



# Wage Guard<sup>SM</sup>

SHORT-TERM DISABILITY INSURANCE



# Short-term disability insurance

Benefits for your employees—and for you

## Help your employees prepare for and protect their future.

Accidents and illnesses are all too common. And too often, they lead to short-term disability.

During a period of disability, an injured or ill employee may be unable to work, earn a paycheck and keep up with ongoing household bills.

Short-term disability insurance is a simple solution, with benefits that are flexible, affordable and easy to use.

Wage Guard—offered by Washington National Insurance Company—is a voluntary short-term disability insurance plan available to groups like yours. Wage Guard helps supplement your employees' income when they're disabled by an illness or injury and can't work.

## Help your bottom line

When you offer Wage Guard as part of your total benefits package, your employees gain protection against the financial impact of disabilities—so they can focus on getting well and getting back to work.

Wage Guard delivers:

- Employee-paid benefits at no cost to you.
- Competitive group rates with a two-year rate guarantee.
- Flexible options.
- Prompt benefit payments for insured employees who become disabled.
- Guarantee issue—so all eligible employees can get coverage.
- Weekly benefit amounts of \$70 up to \$1,700.
- Continuity of coverage from your previous carrier's plan.



## Wage Guard—

affordable, flexible, easy-to-use benefits to serve your business and your employees

### Two simple plans

Wage Guard is designed to suit businesses of all sizes. Your Washington National representative will help you review the plans and choose the right coverage for your group. In most cases you'll select a standard plan design, with a set limitation and benefit period for all eligible employees.

	Plan 1	Plan 2
<b>Maximum benefit percentage<sup>1,2</sup></b>	Pretax: 70%, Post-tax: 65%, Statutory states: 25%	Pretax: 65%, Post-tax: 60%, Statutory states: 25%
<b>Coverage type</b>	Non-occupational or 24-hour	Non-occupational or 24-hour
<b>Benefit periods— weeks per disability period</b>	13 weeks, 26 weeks, 52 weeks or 104 weeks	13 weeks, 26 weeks, 52 weeks or 104 weeks
<b>Elimination period<sup>3</sup></b>	0/7, 7/7, 0/14, 14/14, 30/30 or 90/90	0/7, 7/7, 0/14, 14/14, 30/30 or 90/90
<b>Portability</b>	Available after the policy has been in force for one year; coverage may continue up to 12 months	Not available
<b>Rate structure</b>	Issue age	Attained age

<sup>1</sup> 24-hour voluntary disability benefits integrate with workers' compensation benefits. State variations may apply.

<sup>2</sup> Statutory states are HI, RI, NJ

<sup>3</sup> In the elimination period options, the first number refers to a disability related to an accident, and the second is for a disability due to sickness (e.g., 0/7 indicates a 0-day elimination period for an accident-related disability and a 7-day period for a sickness disability). The number of available elimination periods is based on the size of your group. Not all elimination periods are available with all benefit periods.

## Wage Guard features

- **Weekly benefit amounts range from \$70 up to \$1,700**, available in \$10 increments.
- **Initial rates are guaranteed for two years.**
- **Underwriting is not required for takeover business** if the previous coverage was less than or equal to stated benefit limits.
- **Guarantee issue is available** for groups when 25% of eligible employees participate in the plan. Guarantee-issue benefits are available up to \$700 per week.
- **Premium payments are waived** while the employee is receiving short-term disability benefits. The waiver begins the first day of the month after the elimination period.
- **Maternity disability benefits are available** and are paid the same as an illness.
- **Mental illness** is covered up to a lifetime maximum of 52 weeks. The coverage includes but is not limited to psychotic, emotional and behavioral disorders, and is available only with the 104-week benefit period.
- **Drug- or alcohol-dependency disorders are covered** up to a lifetime maximum of 52 weeks. This coverage is available only with the 104-week benefit period.
- **Wage Guard coverage is portable.**<sup>1</sup> Your employees can continue their coverage even after their employment ends, subject to eligibility requirements. Once the policy has been in effect for one year, it can be maintained up to 12 months after employment ends.
- **Wage Guard pays a survivor benefit** to an eligible beneficiary if an employee dies while he or she is receiving disability benefits. The maximum benefit is equal to 13 weeks of benefit payments. This benefit is available only when the 52- or 104-week benefit period is selected. For this sum to be paid, the employee must have been disabled at least 180 consecutive days and be eligible for policy benefits.
- **Partial disability benefits** are provided at 50% of the regular weekly benefit for up to 13 weeks. This benefit helps when the employee hasn't been able to work due to a disability but is able to return part-time by physician's orders.
- This coverage is **compatible with Section 125 cafeteria plans.**
- **Weekly benefits "coordinate" with other sources of disability income**, such as disability insurance, workers' compensation and Social Security payments. Within the first 12 months of disability payments, benefits are not reduced unless the Wage Guard benefit and other deductible sources of income combine to exceed the employee's weekly earnings before the disability occurred. (Note: For 24-hour coverage plans, benefits are directly reduced by workers' compensation payments.) After the first 12 months, benefits are directly reduced by all deductible sources of income.
- **A limited benefit for pre-existing conditions** may be paid for up to four weeks if a disability occurs during the pre-existing condition limitation period. The payment is equal to 25% of the employee's regular weekly benefit.

## Definitions\*

**Total disability:** An employee is totally physically or mentally unable to perform the material and substantial duties of his or her regular occupation due to a sickness or an injury.

**Partial disability:** An employee is able to return to work part- or full-time with a loss of earnings. If the employee earns less than a certain income level, he or she is eligible for reduced Wage Guard benefits for the specified time.

**Own occupation disability:** An employee is considered disabled when they are unable to work in the specific occupation for which they are qualified by education, training or experience.

**Any occupation disability:** After 52 weeks of benefit payments, employees are considered disabled if they are unable to work in any gainful occupation for which they are qualified by education, training or experience. This option applies only with the 104-week benefit period.

**Elimination period:** The number of consecutive days at the beginning of each period of disability during which no benefits are paid and the employee is continuously, totally disabled.

**Benefit period:** The maximum length of time the employee is eligible to receive benefit payments under the Wage Guard policy.

**Nonoccupational coverage:** Provides coverage for any disability due to an injury or sickness that is not work-related.

**24-hour coverage:** Provides coverage for disabilities whether or not the injury or sickness is work-related.

**Deductible sources of income:** Any of the employee's deductible sources of income, as defined in the policy, that are in place at the time of claim and that will reduce the available benefit payments.

**Waiver of premium:** The period of time during which premium payments are not required because the employee is receiving disability benefits.

\*See the policy for a complete list of definitions.

<sup>1</sup>Portability only available for Plan 1.

## Limitations and exclusions

Wage Guard does not pay benefits for a disability caused by, contributed to<sup>1</sup> or resulting from: loss of professional license, occupational license or certification; participation in a felony;<sup>2,3</sup> intentionally self-inflicted injuries; attempted suicide, regardless of mental capacity;<sup>4</sup> being legally intoxicated<sup>5</sup> or being under the influence of any narcotic, unless the narcotic is taken under the direction of and as directed by a doctor; participation in a war,<sup>6</sup> declared or undeclared, or any act of war;<sup>6,7</sup> active military duty; active participation in a riot;<sup>3</sup> engaging in any illegal or fraudulent<sup>8</sup> occupation;<sup>9</sup> work or employment; commission of a crime<sup>10</sup> for which you have been convicted;<sup>11</sup> elective surgery<sup>10,12</sup> except when required for appropriate care as a result of your injury or sickness; traveling or flying on any aircraft operated by or under the authority of the military or on any aircraft being used for experimental purposes; or occupational sickness or injury.

The lifetime cumulative maximum period of payment for all disabilities due to mental illness, alcoholism, drug abuse or special conditions<sup>13</sup> is 12 months. See your policy for additional details.

“Pre-existing condition” means any condition for which you have done, or for which an ordinarily prudent person would ordinarily have done,<sup>14</sup> any of the following at any time during the period of time as stated in the policy,<sup>15,16</sup> whether or not that condition is diagnosed at all or is misdiagnosed during that period of time as stated in the policy:<sup>15,17</sup>

1. Received medical treatment or consultation;<sup>19,20</sup>
2. Taken or were prescribed drugs or medicine; or
3. Received care or services, including diagnostic measures.

**Pre-existing condition limitation:** If your disability begins in the first 12 months following the effective date of your coverage and your disability is caused by, contributed to<sup>1</sup> or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed,<sup>21</sup> for which:

1. You received medical treatment,<sup>20</sup> consultation,<sup>18</sup> care or services, including diagnostic measures, or took or were prescribed drugs or medicines in the 12 months<sup>22</sup> just prior to your effective date of coverage; or<sup>23</sup>
2. You had symptoms for which an ordinarily prudent person would have consulted a doctor in the 12 months just prior to your effective date of coverage.<sup>24,25,26</sup>

Other pre-existing condition limitations may apply. See your policy for details.

Weekly benefits are reduced by the deductible sources of income listed in the policy, including but not limited to: state compulsory benefit act or law; automobile liability insurance policy;<sup>27</sup> military disability benefit plan;<sup>28</sup> or other group insurance plan. See your policy for a complete list of all deductible sources of income.

This brochure is intended to be a brief, general description of coverage. For more complete details of coverage, including benefits, limitations and exclusions specific to your state, please review the certificate with your agent.

Policy forms (may vary by state): CIC1024C, CIC1024M

WASHINGTON NATIONAL INSURANCE COMPANY  
Home Office  
11825 N. Pennsylvania Street  
Carmel, IN 46032

**WashingtonNational.com**

<sup>1</sup>In Illinois, “contributed to” is not applicable.

<sup>2</sup>In New Jersey, “commission of or attempt to commit a felony.”

<sup>3</sup>In Oregon, “participation in a felony, riot or insurrection (participation in a riot of insurrection includes instigators and those pursuing participation and does not include civil commotion, disorder, injury as an innocent bystander, or injury for self-defense);

<sup>4</sup>In Missouri, “while sane”

<sup>5</sup>In Illinois, add “as being defined by the law of the jurisdiction in which the incident occurs.”

<sup>6</sup>In Oklahoma, “participating in a war or any act of war, declared or undeclared, while serving in the military or any auxiliary unit attached to the military, or working in an area of war, whether voluntarily or as required by an employer, or service in the armed forces or units auxiliary thereto.”

<sup>7</sup>In Oregon, “war” includes military activity by one or more national governments; “war” does not include terrorist acts, other random acts of violence not perpetrated by the insured, civil war or a local or community faction.

<sup>8</sup>In Oregon, “fraudulent” is not applicable.

<sup>9</sup>In New Jersey, “engaging in an illegal occupation”.

<sup>10</sup>In New Jersey, not applicable.

<sup>11</sup>In Nebraska, “commission of a crime for which you have been convicted” is not applicable.

<sup>12</sup>In Illinois, Oregon, and South Carolina “elective or cosmetic surgery except when required due to injury or sickness.”

<sup>13</sup>In New Jersey, “special conditions” is not applicable.

<sup>14</sup>In Idaho, Indiana, Missouri, Montana, New Jersey, Pennsylvania, South Carolina and Virginia, “for which an ordinarily prudent person would ordinarily have done” is not applicable.

<sup>15</sup>In Nevada, “during the period of time as stated in the policy” does not apply.

<sup>16</sup>In Missouri, “any of the following at any time during the 12 months just prior to your effective date of coverage,”

<sup>17</sup>In New Jersey, “whether or not the condition is diagnosed at all or is misdiagnosed during that period of time as stated in the policy” does not apply.

<sup>18</sup>In Missouri, not applicable

<sup>19</sup>In Indiana, “received medical treatment or advice.”

<sup>20</sup>In Missouri, “received medical advice or treatment.”

<sup>21</sup>In New Jersey, “whether or not that condition is diagnosed at all or is misdiagnosed” does not apply.

<sup>22</sup>In Pennsylvania, 3 months.

<sup>23</sup>In Missouri, “and”

<sup>24</sup>In Missouri, “you were not treatment free for 6 consecutive months after the effective date of coverage”

<sup>25</sup>In Idaho, Indiana, Kentucky, Montana, New Jersey, South Carolina and Virginia, “you had symptoms for which an ordinarily prudent person would have consulted a doctor in the 12 months just prior to your effective date of coverage” is not applicable.

<sup>26</sup>In Pennsylvania, not applicable

<sup>27</sup>In New Jersey, not applicable

<sup>28</sup>In New Jersey, except when such benefits are paid for illness and injuries that were incurred prior to the date of disability

