Insurance coverage for recovery

Where luck fails, modern medicine has succeeded: More and more Americans are outliving cancer, stroke, heart disease and other critical illnesses. It’s a mixed blessing. On the one hand, it’s another chance at life and family. On the other, surviving a critical illness brings with it considerable financial demands at a time when life is plenty demanding.

There’s life insurance for loved ones who live on. There’s disability insurance to help recoup lost income when an illness keeps you from your paycheck. But what about the gaps—those additional expenses that come with battling a major disease, when you’re least able to meet them? As a hedge against the lost income, out of pocket medical expenses and all the “little things” that add up, there is Voluntary Critical Illness Insurance (VCI) from Reliance Standard.

The VCI plan offers employers a valuable benefit at no direct cost, and employees an excellent opportunity to purchase valuable coverage in the increments right for their family, through convenient payroll deduction. Key plan features include:

- Coverage from $5,000 to $50,000 for employees and spouses
- Dependent child(ren) coverage (Guaranteed Issue)
- Portability
- FMLA/MSLA continuation
- Tobacco user/Non-Tobacco user rates available
- Five-year age-banded rates
- Wellness benefit standard, may be excluded
- Option to include or exclude cancer coverage
- May be purchased as 100% employee paid or contributory
- HSA-compliant plan design available

Voluntary benefits. So important.
Voluntary benefits.
So important.

The Coverage
- VCI provides a fixed, lump-sum benefit upon diagnosis of a critical illness, which can include heart attack, stroke, paralysis and more.
- Critical illnesses fall into three categories, as follows:
  - Cancer Related
  - Cardiovascular Related, such as heart attack, stroke, aneurysm or coronary artery bypass
  - Other, such as blindness, coma, kidney failure, major organ transplant, paralysis, etc.
- Standard benefit waiting period is 30 days

The Benefit
- Employees may elect an amount of insurance from $5,000 to $50,000 in $1,000 increments
- Spouses under age 70 are eligible for an amount of insurance from $5,000 to $50,000 in $1,000 increments (typically matches and may not exceed employee’s approved benefit)
- No standalone spouse coverage—employee must be covered
- Dependent children, when covered, receive a benefit equal to 25% of the employee’s approved benefit up to $12,500

The Plan Design

<table>
<thead>
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<th>Key plan features unique to VCI include:</th>
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<td><strong>Basic:</strong> 100% of Amount of Insurance</td>
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<tr>
<td><strong>Partial:</strong> 25% of Amount of Insurance</td>
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<td><strong>Enhanced:</strong> 100% of Amount of Insurance</td>
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<td><strong>Wellness (Health Screening) Benefit</strong></td>
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<td><strong>Recurrence Benefit</strong></td>
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<td><strong>Lifetime Maximum Benefit per Category</strong></td>
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Eligible employees are all active full-time employees working a minimum of 30 hours per week. Spouses must be under the age of 70 at the date of application in order to apply for this coverage. Employee must be insured for dependents to be covered. A person may not have coverage as both an employee and as a covered dependent.

If an eligible employee or spouse applies for coverage within the initial enrollment period (31 days of becoming eligible), an amount of coverage may be automatically accepted. All dependent child coverage is guaranteed issue. Applications for insurance over GI or applications made beyond the first 31 days of becoming eligible are subject to evidence of insurability submitted to and approved by Reliance Standard.

The employee may be able to keep his/her insurance (and any Dependent Insurance) if he/she becomes ineligible. The employee must have been covered for at least 12 months and can be given credit for time under the prior carrier’s plan. He/she can elect lower benefit amounts at the time he/she ports coverage, however the plan must include all the same coverages. Premiums are direct-billed to the insured on a quarterly basis.

Employees, who have experienced an initial diagnosis of a critical illness prior to obtaining coverage with Reliance Standard, can still be covered at the same benefit levels as those who have never been diagnosed with a previous critical illness, subject to the pre-existing condition limitation. In our standard plan design, Reliance Standard does not exclude first diagnosis/first occurrence of any type of critical illness.

Our Critical Illness plans include a “12/12” pre-existing condition limitation subject to state requirements. A pre-existing condition is any condition (whether diagnosed or not) for which an insured sought, treatment, advice, care or services from a doctor, or for which he/she took prescribed drugs or medicines within a specified period of time (12 months) before the individual effective date of coverage. Benefits would not be payable for a disability due to a pre-existing condition, should the insured become disabled due to such pre-existing condition within the first 12 months of coverage.

The following is a list of some of the exclusions. A critical illness benefit will not be paid under the following circumstances:

- Intentionally self-inflicted injuries
- Act of war, declared or undeclared
- Committing a felony
- Injury or sickness that occurs while the insured is confined in a penal or correctional institution
- Participation in a riot or insurrection
- Critical Illness which is diagnosed before or during the Benefit Waiting Period

For a comprehensive list of exclusions, please refer to the policy.
NOTE: This brochure is intended for use by agents and brokers only, and is not intended for distribution to the general public. The availability of the described products, benefits and features may vary by state. Group critical illness coverage is underwritten by Reliance Standard Life Insurance Company and provided through policy form series LRS-9401-0111, et al. Reliance Standard Life Insurance Company is licensed in all states (except New York), the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. In New York, insurance products and services are provided through First Reliance Standard Life Insurance Company, Home Office: New York, NY.