1002-STD, GCTC1002-STD,
GP190-LIFE/S399, GP399-LIFE/TRUST,
GPTC1002-LIFE, GCTC1002-LIFE, 9000 Ed. 03-08,
9000 Ed. 01-05, 9000 Rev. 03-05

Employee Benefit Plans for Public Employers
SI **16809** (7/13) PR/ER