



The University of North Carolina

Long Term Disability Plan

Effective October 1, 2003



Why you need it

This plan gives you income protection

You insure your life, your home, your car and your health. And each of those coverages is absolutely important.

But protecting your income is equally important. No individual or family can survive for long without a regular source of income.

Think of what would happen if you were disabled from an accident or illness and could not work for an extended period of time.

It's a frightening prospect that can be prevented.

The University of North Carolina's group Long Term Disability insurance plan is designed to provide you with a monthly check that can replace a significant portion of your salary — month after month or year after year — when you are totally disabled and cannot work.

What it does

Here are the highlights of your Group Long Term Disability Plan:

- Replaces up to 66 2/3 percent of your monthly salary, with a maximum benefit of \$10,000 per month, when you are disabled and unable to work. (Please check the Certificate of Insurance for any offsets which may apply.)
- Protects your retirement income. The plan continues contributions to your TIAA-CREF Retirement Annuity equal to 12.84 percent of your monthly salary.
- Disability is defined as being completely unable to perform your normal occupation.
- Pays benefits for as long as disability continues — or until you attain age 65.
- Pays a benefit to your surviving dependent(s) if you die after having been disabled for at least nine months.
- Allows you to convert to an individual policy after your coverage ends, if at that time, you had at least 12 months of continuous coverage under the group plan.
- Provides a work transition period, if you return to work on a limited basis while disabled.
- Provides partial disability benefits if you are disabled and continue to work on a limited basis but are unable to earn your full monthly salary.

Please consult the following website for full details of the policy provisions, definitions, and limitations:

www.northcarolina.edu/hr/orp_standard.htm

Calculating Your Long-Term Disability Premium

The Long Term Disability premium is based on your covered monthly salary (CMS). You can compute your cost for this coverage by using this simple worksheet. Follow the example as you work through the calculation.

The current premium rate for the Monthly Income Benefit is .144 and .094 for the Monthly Annual Premium Benefit.

	<i>Your Calculation</i>	<i>Example A</i>	<i>Example B</i>
<i>For calculation of the premium for the Monthly Income Benefit:</i>			
1. Annual Salary	\$ _____	\$50,000.00	\$200,000.00
2. Divide by 12 for Monthly Wage Base	\$ _____	\$4,166.67	\$16,667.67*
2a. Covered Monthly Salary Base		\$4,166.67	\$15,000.00*
3. Divide by 100	\$ _____	\$41.67	\$150.00
4. Multiply the number on line 3 by the Cost Factor	\$ _____ x .144	\$41.67 x .144	\$150.00 x .144
5. Monthly Cost of the Monthly Income Benefit	\$ _____	\$6.00	\$21.60

*For calculation of the premium for the Monthly Annuity Premium Benefit:
(For calculation of the Monthly Annuity Premium Benefit use your full monthly base salary.)*

6. Divide the number on line 2 by 100	\$ _____	\$41.67	\$166.67
7. Multiply the number on line 3 by the Cost Factor	\$ _____ x .094	\$41.67 x .094	\$166.67 x .094
8. Monthly Cost of the Monthly Annuity Premium Benefit	\$ _____	\$3.92	\$15.67

9. Total Monthly Cost (add lines 5 and 8)	\$ _____	\$9.92	\$37.27
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* The maximum covered monthly salary base is \$15,000.



How to enroll

- 1) Determine your rates from the easy-to-use table in this booklet.
- 2) Complete the enrollment form.
- 3) Return the enrollment form to your Human Resources Department.

About The Standard

Founded in 1906 in Portland, Oregon, Standard Insurance Company offers group insurance as well as individual insurance products and retirement plans. The Standard has built a national reputation for providing quality insurance products, personalized service and consistently delivering strong financial performance.

StanCorp Financial Group, Inc., a Fortune 1000 company, is the holding company for Standard Insurance Company. Standard Insurance Company, the largest subsidiary of StanCorp, markets products in 49 states (excluding New York) and the District of Columbia. At The Standard, we thrive on teamwork, strong ethics and customer service on every level. Our track record proves it.

Our Financial Strength Ratings as of August 2003

A.M. Best	A (Excellent)	3rd of 13 rankings
Standard & Poor's	A+ (Strong)	5th of 16 rankings
Moody's	A1 (Good)	5th of 16 rankings
Fitch	AA- (Very Strong)	4th of 16 rankings

Some Helpful Questions and Answers

Q: Who pays for this Long Term Disability insurance?

A: You pay the cost of this group insurance through payroll deduction which frees you from premium reminders, check writing and lump-sum payments. **No premium payments will be required from you while you are receiving benefits under this plan.** Please see enclosed Rate Sheet for your current monthly premium.

Q: Who is eligible for this insurance?

A: All active full-time employees who are employed by the University of North Carolina, who participate in the Optional Retirement Program, and who are designated as: faculty, with the rank of instructor or above; field faculty of the Cooperative Agriculture Extension Service; the President and senior academic and administrative officers who are appointed by the Board of Governors on recommendation of the President pursuant to G.S. 116-11(4), 116-11(5), and 116-14 or who are appointed by the Board of Trustees of a constituent institution upon the recommendation by the Chancellor pursuant to G.S. 116-40.22(b); and non-faculty instructional and research staff who are exempt from the State Personnel Act.

Q: Is a medical exam necessary?

A: No. However, you will need to provide evidence of insurability if you do not enroll within 60 days of being eligible for this insurance.

Q: If I became disabled, when would benefits begin?

A: You would receive benefits after three months of being totally disabled.

Q: Am I covered if I take a leave of absence?

A: Coverage may continue for up to 24 months during a sabbatical or leave for which you receive at least 1/4 pay; or if you are actively engaged in education or research; or pursuing an advanced degree. You may also be covered during maternity leave for up to four months following the termination of pregnancy; and for family or medical leave approved by your employer for up to six months.



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