

*Protect your most valuable asset*

ProVider*Plus*



**INDIVIDUAL DISABILITY  
INCOME INSURANCE**



**GUARDIAN<sup>®</sup>**



Do you insure your income?






# YOUR INCOME IS YOUR MOST VALUABLE ASSET

You take on the financial responsibility of insuring your most valuable assets. You insure your home and its contents to protect against theft, fire and even flood. You insure your auto from the financial impact of auto-related damages or injuries. Perhaps you insure other valuables, such as jewelry, antiques and collectibles.

*Do you insure your income?*

Your income is your most valuable asset—one that makes owning your home and automobile possible. But have you considered that your income also determines your current standard of living and provides for your long-term financial goals? Unfortunately, it's all at risk should you suffer a disability, and disability is much more common than you might think.

That's why purchasing a disability income insurance policy to help protect your income is one of the most responsible decisions you'll ever make, and why we'd like you to know more about it. Read this brochure to learn how ProVider Plus can help protect your standard of living from the impact of a disability today, as well as in retirement. Then meet with an insurance advisor to design a policy best suited to your needs.

 **CONTENTS**

|  |           |
|--|-----------|
| <b>The Risk of Disability</b>                                      | <b>2</b>  |
| • Statistics   |           |
| • Leading Causes   |           |
| • Resources People Rely On   |           |
| <b>What to look for in a High-Quality Disability Income Policy</b> | <b>4</b>  |
| • Renewability Provision   |           |
| • Definition of Total Disability                                   |           |
| • Built-in Benefits That Protect Your Interests                    |           |
| • Optional Benefits (Riders) for Your Specific Needs               |           |
| <b>Key Considerations Before You Decide</b>                        | <b>18</b> |
| • What Factors Influence Your Costs?                               |           |
| • Flexible Premium Options   |           |
| <b>Important Questions to Ask Your Insurance Advisor</b>           | <b>20</b> |

A man in a white polo shirt and blue jeans is smiling and running with two young boys in a grassy park. One boy in a purple shirt is on the left, and another in a grey shirt is on the right. A soccer ball is on the ground near the boy in purple. The background shows trees and a bright sky.

# EVERY 4 SECONDS

AN INJURY OCCURS IN THE HOME

- NATIONAL SAFETY COUNCIL, "INJURY FACTS," 2007 EDITION



## THE RISK OF DISABILITY: COULD IT HAPPEN TO YOU?

It's human nature—most of us don't want to think about getting sick or injured, or about struggling financially because we are unable to work. Yet it's a possibility we all must consider, especially since disability is a common—and growing—problem, and personal savings rates are at historic lows.

Take a moment to digest these facts:

- **A 20-year-old worker has a 3-in-10 chance of becoming disabled** before reaching retirement age. ([www.socialsecurity.gov/dibplan](http://www.socialsecurity.gov/dibplan))
- A disabling injury occurs **every three seconds** in a public setting and **every four seconds** in the home. (*National Safety Council, "Injury Facts," 2007 Edition*)
- The number of workers who become disabled **has risen by 35%** since 2000 as reported by the Social Security Administration. ([www.disabilitycanhappen.org/news/survey\\_summary.asp](http://www.disabilitycanhappen.org/news/survey_summary.asp))
- The personal savings rate in the United States averaged just 0.5% in 2007, with a seven year average at 2.0%. (*U.S. Bureau of Economic Analysis, 2007*)

But what does this mean to real people and the lives they lead? The numbers below tell the troubling story:

- Two-thirds of American families **live from paycheck to paycheck**. (*Parade Magazine, "Is the American Dream Still Possible?" April 23, 2006*)
- Disability is the **leading cause of personal bankruptcies**. It causes nearly 50% of all mortgage foreclosures, compared to 2% caused by death. (*Health Affairs, The Policy Journal of the Health Sphere, 2 February 2005*)
- More than **70% of working Americans do not have enough savings** to meet short-term emergencies, let alone a long-term disability. (*National Investment Watch Survey, A.G. Edwards Inc., 2004*)

As you can see, losing your income to a disabling illness or injury could happen to you. So how would you answer these important questions?

- Could I afford to live without my income?
- How much of my current income goes to cover living expenses each month—the mortgage, car payments and gas, utilities, food, and home repairs—and how would these be paid with no income?
- How long would my savings last?
- What lifestyle changes would my family or I have to make to accommodate the lost income?
- What would happen to plans for the future—college funding, travel, retirement and legacies?

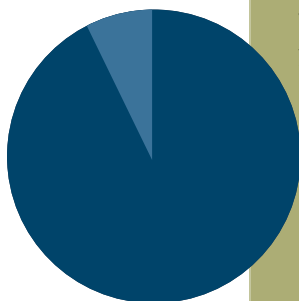
You see, the risk of disability isn't just physical. The consequences can have a profound emotional and financial impact on you, your loved ones and your future opportunities.

### THE LEADING CAUSES OF DISABILITY

When you think disability, do you think "accidents"? If so, you're in for a surprise, because the leading sources of disability are cancer, heart disease, back and spine problems, diabetes, and depression. (*Council for Disability Awareness, 2006*)

| Major Disablers                   | % of New Claims |
|-----------------------------------|-----------------|
| Musculoskeletal/connective tissue | 22.7%           |
| Cancer                            | 13.6%           |
| Injuries/accidents                | 7.8%            |
| Mental/psychiatric                | 6.5%            |
| Neurological                      | 5.7%            |

2006 Long-Term Disability Claims Review, Council for Disability Awareness



92% Illness

7.8% Injury

### DO YOU HAVE OTHER RESOURCES TO PAY THE BILLS? CAN YOU REALLY COUNT ON THEM?

Many people think that if they couldn't work, they could still get by without disability insurance, but these resources are typically short-term and can be unreliable:

**PERSONAL ASSETS** – Most financial advisors recommend counting on cash reserves for only the first few months. A long-term disability can rapidly erode assets.

**SPOUSAL INCOME** – If a couple or family relies on two incomes when both wage-earners are well, it's unlikely they will manage on a single income when one person is disabled, especially with additional medical expenses and other special needs.

**SOCIAL SECURITY** – Given the stringent requirements to qualify for benefits, fewer than 30% of claims are approved at the initial level. After all appeals, only about half of claims are ultimately approved. (Source: Social Security Administration, 2006)

**WORKERS COMPENSATION** – Benefits generally cover employees for job-related accidents and illness, not those suffered outside of the workplace.

**GROUP LONG TERM DISABILITY (LTD) PLANS** – Employer and association long-term disability plans are highly variable, but rarely offer benefits such as a guaranteed premium or cost of living adjustment. The insurer or plan sponsor may be able to modify plan benefits or cancel the plan. Benefits under employer plans are typically offset by Social Security and other government programs, and Group LTD coverage is not portable, should you leave your job.

**STATE TEMPORARY DISABILITY** – New York, New Jersey, California, Hawaii and Rhode Island provide a minimal level of short-term coverage for employees. Other states offer no such coverage.



# WHAT TO LOOK FOR

*In a High-Quality Disability  
Income Insurance Policy* —————

Buying disability income insurance is an important decision that could impact your hopes, dreams and financial stability. That's why it's important to understand how income protection policies work and how they differ from company to company. In this section we will walk you through important considerations and key terms. Of course, your insurance advisor can help to explain these concepts in more detail and discuss how they relate to a policy you may be considering.



## LOOK FOR THESE BASICS

When you shop for an individual disability income policy, look for one that:

1. Is both non-cancellable and guaranteed renewable. When a policy is both non-cancellable and guaranteed renewable, as long as all required premiums are paid, the insurer cannot cancel the policy, increase the premiums, or change the terms and conditions of coverage;
2. Pays you a monthly benefit\* if you are totally disabled in your own occupation, even if you can work in another occupation;
3. Offers a variety of built-in policy provisions designed to protect your interests; and
4. Offers a selection of optional benefits, known as riders (often available for an additional premium) that allow you to create a policy best suited to your specific needs.

\* The term "benefit" is used in place of "indemnity" throughout this publication. Insurance policy language equates benefit with indemnity. A ProVider Plus policy provides a Monthly Indemnity for Total Disability. Refer to a sample policy for complete details.

## 1. Renewability Provision: KEEPING PROTECTION IN FORCE

Pay particular attention to renewability provisions, because they define your rights in maintaining your disability income protection. Look for a policy that is both *non-cancellable* and *guaranteed renewable*. When a policy is guaranteed renewable only, it will remain in force as long as you continue to pay for your policy on time, but the insurance company may increase your premium.

When your policy is both **non-cancellable** and **guaranteed renewable** to age 65 or 67, as the ProVider Plus policy is,\*\* only you can request that changes be made or the contract be cancelled. Your policy will be renewed each year at a guaranteed premium as long as you pay your premium on a timely basis.

\*\*ProVider Plus is non-cancellable and guaranteed renewable to age 65 (or age 67 with a To Age 67 benefit period), after which it is conditionally renewable for life. That means that after this time, your premiums can change on an annual basis. You must also be gainfully employed full time in order for coverage to be renewed.



## 2. Total Disability: WHEN BENEFITS ARE PAYABLE

Disability income insurance policies provide a monthly benefit for total disability. Pay particular attention to how total disability or totally disabled is defined. It is the key differentiating factor in how valuable that policy will be to you during an actual disability.

ProVider Plus offers a **true own-occupation** definition of total disability. It considers you to be totally disabled if, solely due to injury or sickness, you are not able to perform the material and substantial duties of your occupation (or occupations, if more than one), even if you are at work in another occupation.\*\*\*

Medical and dental specialists will also appreciate our **specialty language**: If you have limited your occupation to the performance of the material and substantial duties of a single medical or dental specialty, we will consider that specialty to be your occupation.

Compare disability income policies carefully before you buy. Many don't provide true own-occupation coverage or specialty language the way ProVider Plus does.

\*\*\*A different true own-occupation definition of total disability applies to policies issued in California. See a sample California policy for details.



### 3. Built-In Basics:

#### MORE PROTECTION, STRONGER COVERAGE

All insurance policies have base provisions that further define how the policies work, but some are stronger than others. The features described here are part of every ProVider Plus policy. Let's examine how each works and how they differ from similar provisions in other companies' DI policies.

#### ELIMINATION PERIOD: COMMON FEATURE WITH ADDED VALUE

All disability income policies have an elimination period (or waiting period)—the period of time that must elapse before benefits become payable.

But with ProVider Plus, different periods of disability from the same—or a different—cause count toward the elimination period. The days on which you are disabled need not be consecutive, but must occur within a specified accumulation period. For example, policies with a 90-day elimination period have an accumulation period of 210 days.

**KEY DIFFERENCE!**

As this chart shows, even though the second disability isn't related to the first, we do not apply a new elimination period to the second disability. Many other companies require the second disability to be due to the same or related causes. If it is not, they will require the insured to satisfy a new elimination period before monthly benefits would become payable.

#### SCENARIO:

- \$5,000 monthly benefit.
- 90-day elimination period.
- A heart attack disables you for two months.
- Four months after you recover, you are disabled by an automobile accident.

In this scenario, the ProVider Plus policy will pay out \$10,000 more in benefits and pay sooner than many other policies.

| MONTH*  | STATUS   | ProVider <sup>Plus</sup>   | OTHER POLICIES                |
|---------|----------|----------------------------|-------------------------------|
| 1st-2nd | Disabled | Elimination Period         | Elimination Period            |
| 3rd-6th | Recovery | Not Disabled               | Not Disabled                  |
| 7th     | Disabled | Satisfy Elimination Period | New Elimination Period Begins |
| 8th     | Disabled | \$5,000                    | Elimination Period            |
| 9th     | Disabled | \$5,000                    | Satisfy Elimination Period    |
| 10th    | Disabled | \$5,000                    | \$5,000                       |

**KEY DIFFERENCE!**

And to provide even more value, ProVider Plus includes a built-in **waiver of elimination period**. The elimination period will be waived for any subsequent disability—*related or unrelated to the original disabling condition*—that occurs within five years of the end of the previous disability. We do not require a new elimination period if your original disability lasted more than six months and we paid benefits for that disability. Most other policies waive the elimination period only within 12 months of returning to work, and only for a relapse of the original disabling condition.

Should you suffer a subsequent disability, benefits would be payable from the first day. What does this mean in real dollars? In the scenario shown, ProVider Plus could pay you up to \$15,000 more than most other policies.

#### SCENARIO:

- \$5,000 monthly benefit.
- 90-day elimination period.
- You are totally disabled for seven months and collect benefits, then recover.
- Within five years, you are again disabled—from a related or unrelated cause.

| MONTH*    | STATUS   | ProVider <sup>Plus</sup> | OTHER POLICIES |
|-----------|----------|--------------------------|----------------|
| 1st-3rd   | Disabled | 0                        | 0              |
| 4th-7th   | Disabled | \$15,000                 | \$15,000       |
| 8th-35th  | Recovery | 0                        | 0              |
| 36th-38th | Disabled | \$15,000                 | 0              |

\*The elimination period of a disability insurance policy may be referred to in days or months. The ProVider Plus elimination period is in days. For the purposes of this illustration, one month equals 30 days.



# WHAT TO LOOK FOR

*In a High-Quality Disability  
Income Insurance Policy*

A woman with dark hair in a ponytail, wearing a black sleeveless dress with white polka dots, is sitting on a concrete ledge. She is holding a black smartphone to her ear with her left hand and writing in a notebook with a purple pen in her right hand. The background shows a brick building on the left and a blue sky with light clouds on the right. The overall scene is bright and professional.

# WHAT TO LOOK FOR

*In a High-Quality Disability  
Income Insurance Policy*

---



### WAIVER OF PREMIUM BENEFIT: AN EXTRA ADVANTAGE

The last thing you should have to worry about during a disability is paying your policy premium. So when a disability occurs and benefits are paid:

- First, we refund any premiums you have paid that apply to the period of disability.
- Second, we waive your premium for as long as you're disabled and receiving benefits in the same claim.
- Third, we continue to waive your premium for six months following your recovery, so you can focus on getting back to work and into your routine.

Other companies will waive or refund premiums only if they actually become due or are paid during a period of disability. And we're the only company to offer a **six-month premium waiver following recovery!**



### BENEFIT PERIOD: CHOOSE FROM FIVE\*

A disability income policy's benefit period equals the longest length of time you'll be paid monthly benefits for a disability from the same cause. ProVider Plus has five to choose from—plus an optional Graded Lifetime Indemnity For Total Disability Rider (see page 18 for more details).

You can select from 2, 5 and 10 Years, To Age 65, and To Age 67 benefit periods. Generally, the shorter the benefit period, the lower the premium.

\*To Age 65, To Age 67 benefit periods available to occupation classes 6-3; 6M-3M

### PAYMENT OPTIONS: CONVENIENCE AND TAX SAVINGS

When you purchase ProVider Plus, you can choose our **Guard-O-Matic** payment plan. We'll automatically deduct your monthly premium payment from your bank account—with no built-in finance charge that other companies might impose. Or you can make premium payments on your own when they become due—quarterly, semiannually or annually. You choose.

And here's another item to consider: When you pay for your ProVider Plus policy with after-tax dollars, you pay no income tax on any monthly benefit payments you receive.



### PRESUMPTIVE TOTAL DISABILITY BENEFIT: EXTRA PROTECTION WHEN YOU NEED IT MOST

ProVider Plus includes a benefit designed to give you extra protection in the case of certain severe disabilities: the Presumptive Total Disability Benefit.

Under this benefit, we will consider you totally disabled if sickness or injury results in the total and complete loss of: the sight in both eyes; hearing in both ears; speech; or the use of both hands, both feet, or one hand and one foot, in their entirety. We will also waive any unexpired part of the elimination period from the date of such a loss.

Suppose you suffer such a disability in an auto accident from which you expect to recover. We will waive the policy's elimination period or any unexpired portion of it, and benefits start to accrue from the date of your total disability. Even if you continued to work full time, we would presume you to be totally disabled and would **pay your monthly benefit as long as your total disability continues**. Most other policies require that such a disability be irrecoverable, and would not pay a presumptive disability benefit.







*Optional Benefits Riders to*

# PERSONALIZE YOUR POLICY

| Claim Month† | Prior Income | Income |
|--------------|--------------|--------|
| 1            | \$8,667      | 100%   |
| 2            |              | 100%   |
| 3            |              | 70%    |
| 4            |              | 60%    |
| 5            |              | 50%    |
| 6            |              | 40%    |
| 7            |              | 40%    |
| 8            |              | 35%    |
| 9            |              | 30%    |
| 10           |              | 25%    |
| 11           |              | 15%    |
| 12           |              | 15%    |

## 4. Optional Benefits (Riders): TO PERSONALIZE YOUR POLICY

The word “rider” is an insurance term used to describe options (often available for an additional premium) that are added to a base policy. ProVider Plus starts with a comprehensive base policy, and then lets you select riders to design protection that fits you best. It’s similar to purchasing a car, and then customizing it by adding those options that suit your needs.

### RESIDUAL DISABILITY BENEFIT RIDER\*

#### BECAUSE NOT ALL DISABILITIES ARE “TOTAL”

Sometimes an illness or injury doesn’t cause a total disability, but it does limit your ability to work and results in decreased income. Or, you might suffer a total disability and return to work, but not at your pre-disability level of income. For these reasons, you should look for a policy that provides benefits for partial (also called “residual”) disabilities.

The ProVider Plus Residual Disability Benefit Rider provides a benefit payable when you *are* gainfully employed and not totally disabled, but solely due to illness or injury, you suffer a loss of income of at least 15% of your prior income. This rider also includes the following features:

- A loss of income indemnity that will replace your lost earnings for the first 12 months, up to the policy’s monthly benefit less any individual disability benefits you are receiving or eligible for from any disability policies in force before this rider is issued. After that, the residual indemnity becomes proportionate to your income loss.
- If you are eligible for residual indemnity under this rider and your loss of income is more than 75% of prior income in any month while residual indemnity is payable, we will consider such loss to be 100%.

Consider how valuable the ProVider Plus policy can be to you during the critical first 12 months of residual disability. Most other companies’ residual benefits provide a minimum 50% of the total disability benefit during the first six months, and after that they pay only a proportional benefit. Compare how benefits might be paid.

#### RECOVERY BENEFIT

If you select the Residual Disability Benefit Rider and return to full-time gainful employment, but the injury or sickness that caused your disability makes it difficult to re-establish your prior earnings, we will continue to pay you a residual benefit even if you have recovered. This residual indemnity benefit may be paid for up to the policy benefit period, as long as your income loss is at least 15% of your prior income and is solely due to the injury or illness that caused your disability. Other policies may provide a lump-sum payment or a monthly recovery benefit for a limited period of time.

\* This optional rider is available to occupation classes 6-3; 6M-3M. In California, it is called the Partial Disability Benefit Rider.

### SCENARIO:

- Pre-disability income: \$104,000 annually (\$8,667 per month)
- \$5,000 monthly benefit
- Residually disabled for 12 months
- No other individual disability policies owned

| Loss    | ProVider <sup>Plus</sup> Benefit | Policy X Benefit <sup>††</sup> | Cumulative Difference |
|---------|----------------------------------|--------------------------------|-----------------------|
| \$8,667 | \$5,000                          | \$5,000                        | \$0                   |
| \$8,667 | \$5,000                          | \$5,000                        | \$0                   |
| \$6,067 | \$5,000                          | \$3,500                        | \$1,500               |
| \$5,200 | \$5,000                          | \$3,000                        | \$3,500               |
| \$4,333 | \$4,333                          | \$2,500                        | \$5,333               |
| \$3,467 | \$3,467                          | \$2,500                        | \$6,300               |
| \$3,467 | \$3,467                          | \$2,000                        | \$7,767               |
| \$3,033 | \$3,033                          | \$1,750                        | \$9,050               |
| \$2,600 | \$2,600                          | \$1,500                        | \$10,150              |
| \$2,167 | \$2,167                          | \$1,250                        | \$11,067              |
| \$1,300 | \$1,300                          | \$0                            | \$12,367              |
| \$1,300 | \$1,300                          | \$0                            | \$13,667              |

† Assumes the elimination period has been satisfied.  
 †† Policy X residual benefits provide a minimum 50% of the total disability benefit during the first six months, followed by a benefit proportionate to income loss.

# ProVider<sup>Plus</sup> RIDERS

## COST OF LIVING ADJUSTMENT RIDER\*

### WHEN COSTS GO UP, YOUR BENEFITS DO TOO

Inflation is a fact of life, but is often a forgotten economic hazard when people plan for the future. Fortunately, we offer a Cost of Living Adjustment Rider that will adjust your benefit to help keep pace with inflation while you're totally or *residually* disabled. And for more flexibility, you can select from the following three Cost of Living Adjustment options:

- **FOUR-YEAR DELAYED** – We'll increase your monthly benefit each year by 3% compounded. Increases begin on the fourth anniversary of the date you originally became disabled.
- **FIXED 3%** – After you've been disabled for 12 months, we'll increase your monthly benefit each year by 3%.
- **UP TO 6%** – We'll increase your monthly benefit each year according to changes in the Consumer Price Index. Increases will be no lower than 3% compounded and no higher than 6% compounded.

Here's how these three Cost of Living Adjustment options increase your monthly benefits over time.

After you recover, **the increased benefit becomes part of your policy's new base benefit—at no additional premium!**\*\*\* Again, ProVider Plus surpasses other DI policies that would, upon your recovery, charge you for the increased benefit amount or revert the benefit to the original lower amount.

\*This optional rider is not necessarily protection against increases in the cost of living. It is available to occupation classes 6-3; 6M-3M.

\*\*\*Cost of Living Adjustment increases stop after age 65. Should your policy be renewed after that, you can retain the increases by paying then-current renewal rates.

## FUTURE INCREASE OPTION RIDER†

### ALLOWS YOUR POLICY TO GROW WITH YOUR CAREER

Obtaining additional coverage to protect a growing income normally requires providing evidence of good health each time you apply. But when your ProVider Plus policy includes the Future Increase Option Rider, you will be eligible to purchase additional coverage each year until age 55, with no medical insurability requirement. This optional rider is a great way to ensure that you can protect your income regardless of any changes in health you may experience.

Your eligibility will be determined by your current financial situation, as determined by your income, employment and existing disability insurance protection.†† Up to age 45, you can exercise your option either incrementally or all at once. After age 45, you can exercise up to one-third of the original total increase option amount (or your remaining total increase option amount, if less).

The Future Increase Option Rider also contains a special option date in case you lose your employer-provided group long term disability coverage. This option date does not need to coincide with the policy anniversary date.

If you are disabled on an option date but meet the financial conditions for purchase, you may exercise your increase option. The premium for the Future Increase Option coverage will be waived if premiums are also being waived for the base policy. Benefits for the additional Future Increase Option policy will only apply to a new and separate disability.

† This optional rider is available to occupation classes 6-3; 6M-3M.

†† Refers to all other disability insurance that you own, have applied for, or for which you are eligible with any insurer.

## SCENARIO:

- \$5,000 monthly benefit
- 90-day elimination period
- To Age 65 benefit period
- Totally disabled from age 45 to 65

| YEAR                   | Without COLA Rider | Four-Year Delayed COLA |
|------------------------|--------------------|------------------------|
| 1                      | \$45,000           | \$45,000               |
| 2                      | \$60,000           | \$60,000               |
| 3                      | \$60,000           | \$60,000               |
| 4                      | \$60,000           | \$61,800               |
| 5                      | \$60,000           | \$63,654               |
| 10                     | \$60,000           | \$73,792               |
| 15                     | \$60,000           | \$85,546               |
| 20                     | \$60,000           | \$99,171               |
| <b>Total Benefits:</b> | <b>\$1,185,000</b> | <b>\$1,509,866</b>     |

\*\*Assumes 6% annual increase in the Consumer Price Index.

## SCENARIO:

- Policy purchased at age 32
- \$3,000 base monthly benefit
- \$6,000 Future Increase Option rider amount

| YOUR AGE            | Maximum Future Increase Option amount available on each option date |
|---------------------|---|
| <b>Up to 45</b>     | <b>\$6,000</b>  |
| <b>45 and later</b> | <b>\$2,000†††</b>   |

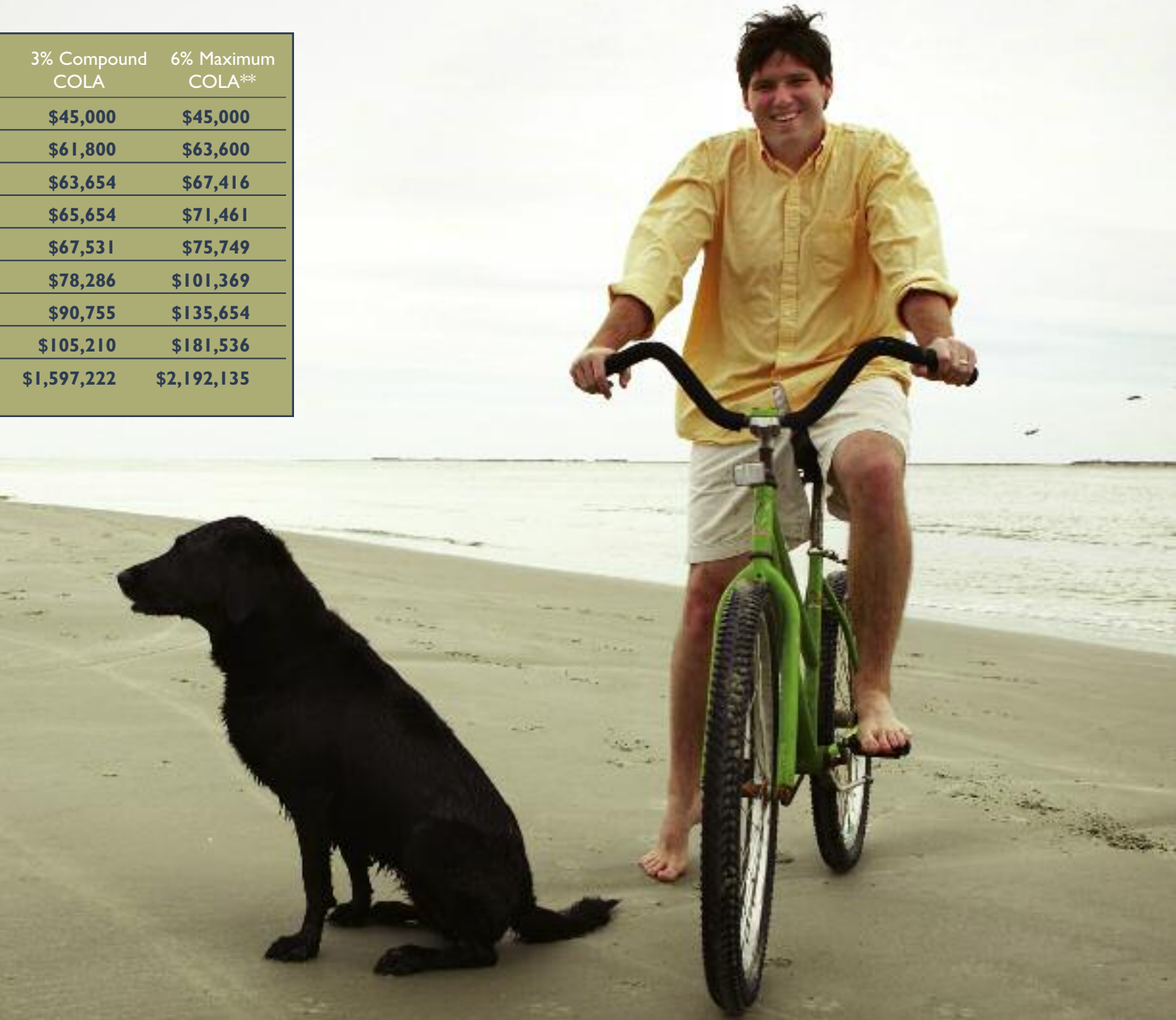
††† Or your remaining Future Increase Option amount, if less.



*Optional Benefits Riders to*

# PERSONALIZE YOUR POLICY

| 3% Compound COLA | 6% Maximum COLA** |
|------------------|-------------------|
| \$45,000         | \$45,000          |
| \$61,800         | \$63,600          |
| \$63,654         | \$67,416          |
| \$65,654         | \$71,461          |
| \$67,531         | \$75,749          |
| \$78,286         | \$101,369         |
| \$90,755         | \$135,654         |
| \$105,210        | \$181,536         |
| \$1,597,222      | \$2,192,135       |



# Optional Benefits Riders to PERSONALIZE YOUR POLICY

## CATASTROPHIC DISABILITY BENEFIT RIDER\*

### MORE MONEY FOR INCREASED EXPENSES

This optional rider offers you extra protection from the financial impact of the most severe disabilities—those resulting in:

- Cognitive impairment.
- The loss of two or more of the following Activities of Daily Living: bathing, continence, dressing, eating/feeding, toileting and transferring.
- Total, complete and irrecoverable loss of sight in both eyes, hearing in both ears, speech, or the entire use of both hands, both feet or one hand and one foot.

When combined with the base policy benefit and other disability coverage, the Catastrophic Disability Benefit Rider may cover up to, but not exceed, 100% of your income from all sources.

The Catastrophic Disability Benefit Rider has its own elimination period, but can be satisfied concurrently with the base policy elimination period.

And because catastrophic disabilities are often permanent—or at least long-term—we include a distinctive feature that other policies do not: an automatic annual compounded 3% increase. How does our Catastrophic Disability Benefit Rider compare to that of other policies?

### SCENARIO:

- \$5,000 monthly catastrophic disability benefit
- 90-day elimination period
- To Age 65 benefit period
- Totally and catastrophically disabled from age 45 to age 65

| YEAR | ProVider <sup>Plus</sup><br><i>Fixed 3% Compounded Indexing</i> |                    | Policy X<br><i>No Indexing Provision</i> |                    |
|------|---|--------------------|--|--------------------|
|      | Monthly Catastrophic Benefit                                    | Cumulative Benefit | Monthly Catastrophic Benefit             | Cumulative Benefit |
| 1    | \$5,000   | \$45,000           | \$5,000                                  | \$45,000           |
| 2    | \$5,150   | \$106,800          | \$5,000                                  | \$105,000          |
| 3    | \$5,305   | \$170,454          | \$5,000                                  | \$165,000          |
| 4    | \$5,464   | \$236,018          | \$5,000                                  | \$225,000          |
| 5    | \$5,628   | \$303,548          | \$5,000                                  | \$285,000          |
| 10   | \$6,524   | \$672,833          | \$5,000                                  | \$585,000          |
| 15   | \$7,563   | \$1,100,935        | \$5,000                                  | \$885,000          |
| 20   | \$8,768   | \$1,597,222        | \$5,000                                  | \$1,185,000        |

\* This optional rider is available to occupation classes 6-3, 6M-3M. It is not renewable after age 65 or age 67, and is not available in California, Connecticut or Texas.

### KEY DIFFERENCE!

Most disability policies offer a catastrophic disability benefit, but they do not include an automatic annual compounded 3% increase. The difference over an extended catastrophic disability can be significant, as shown in the example provided above. The ProVider Plus Catastrophic Disability Benefit Rider pays significantly more: more than \$87,000 of cumulative benefit after 10 years and more than \$412,000 after 20 years!

ProVider*Plus*  
**RIDERS**





# Optional Benefits Riders to PERSONALIZE YOUR POLICY



## RETIREMENT PROTECTION PLUS (RPP) DISABILITY BENEFIT RIDER

### HELP MAINTAIN YOUR RETIREMENT SAVINGS

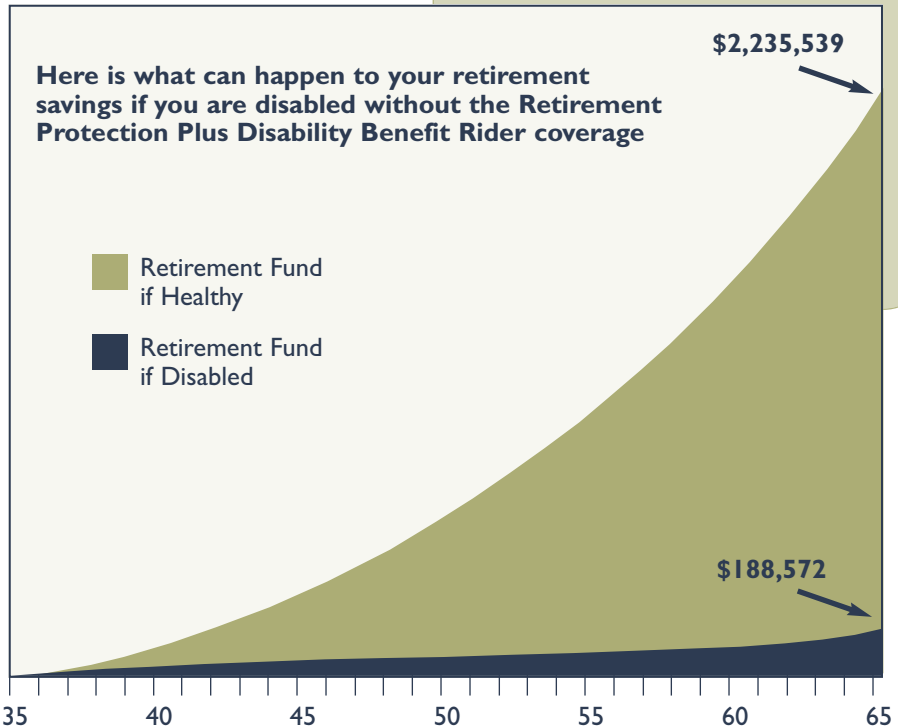
When thinking about the possibility of disability, it's natural to focus only on current living expenses. But if you were disabled, what would happen to your retirement savings? Have you considered that when you stop earning an income, your contributions to your company-sponsored retirement plan—and perhaps even your private retirement account—will stop, too? So disability would not only affect your current income, but could also threaten your standard of living in retirement.

The Retirement Protection Plus Disability Benefit Rider\* helps to ensure that you can continue to save for your retirement. Here's how it works: When you're totally disabled and not gainfully employed, a monthly benefit payment insuring up to 100% of your retirement contributions, including any employer-matched funds, will be paid into a trust established by you. The trustee invests benefits at your direction.

Let's see how a hypothetical retirement plan would fare with and without an interruption of contributions.

### SCENARIO:

- \$1,500 per month is contributed to the plan from age 35 to age 65. Savings could grow to \$2,235,539.\*\*
- \$1,500 per month is contributed to the plan beginning at age 35. Total disability occurs at age 36 and contributions stop. Disability continues to age 65. Contributions made prior to disability would grow to \$188,572.\*\*



\*This optional rider is available to occupation classes 6-3; 6M-3M. It is not available in New Jersey or New York.

\*\* Assumes an annual rate of return of 8% on retirement contributions with no disbursements taken prior to age 65. This rate is for illustration purposes only. Actual results will vary.

\*\*\* Assumes you are eligible for benefits under the policy with payments beginning 30 days following a 180-day elimination period and an annual rate of return of 8% on Retirement Protection Plus benefits. This rate is for illustration purposes only.

Actual results will vary.

The Retirement Protection Plus Disability Benefit Rider can help close this savings gap with accumulated assets of \$1,958,172.\*\*\* The combined assets of the retirement plan and the RPP trust would total \$2,146,744.

## GRADED LIFETIME INDEMNITY FOR TOTAL DISABILITY RIDER\*

### DISABILITY BENEFITS FOR LIFE

A total disability could destroy your retirement savings plan—an especially likely scenario if you became disabled at an early age. ProVider Plus is one of the very few policies today to offer a lifetime benefit provision—our Graded Lifetime Indemnity for Total Disability Rider. And with ProVider Plus, it is available with either a To Age 65 or To Age 67 benefit period.

Here's how it works: If you become totally disabled at or before age 45, and remain continuously disabled until your benefit period ends, you'll receive 100% of your monthly benefit for as long as your total disability lasts. If, however, you became totally disabled after age 45 and remain continuously disabled beyond the end of your policy benefit period, the monthly benefit payable after the end of your policy benefit period is reduced by 5% for each year after age 45 when disability began.

\*This optional rider is available to occupation classes 6-3; 6M-3M. It is not available in California.

## UNEMPLOYMENT WAIVER OF PREMIUM RIDER\*\*

### RELIEF WHEN YOU'RE UNEMPLOYED

What happens if you become unemployed? With reduced income, it can be difficult to keep up with all your bills. That's why we offer this helpful option: If you become unemployed and receive unemployment compensation for at least 60 consecutive days, we'll help relieve some of the financial strain by waiving the policy premium.

And we'll continue waiving premiums for the 12-month period starting on your date of unemployment—even if you return to work! If you become unemployed again, we'll waive the premiums again, as long as 48 months have passed since the end of the previous unemployment period.

\*\*This optional rider is not available in New York.

## SOCIAL INSURANCE SUBSTITUTE RIDER\*\*\*

### COORDINATING WITH OTHER BENEFITS

This optional rider pays a monthly benefit that coordinates with any payments you receive from Social Security, Workers' Compensation, Occupational Disease Law or similar programs.

Let's see how this works with a base benefit of \$2,000 and a Social Insurance Substitute indemnity of \$1,500.

- If you become totally disabled under the policy, you will receive the \$2,000 base benefit.
- You will also receive the Social Insurance Substitute indemnity minus any legislated benefits received—a “dollar-for-dollar” offset.
- So, if you receive Social Security payments of \$800 per month, the amount payable under the Social Insurance Substitute rider will then be \$700, for a total of \$1,500 (in addition to the \$2,000 base benefit).

Often it takes many months for social insurance programs to provide benefits for a disabled person. In such a case, the Social Insurance Substitute Rider will pay a benefit until social insurance payments are actually received. The first payment received by, for example, Social Security, may include a retroactive benefit. Even if this happens, you won't have to refund payments already made under the Social Insurance Substitute rider.

\*\*\* If legislated benefits are paid in excess of the Social Insurance Substitute Rider benefit amount, no Social Insurance Substitute Rider benefit will be paid. In New York and New Jersey only, the Social Insurance Substitute indemnity is payable only if you are not receiving any legislated benefits.

# KEY CONSIDERATIONS BEFORE YOU DECIDE

There are many factors to consider when designing the policy that is right for your particular situation. To make the best choices, it's important to understand all the options—especially when weighing value and cost, and how you really want the policy to perform.

When working with your advisor to design a policy, here are key things to consider:



## HOW MUCH MONTHLY BENEFIT DO YOU NEED?

You can use these general factors to help to determine the amount of coverage you need and for how much you may qualify:

- Your current expenses, including savings
- Your current income
- Expected future earnings
- Other disability insurance you may have, such as a group long-term disability (LTD) plan

## WHAT FACTORS INFLUENCE YOUR COSTS?

- **OCCUPATION** – What you do for a living determines your “occupation class.” Some occupations present more risk of becoming disabled because of the nature of the work; persons in these occupation classes will pay slightly more for coverage.
- **HEALTH** – Your current health establishes a “risk class.” ProVider Plus has three risk classes: Premium, Select and Standard. Generally, the healthier you are, the better the risk class, and the less you will pay for coverage.
- **AGE** – Typically, the younger you are, the less you will pay for coverage.
- **INCOME** – To a large degree, your income will determine the maximum amount of monthly benefit that you can purchase, the greater the monthly benefit, the higher the premium.
- **POLICY DESIGN** – The selection of the policy elimination period, benefit period, benefit amounts and optional riders will also determine the policy premium.

## FLEXIBLE PREMIUM OPTIONS TO FIT YOUR BUDGET

We offer three premium rate options:

- Level premiums remain the same through the policy's expiration date.
- Graded premiums increase annually and are also convertible to a level premium on the policy anniversary up to age 50. Upon conversion, you pay the rate indicated for that age.
- Step-rate premiums increase once to a level premium, either at age 35 or five years after purchase, whichever is later.





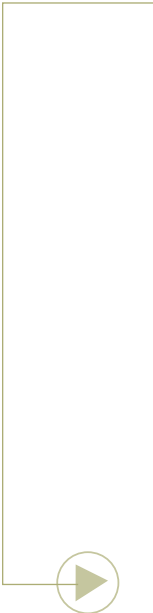


# IMPORTANT QUESTIONS

## TO ASK YOUR INSURANCE ADVISOR

Whether you walked through this information on your own or with an insurance advisor, you are now much better prepared to make the appropriate choices when designing a policy that is best for you.

As you customize coverage options with your advisor, use this checklist to make sure you cover all the bases:

- 
- How much monthly benefit should I apply for?
  - How soon after disability are benefits payable? (Which elimination period should I choose?)
  - How long should benefits last? (Which benefit period should I choose?)
  - How do factors such as my occupation, income and health status influence the cost of coverage?
  - Why should I consider adding the Residual Disability Benefit Rider?
  - Is there a good way to help my policy keep pace with increased earnings?
  - What are the differences between the Future Increase Option and Cost of Living Adjustment riders?
  - What's the best way to help protect my retirement income?
  - When would a Catastrophic Disability Benefit Rider work in my favor?
  - Should I add the Unemployment Premium Waiver Rider?
  - Should I consider the Social Insurance Substitute Rider?

### NEXT STEPS

1. *Ask to review a proposal* – Your advisor will create a recommendation based on the features and benefits you discussed. This proposal will provide the cost of coverage, showing the premium for the base policy as well as the cost of each additional rider.

2. *Think about your business* – If you are a business owner, there is more at risk should you become too sick or injured to work. These options can give you peace of mind:

- Overhead Expense insurance helps you pay monthly expenses to keep the business up and running, including the cost of a temporary replacement.
- Disability Buy-Out insurance helps to solve the funding problem should one of your partners become disabled and need to leave the business.
- Business Reducing Term insurance helps meet fixed obligations such as loans or employment contracts.

*One application, one underwriting process* – If you are considering individual income protection, yet need the business protection described above, it makes sense to take care of it at the same time.

3. *Get the ball rolling* – Work with your advisor to complete the application. He or she will also brief you on the medical and financial information needed to help evaluate your application.

### PROTECT YOUR MOST VALUABLE ASSET

Safeguard your lifestyle and your future financial well-being by choosing ProVider Plus. When you do, you'll have the comfort of knowing you own a comprehensive policy from a highly reputable and experienced company with a history of stability and success.





This policy provides disability income insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50%. This ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with this policy.

This publication is provided as a courtesy by Berkshire Life Insurance Company of America and does not modify the provisions of any policy. It is offered for the purpose of education and information only and is not intended to constitute tax or legal advice. For information on your specific situation, please consult your personal legal or tax advisor.

Berkshire Life Insurance Company of America  
700 South Street  
Pittsfield, Massachusetts 01201  
413-499-4321  
[www.berkshirelife.com](http://www.berkshirelife.com)

Disability insurance Policy Forms 1400 and 1500 underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America (Guardian), New York, NY. For more information about products and services available from Guardian and its subsidiaries, contact your financial representative or visit our website at [www.GuardianLife.com](http://www.GuardianLife.com).

Product provisions and features may vary by state.

© Berkshire Life Insurance Company of America 2009  
All Rights Reserved.



**GUARDIAN**<sup>®</sup>

**The Guardian Life Insurance  
Company of America**  
7 Hanover Square  
New York, NY 10004  
[www.GuardianLife.com](http://www.GuardianLife.com)

