



**CONSUMERS LIFE**<sup>®</sup>  
A MEDICAL MUTUAL COMPANY

**COSE**<sup>™</sup>  
council of smaller enterprises



# Life & Disability Insurance

**For COSE Employer Groups with 10+ Employees**



# Life and Disability Insurance

**Offering a great benefit like life and disability insurance is an excellent way to help attract and retain talented employees. As a COSE member, you have access to high-quality plans through Consumers Life, a subsidiary of Medical Mutual of Ohio.<sup>®</sup> Consumers Life is proud to be a Ohio-based company with a track record of providing flexible cost-sharing options and award-winning service.**

## Planning for the Unexpected

Life insurance can help your employees create a financial safety net for their loved ones. One third of Americans believe they would feel the financial impact from the loss of a primary wage earner within a month of the wage earner's passing. Half say they would feel an impact within six months. Younger people say they'd feel an impact sooner than older people.

Studies find that consumers overestimate the cost of life insurance by nearly three-fold. This is particularly true among younger consumers, who are generally more likely to qualify for preferred rates because of their age and health status.<sup>1</sup>

Consumers have a great deal of misunderstanding about disability insurance. Nearly 90 percent of disabilities are not work-related and, therefore, are not covered by workers' compensation. Illness, not accidents, is responsible for most of the disabilities people suffer. Insurance statistics show that only 9 percent of long-term disabilities actually are the results of serious accidents. The top causes of disability are often triggered by more common, chronic conditions.

The Social Security Administration estimates that one out of three Americans entering the workforce today will become disabled before they retire.<sup>2</sup>

## Options to Fit Your Needs

Consumers Life offers two excellent options to COSE members. If you choose a Group-Sponsored Plan, you must pay at least 25 percent of the cost of the insurance and meet a minimum enrollment requirement of 75 percent. A Voluntary Plan is fully paid by your employees and does not have a minimum enrollment requirement.

The following plans are available to COSE members:

- **Group-Sponsored Benefits**
  - Life and accidental death and dismemberment insurance
  - Dependent life insurance
  - Short-term disability insurance
  - Long-term disability insurance
- **Voluntary Benefits** (employee-paid)
  - Life insurance
  - Short-term disability insurance

**For more information about what options are right for your company, call (440) 878-5930 or email [COSEBenefits@MedMutual.com](mailto:COSEBenefits@MedMutual.com).**

**This is an overview only. For a complete listing of benefits and exclusions, please refer to your certificate and/or policy. This document does not secure coverage or rates and is for informational purposes only.**

**Footnotes:**

1. Facts are from LIMRA's life insurance consumer studies, 2014.
2. Facts are from LIMRA, Life Happens, Council for Disability Awareness (CDA), and Social Security Disability Insurance (SSDI)

# Group-Sponsored Benefits

## Life and Accidental Death and Dismemberment (AD&D) Insurance

This plan's life insurance coverage pays a benefit if a covered employee dies from any cause. AD&D benefits may also be paid if a covered employee dies as a result of an accident or suffers any of the injuries below. (Note: Refer to certificate book for full schedule and listing of covered losses.)

- Loss hands, feet or fingers
- Loss of sight, speech or hearing
- Quadriplegia
- Paraplegia
- Hemiplegia
- Uniplegia

AD&D coverage also includes the following benefits: seatbelt, airbag, repatriation, dependent education and coma, which are paid in addition to the life and AD&D benefit.

You may provide life and AD&D insurance equal to:

- Any multiple of \$5,000 (minimum of \$10,000)
- A multiple of annual base earnings (e.g., 1, 1½, 2)
- A specified amount based on job class (up to three classes) and the size of the group, subject to a minimum of \$10,000 for any class

An employee's life and AD&D insurance coverage will be reduced by 50 percent at age 70 and further reduced to 25 percent of the original amount at age 75.

You may choose to provide coverage for eligible employees as of the date of the hire or after a one-, two- or three-month waiting period.

Group Size	Non-Medical Maximum*	Maximum Issue
1 to 9	\$35,000	\$100,000
10 to 24	\$50,000	\$150,000
25 to 49	\$75,000	\$175,000
50 to 150	\$100,000	\$200,000

\* These amounts are applicable for new groups only. Existing Basic Life/AD&D customers wishing to increase their coverage may be subject to medical underwriting.

## Dependent Life Insurance

Dependent life insurance coverage for an employee's spouse/domestic partner or dependent children is also available. Spousal/domestic partner coverage equals \$5,000. Coverage for unmarried, dependent children equals \$5,000 for each child age 6 months to 21 years and \$100 for each child from 14 days to 6 months. Coverage is extended to age 25 if the dependent child is a full-time student and is fully supported by the insured employee.

## Short-Term Disability Insurance

Short-term disability insurance protects your employees from the loss of income in the event of a short-term illness or injury. Through Consumers Life, COSE offers two group-sponsored options to choose from: the 1-8-26 plan and the 15-15-26 plan.

You may select a maximum weekly benefit of 70 percent of an employee's basic weekly income, not to exceed \$500 per week. The minimum weekly benefit is \$100.

### 1-8-26 Plan

Benefits are payable on the 1st calendar day of absence due to an accident or the 8th calendar day of absence due to sickness. The plan continues a portion of an employee's pay for up to 26 weeks during which the employee cannot work because of a non-occupational illness or injury.

### 15-15-26 Plan

Benefits are payable on the 15th calendar day of absence due to an accident or the 15th calendar day of absence due to sickness. The plan continues a portion of an employee's pay for up to 26 weeks during which the employee cannot work because of a non-occupational illness or injury.

## Long-Term Disability Insurance

Long-term disability insurance protects your employees from a long-term loss of income due to a serious disability or illness. Through Consumers Life, COSE offers two group-sponsored options to choose from, one with a 90-day elimination period (Plan 1) and one with a 180-day elimination period (Plan 2). The elimination period (waiting period) begins the day after the covered employee's last day worked, either at 90 days or 180 days, depending on the plan selected. Plan 1 with a 90-day elimination period, for example, benefits would begin on the 91st day after the employee's last day worked.

Monthly long-term disability benefits are equal to 60 percent of an employee's basic monthly earnings, reduced by any disability benefits received from workers' compensation, Social Security, other group disability income plans and any other income benefits. Long-term disability benefits are subject to a minimum benefit of \$100 per month and maximum benefit of \$5,000 per month.

Employees who work at least 30 hours per week are eligible to be enrolled under the long-term disability plan after three consecutive months of active employment.

This plan continues a portion of an employee's monthly earnings if he or she qualifies as totally disabled:

- During the first 24 months, if the employee is unable to perform the material duties of his or her occupation.
- After 24 months, if the employee is unable to perform the material duties of any gainful occupation for which he or she is reasonably suited by training, education or experience.

Benefits are payable for a disability caused by an injury or illness after the employee has satisfied the elimination period, provided there is an incurred loss of earnings of at least 20 percent. The elimination period of 90 days (Plan 1) or 180 days (Plan 2) can be satisfied with either total or partial disability or a combination of both.



### Pre-existing Condition Exclusion

A 12-6-24 pre-existing condition exclusion applies to group-sponsored long-term disability plans. A total or a partial disability that begins within the 24-month period after the employee's effective date and is caused by, contributed to or results from a pre-existing condition is not covered. A pre-existing condition is a sickness or injury for which the employee, within the 12-month period prior to his or her effective date of coverage, received medical treatment, consultation, care or other services, including diagnostic measures, or had taken prescribed drugs or medicines.

A disability that begins more than 24 months after the employee's effective date or a disability that is caused by a condition for which an employee has been treatment-free for six consecutive months after the effective date will not be excluded from coverage under the pre-existing conditions exclusion. Increases in benefit amounts elected at a later date are subject to this pre-existing condition exclusion.

### Benefit Reduction Schedule

Age Range	Duration
Under 60	To age 65
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and older	12 months

Benefits are payable to age 65 with reduced benefit duration in compliance with ADEA.

# Voluntary Benefits

**While offering similar coverage to our group-sponsored insurance options, voluntary benefits are fully paid by employees and do not have a minimum enrollment requirement.**

## Life Insurance

A voluntary term life insurance plan is available and has no minimum employee participation requirement. The coverage pays a benefit if a covered employee dies from any cause. Benefits are available in increments of \$10,000, up to a maximum of \$300,000. There is a non-medical maximum of \$10,000 if the employee elects coverage within 31 days of their eligibility date, plus an additional \$10,000 non-medical maximum available at annual enrollment.

### Voluntary Life Insurance Rates

Employer groups with 1 – 150 employees

Age Range	Non-tobacco User	Tobacco User
Under 30	\$0.56	\$1.14
30 to 34	\$0.65	\$1.23
35 to 39	\$0.74	\$1.58
40 to 44	\$1.39	\$2.64
45 to 49	\$1.95	\$4.75
50 to 54	\$3.24	\$7.83
55 to 59	\$5.56	\$14.17
60 to 64	\$8.71	\$17.25
65 to 69	\$13.71	\$27.81
70 and older	\$21.95	\$36.78

Voluntary life monthly rates are per \$10,000 of coverage.

## Short-Term Disability Insurance

If you don't offer group-sponsored short-term disability coverage, you can instead offer voluntary short-term disability insurance, which protects your employees from the loss of income in the event of a short-term illness or injury. COSE offers two options to choose from with varying benefit waiting periods. There is no minimum employee participation requirement.

Employees may choose a weekly benefit in increments of \$50 up to a maximum of 70 percent of their basic weekly income, not to exceed \$500 per week. The minimum weekly benefit available is \$100.

### 1-8-26 Plan

Benefits are payable on the 1st calendar day of absence due to an accident or the 8th calendar day of absence due to sickness. The plan continues a portion of an employee's pay for up to 26 weeks during which the employee cannot work because of a non-occupational illness or injury.

### 15-15-26 Plan

Benefits are payable on the 15th calendar day of absence due to an accident or the 15th calendar day of absence due to sickness. The plan continues a portion of an employee's pay for up to 26 weeks during which the employee cannot work because of a non-occupational illness or injury.

### Pre-existing Condition Exclusion

A 12/12 pre-existing condition exclusion applies to both voluntary short-term disability plans. A total disability or a partial disability that begins in the 12-month period after the employee's effective date and is caused by, contributed to or results from a pre-existing condition is not covered. A pre-existing condition is a sickness or injury for which the employee, within the 12-month period prior to his or her effective date of coverage, received medical treatment, consultation, care or other services, including diagnostic measures, or had taken prescribed drugs or medicines.

Increases in benefit amounts elected at a later date are subject to this pre-existing condition exclusion.

### Voluntary Short-Term Disability Coverage Rates

Employer groups with 1 – 150 employees

Age Range	1-8-26 Plan Rate	15-15-26 Plan Rate
Under 40	\$0.44	\$0.35
40 to 44	\$0.45	\$0.36
45 to 49	\$0.52	\$0.42
50 to 54	\$0.63	\$0.49
55 to 59	\$0.76	\$0.60
60 to 64	\$0.88	\$0.70
65 to 69	\$1.16	\$0.91
70 and older	\$1.56	\$1.25

Short-term disability monthly rates are per \$10 of benefits.





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