

Council of Smaller Enterprises

# Life & Disability Insurance Plans

For Employer Groups with 1–9 Employees



**MEDMUTUAL LIFE**<sup>®</sup>  
A Medical Mutual Company







Offering You

# Peace of Mind

**Providing great benefits, such as life & disability insurance, is an excellent way to help attract and retain talented employees. As a Council of Smaller Enterprises (COSE) member, you have access to high-quality plans through MedMutual Life, a subsidiary of Medical Mutual. MedMutual Life is proud to be an 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 80 percent of consumers are misinformed about how much term life insurance premiums cost. Millennial and Gen X are said to have overestimated by nearly 213 percent and 119 percent respectively.

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 most frequent causes of disability are often triggered by more common, chronic conditions.

The Social Security Administration estimates that one in four 20-year-olds in the work force today will suffer a disability before they retire.

## Options to Fit Your Needs

MedMutual 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 based on the number of people you employ. Conversely, if you choose a voluntary plan it 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 (AD&D)
- Dependent life insurance
- Short-term disability insurance
- Long-term disability insurance

### Voluntary Benefits (employee-paid)

- Life insurance
- Short-term disability insurance







# Group-sponsored Benefits

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

This plan pays a full benefit should a covered employee pass away at anytime, anywhere, from any cause. In addition, coverage includes a conversion privilege and a waiver of the premium if an employee becomes disabled before age 60. An accelerated death benefit is also available if an employee becomes terminally ill.

If a covered employee passes away as the result of an accident at any time, on or off the job, a full benefit would be paid. A covered employee involved in an accident that causes dismemberment or disability could also be eligible for a benefit. Amounts may vary depending on the severity.

## Coverage Amounts Available

The minimum coverage is \$10,000, but additional amounts are available in multiples of \$5,000 or a multiple of annual base earnings (e.g. 1, 1½, 2) to a maximum of \$100,000. Benefits reduce by 50 percent of the original amount at age 70 and further reduce to 25 percent of the original benefit at age 75.

## Non-medical Maximum

This is the maximum amount of Life and Accidental Death and Dismemberment (AD&D) coverage not subjected to evidence of insurability. Evidence of insurability is required for amounts in excess of the non-medical maximum of \$35,000. Current groups that wish to increase may be subject to evidence of insurability for any amount.

## Additional Benefits

The following benefits may also be paid in addition to the life insurance and AD&D benefit:

### Seatbelt Benefit

If a covered employee passes away as a result of an accident while wearing a seatbelt.

### Airbag Benefit

If a covered employee passes away as a result of a vehicle accident while positioned in a seat equipped with a factory-installed airbag.

### Repatriation Benefit

If a covered employee passes in an accident more than 75 miles from home and his/her body needs to be transported to a mortuary.

### Dependent Education Benefit

Reimburses dependents of a deceased covered employee for educational expenses incurred in a school of higher education beyond the 12th grade.

### Coma Benefit

If a covered employee becomes comatose within 31 days of an accident and remains comatose for more than 31 days.



## Dependent Life Insurance Benefits

Dependent life insurance benefits are available only in conjunction with employee Life and AD&D coverage.

- For spouse/domestic partner: \$5,000
- Children ages 14 days to 6 months: \$100
- Children ages 6 months to 21 years: \$5,000 (to 25 years if a full-time student and dependent on the insured)
- \$0.93 per month per covered family

## Eligibility

- You must be a member of COSE.
- You must contribute at least 25 percent of the cost of insurance.
- If you choose to contribute 100 percent of the premium, all eligible employees must enroll.
- Employees must be full-time, working 25 hours or more per week.
- Coverage will become effective on the first of the month, following enrollment.
- Premium continuation is required during disability.
- Benefits terminate at retirement.

### Minimum Enrollment Requirements (Basic and Dependent Life Insurance)

Number of Full-time Employees	Minimum Enrollment
1	1
2	2
3	3
4	4
5–6	5
7–8	6
9	7

### Group-sponsored Life and AD&D Rates (Employer groups with 1–9 employees\*)

Age Range	Monthly Rate
Under 30	\$0.07
30–39	\$0.08
40–44	\$0.15
45–49	\$0.26
50–54	\$0.43
55–59	\$0.66
60 to 64	\$0.96
65 and older	\$1.35

\*Life and AD&D monthly rates are per \$1,000 of coverage.

# Short-term Disability Insurance Benefits

If an employee suffers a non-occupational accident, illness or pregnancy-related disability or complication, short-term disability insurance can provide a bi-weekly benefit payment to help replace lost income for up to 26 weeks. You can choose a maximum weekly benefit of up to 70 percent of an employee’s weekly base income. The minimum benefit is \$100 per week while the maximum benefit is \$500 per week.

## Benefit Options

### 1-8-26 Plan

Benefits are payable on the 1st calendar day of absence due to an accident or the 8th calendar day due to sickness and are payable for up to a maximum of 26 weeks.

### 15-15-26 Plan

Benefits are payable on the 15th calendar day of absence due to an accident or the 15th calendar day due to sickness and are payable for up to a maximum of 26 weeks.

Weekly Benefit Amount	
Weekly Benefit	Minimum Annual Employee Salary
\$100	\$7,430
\$150	\$11,140
\$200	\$14,860
\$250	\$18,570
\$300	\$22,285
\$350	\$26,000
\$400	\$29,715
\$450	\$33,430
\$500	\$37,145

## Eligibility

- You must be a member of COSE.
- You must contribute at least 25 percent of the cost of insurance.
- If you choose to contribute 100 percent of the premium, all eligible employees must enroll.
- Employees must be full-time, working 25 hours or more per week.
- Coverage will become effective on the first of the month following enrollment.
- Premium continuation is required during disability.
- Benefits terminate at retirement.

Minimum Enrollment Requirements	
Number of Full-time Employees	Minimum Enrollment
1	1
2	2
3	3
4	4
5-6	5
7-8	6
9	7

Group-sponsored Short-Term Disability Cover Rates (Employer groups with 1-9 employees*)		
Age Range	1-8-26 Plan Rate	15-15-26 Plan Rate
Under 40	\$0.48	\$0.37
40-44	\$0.48	\$0.39
45-49	\$0.56	\$0.44
50-54	\$0.68	\$0.53
55-59	\$0.81	\$0.64
60-64	\$0.94	\$0.75
65-69	\$1.24	\$0.98
70 and older	\$1.67	\$1.35

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

# Long-term Disability Insurance Benefits

**Long-term disability insurance protects your employees from a long-term loss of income due to a serious disability or illness. Through MedMutual Life, COSE offers two group sponsored options, 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. For example, for Plan 1 with a 90-day elimination period, 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.

These plans continue 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.

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 the Age Discrimination in Employment Act (ADEA).

## Eligibility

- You must be a member of COSE.
- Employ less than 60 percent blue-collar employees.
- 60 percent or fewer insured employees over age 50.
- Engaged in business for at least one year.
- You must contribute at least 25 percent of the cost of insurance.
- If you choose to contribute 100 percent of the premium, all eligible employees must enroll.
- Employees must be full-time, working 30 hours or more per week.
- Coverage will become effective on the first of the month following enrollment.
- Immediate family members on staff must have worked for at least two years.

Minimum Enrollment Requirements	
Number of Full-time Employees	Minimum Enrollment
1	1
2	2
3	3
4	4
5-6	5
7-8	6
9	7

Group-sponsored Monthly Long-term Disability Insurance Rates (Plan 1: 90-day Elimination Period*)					
Age Range	<20%	20-29%	30-39%	40-49%	50-59%
Under 35	\$0.41	\$0.47	\$0.53	\$0.60	\$0.66
35-39	\$0.47	\$0.55	\$0.61	\$0.68	\$0.77
40-44	\$0.66	\$0.75	\$0.86	\$0.95	\$1.06
45-49	\$1.03	\$1.18	\$1.33	\$1.48	\$1.65
50-54	\$1.57	\$1.80	\$2.05	\$2.27	\$2.50
55-59	\$2.20	\$2.52	\$2.86	\$3.18	\$3.52
60-64	\$2.26	\$2.60	\$2.93	\$3.27	\$3.61
65 and older	\$2.62	\$3.01	\$3.40	\$3.80	\$4.18

Group-sponsored Monthly Long-term Disability Insurance Rates (Plan 2: 180-day Elimination Period*)					
Age Range	<20%	20-29%	30-39%	40-49%	50-59%
Under 30	\$0.22	\$0.26	\$0.31	\$0.33	\$0.37
30-34	\$0.28	\$0.33	\$0.38	\$0.42	\$0.46
35-39	\$0.38	\$0.45	\$0.51	\$0.55	\$0.61
40-44	\$0.57	\$0.66	\$0.73	\$0.82	\$0.91
45-49	\$0.87	\$1.01	\$1.13	\$1.27	\$1.40
50-54	\$1.33	\$1.53	\$1.73	\$1.93	\$2.13
55-59	\$1.87	\$2.15	\$2.45	\$2.72	\$3.00
60-64	\$1.91	\$2.20	\$2.47	\$2.76	\$3.05
65 and older	\$2.21	\$2.55	\$2.87	\$3.21	\$3.53

\*Employer groups with 1-9 employees; monthly rates per \$100 covered payroll are determined based on the percentage of the total covered payroll of blue-collar employees versus the total covered payroll for all eligible employees.

## 24-month Mental Illness or Substance Abuse Limitation

Benefits for a disability caused by or contributed to by mental illness or substance abuse will be limited to 24 months in the employee's lifetime.

## Pre-existing Condition Exclusions

Benefits may not be paid for disabilities caused or contributed to, by, or resulting from conditions for which an employee received treatment 12 months prior to his or her effective date. See the master policy for terms and conditions.

## Other Exclusions

Benefits are not payable for a disability that was:

- Caused during an act of war
- Self-inflicted
- The result of active participation in a riot
- Suffered while serving in the armed forces
- The result of cosmetic or reconstructive surgery
- Caused by an accident while operating a motor vehicle while intoxicated
- Suffered while incarcerated in a penal or correctional facility for 30 or more consecutive days

## Ineligible Industries

The following industries are not eligible for long-term disability coverage:

- Airlines
- Amusement Enterprises
- Auto Wreckers/Auto Salvage/Junkyards
- Barber/Beauty Shops
- Bars/Taverns/Cocktail Lounges
- Bowling Alleys
- Building Wreckers or Movers
- Car/Truck Dealerships
- Car Washes
- Country Clubs
- Dance Halls/Studios
- Dry Cleaners/Laundries
- Entertainment Groups
- Explosives Manufacturers/ Distributors
- Exterminators
- Farming/Ranching Operations
- Fishing/Boating Industries
- Foundries
- Garbage Collectors/Scavengers
- Gas Stations/Garages
- Government Funded Groups
- Greenhouses
- Guard or Watchmen Services
- Hatcheries
- Health/Sport Clubs
- Hotels/Motels
- Insurance Agencies
- Janitorial/Building Maintenance
- Liquor Stores
- Logging/Milling Operations
- Longshore Operations
- Lumber Industries
- Mining/Quarries/Drilling Operations
- Motorcycle Sales/Service
- Municipal Employees
- Nightclubs
- Nurseries
- Parking Lots
- Political Subdivisions
- Public Transportation Companies
- Religious Entities
- Residential Home Builders
- Restaurants
- Scrap Iron Dealers
- Slaughterhouses/Meat Packers
- Steel Manufacturing
- Taxi Companies









# Voluntary Benefits

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



# Life Insurance

This plan pays a full benefit for a covered employee's death that occurs anytime, anywhere, from any accident or illness. Employees can select a benefit amount in \$10,000 increments up to \$300,000. There is a non-medical maximum of \$10,000 if the employee elects coverage within 31 days of his/her eligibility date, plus an additional \$10,000 non-medical maximum available at annual enrollment. Coverage includes a conversion privilege and a waiver of the premium if an employee becomes disabled before age 60. An accelerated death benefit is also available if an employee becomes terminally ill.

## Eligibility

- You must be a member of COSE.
- Employees must be full-time, working 20 or more hours per week.
- Coverage will become effective on the first of the month following enrollment.
- Benefits terminate at retirement.

Voluntary Life Insurance Rates (Employer groups with 1–150 employees*)		
Age Range	Non-tobacco User	Tobacco User
Under 30	\$0.56	\$1.14
30–34	\$0.65	\$1.23
35–39	\$0.74	\$1.58
40–44	\$1.39	\$2.64
45–49	\$1.95	\$4.75
50–54	\$3.24	\$7.83
55–59	\$5.56	\$14.17
60–64	\$8.71	\$17.25
65–69	\$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 Benefits

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\$300	\$22,285
\$350	\$26,000
\$400	\$29,715
\$450	\$33,430
\$500	\$37,145

## Eligibility

- You must be a member of COSE.
- Employees must be full-time, working 25 hours or more per week.
- Coverage will become effective on the first of the month following enrollment.
- Benefits terminate at retirement.

Voluntary Short-term Disability (Employer groups with 1–150 employees*)		
Age Range	1-8-26 Plan Rate	15-15-26 Plan Rate
Under 40	\$0.44	\$0.35
40–44	\$0.45	\$0.36
45–49	\$0.52	\$0.42
50–54	\$0.63	\$0.49
55–59	\$0.76	\$0.60
60–64	\$0.88	\$0.70
65–69	\$1.16	\$0.91
70 and older	\$1.56	\$1.25

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

### Pre-existing Condition Exclusion

Benefits may not be paid for disabilities caused or contributed to, by, or resulting from conditions for which an employee received treatment 12 months prior to his or her effective date. See the master policy for terms and conditions.



## Contact Us

For more information about what options are right for your company, please contact your broker. If you do not have a broker, contact the Medical Mutual COSE Benefits Department at 1-440-878-5930.





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