



Human
Resources

A Plan Designed Specifically
For: **OKLAHOMA STATE UNIVERSITY**



LONG-TERM DISABILITY *Income Insurance*

From American Fidelity Assurance Company

Why Do You Need *Disability Income Protection?*

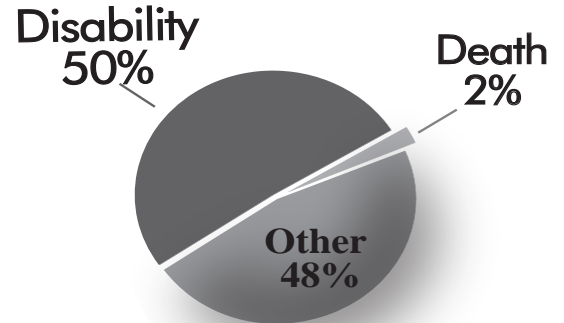
Think of it as insurance on your income.

Did You Know?

Disability causes nearly 50% of all mortgage foreclosures, compared to 2% caused by death.*

Out of the tens of thousands of mortgage foreclosures that occur each year, $\frac{1}{2}$ are due to a disability.

That $\frac{1}{2}$ would have likely been able to keep their home and have a roof over their heads had they purchased adequate income protection.



Do You Depend On Your Paycheck?

- Mortgage / Rent
- Car Payment(s)
- Groceries
- Tuition
- Gasoline
- Utility Bills
- Daily Living Expenses
- Credit Card Payments

If You Depend On Your Paycheck, You Need Disability Income Insurance.

You probably have insurance on your home and auto in case of an unfortunate event. But, do you have disability insurance to help protect your income if you were to suddenly become disabled?

If you're like most of us, your income is truly your most valuable asset! Without it, all of our other assets go away. Payments for rent, mortgage, utilities, insurance, groceries, clothing, and cars continue regardless of your ability to work.

How Does A Disability Income Plan Work?

It's Simple! Disability Income Insurance helps provide an income when you are disabled due to a covered accidental injury or sickness that keeps you away from work for an extended period of time.

Don't Wait...Protect Your Paycheck Today with American Fidelity's Disability Income Insurance!

Plan Highlights

- Benefits are paid directly to you, not to a doctor or your employer.
- Convenient payroll deduction.
- Post-tax benefit payments
- Supplemental pension benefits paid directly to you.
- Benefit payments may be directly deposited into your bank account.
- Benefits paid due to a covered Accidental Injury or Sickness.

VALUABLE BENEFITS INCLUDE:

- Supplemental Pension Benefits
- \$50,000 Accidental Death Benefit (Plan I only)
- Benefits Payable Year-Round
- Work Incentive Benefit
- Waiver Of Premium
- Worksite Accommodation Benefit Evaluation
- Social Security Filing Assistance

How Your Disability Plan Works

BENEFITS BEGIN

- On the 181st day of Total Disability due to a covered Accidental Injury or Sickness.

YOUR PLAN PAYS A MONTHLY DISABILITY BENEFIT

PLAN I

50% of your Monthly Pay not to exceed:

- (1) the amount for which premium is being paid;
- (2) a maximum Monthly Disability Benefit of \$6,000.00; and
- (3) a maximum covered Monthly Pay of \$12,000.00.

PLAN II

60% of your Monthly Pay not to exceed:

- (1) the amount for which premium is being paid;
- (2) a maximum Monthly Disability Benefit of \$6,000.00; and
- (3) a maximum covered Monthly Pay of \$10,000.00.

PLAN III

70% of your Monthly Pay not to exceed:

- (1) the amount for which premium is being paid;
- (2) a maximum Monthly Disability Benefit of \$7,000.00; and
- (3) a maximum covered Monthly Pay of \$10,000.00.

BENEFITS ARE PAYABLE

Up to the period of time shown in the table below, based on your age as of the date of Total Disability due to a covered Accidental Injury or Sickness begins.

Age	Maximum Benefit Period
Less than age 60	To age 65, but not less than 5 years
Age 60	60 months
Age 61	48 months
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months

Benefit Schedule

Annual Salary* X	Rate Factor =	Annual Premium ÷	Pay Period =	Premium Per Pay Period
\$ _____	0.0020 (Plan I) 0.0052 (PlanII) 0.0181 (PlanIII)	\$ _____	<input type="checkbox"/> 12 Pay Period	\$ _____

MONTHLY PREMIUM (PLAN I ONLY)

\$0.20 per \$100 of covered Monthly Salary

Example 1:

If your Annual Salary is \$25,000 with the 12-pay period option, your premium per pay period would be determined as follows:

$$\text{\$25,000} \times .0020 = \text{\$50.00} \div 12 = \text{\$4.17}$$

ANNUAL SALARY	MONTHLY SALARY	MONTHLY DISABILITY BENEFIT	ACCIDENTAL DEATH BENEFIT	MONTHLY PREMIUM
25,000	2,083.33	1,041.67	\$50,000	4.17
40,000	3,333.33	1,666.67	\$50,000	6.67
50,000	4,166.67	2,083.33	\$50,000	8.33
60,000	5,000.00	2,500.00	\$50,000	10.00
75,000	6,250.00	3,125.00	\$50,000	12.50

MONTHLY PREMIUM (PLAN II ONLY)

\$0.52 per \$100 of covered Monthly Salary

Example 2:

If your Annual Salary is \$25,000 with the 12-pay period option, your premium per pay period would be determined as follows:

$$\text{\$25,000} \times .0052 = \text{\$130.00} \div 12 = \text{\$10.83}$$

ANNUAL SALARY	MONTHLY SALARY	MONTHLY DISABILITY BENEFIT	MONTHLY PREMIUM
25,000	2,083.33	1,250.00	10.83
40,000	3,333.33	2,000.00	17.33
50,000	4,166.67	2,500.00	21.67
60,000	5,000.00	3,000.00	26.00
75,000	6,250.00	3,750.00	32.50

MONTHLY PREMIUM (PLAN III ONLY)

\$1.81 per \$100 of covered Monthly Salary

Example 3:

If your Annual Salary is \$25,000 with the 12-pay period option, your premium per pay period would be determined as follows:

$$\text{\$25,000} \times .0181 = \text{\$452.50} \div 12 = \text{\$37.71}$$

ANNUAL SALARY	MONTHLY SALARY	MONTHLY DISABILITY BENEFIT	MONTHLY PREMIUM
25,000	2,083.33	1,458.33	37.71
40,000	3,333.33	2,333.33	60.33
50,000	4,166.67	2,916.67	75.42
60,000	5,000.00	3,500.00	90.50
75,000	6,250.00	4,375.00	113.13

Plan Benefits

MINIMUM DISABILITY BENEFIT

The Disability Payment payable will be no less than \$100.00.

SUPPLEMENTAL PENSION BENEFITS

In the event you are employed by Oklahoma State University and are participating in or would otherwise meet the eligibility criteria of retirement from your employer's plan on the date Disability begins and you receive a regular Monthly Disability Benefit payable under the Policy, we shall establish and contribute to an individual account with the Teachers Insurance and Annuity Association and College Retirement Equities Fund on your behalf a monthly contribution equal to eleven percent (11%) of your monthly base pay.

ACCIDENTAL DEATH BENEFIT (PLAN I ONLY)

The Accidental Death Benefit of \$50,000 will be paid if you die as a direct result of an Accidental Injury and death occurs within 90 days after the date of the Accidental Injury.

If you die and the Accidental Death Benefit applies, such benefit will be increased 1% for each full month that your Certificate was continuously in force just prior to death. The increase shall not be more than 60%.

WORK INCENTIVE BENEFIT

A Work Incentive benefit will be payable based on the following:

During the first twelve (12) months of Total Disability, while working at another occupation approved by us, the Monthly Disability Benefit will not be reduced as long as the Monthly Disability Work Earnings plus the gross Monthly Disability Benefit do not exceed 100% of the Indexed Pre-Disability Earnings.

This will be calculated as follows:

- (a) Add Monthly Disability Work Earnings while Totally Disabled, but working, to the gross Monthly Disability Benefits without any reductions.
- (b) Compare Item (a) with Indexed Pre-Disability Earnings.
- (c) If Item (a) is less than 100% of Indexed Pre-Disability Earnings, the Monthly Disability Benefit will not be reduced.
- (d) If Item (a) is greater than 100% of Indexed Pre-Disability Earnings, the amount over 100% will be subtracted from the Monthly Disability Benefit.

After twelve (12) months for Total Disability, while working at an occupation approved by us, payments will be based upon a percentage of income lost due to Total Disability. This will be calculated as follows:

- (a) Subtract Monthly Disability Work Earnings from Indexed Pre-Disability Earnings;
- (b) Divide Item (a) by Indexed Pre-Disability Earnings; and
- (c) Multiply current Monthly Disability benefit by Item (b) to determine monthly payment.

DONOR BENEFIT

If you are disabled as a result of being an organ or tissue donor, we will pay your benefit as any other illness under the terms of your plan.

WORKSITE ACCOMMODATION EXPENSE BENEFIT

A Worksite Accommodation Expense Benefit of up to the greater of \$1,000 or two months' gross benefit will be payable to any employer who makes a reasonable worksite accommodation.

Worksite Accommodation Expense means reasonable physical worksite accommodation expense as approved by American Fidelity Assurance Company to allow a disabled person to work in any occupation for any employer, except self-employment.

DIRECT DEPOSIT DISABILITY BENEFITS

In the event you choose the direct deposit option on an approved claim, we will deposit your benefits directly into your bank account at no additional cost. This can accelerate access to your benefits by several days. We also have a toll-free fax that allows you instant transmission of your claim forms to our benefits department.

SOCIAL SECURITY FILING ASSISTANCE

If we determine a Disabled Insured is a likely candidate for Social Security Disability benefits, we can assist you with the application and appeal process.

CHEMICAL DEPENDENCY LIMITED BENEFIT

If you are Totally Disabled due to a Chemical Dependency, Monthly Disability Benefits will be paid for up to 2 years, not to exceed the Maximum Benefit Period, provided the Insured is under the Regular Care and Attendance of a Physician. Thereafter, benefits will be paid only if you are confined to a Hospital and will end three months after confinement terminates, if Total Disability continues.

HOSPITAL

The term "Hospital" shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatrics ward; or as an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

TOTAL DISABILITY: (or Totally Disabled) for the first 12 months of Total Disability means that you are unable to perform each and every duty of your employment. After that, Total Disability means you are unable to perform each and every duty of any occupation for wage or profit for which you are reasonably suited by education, training, or experience.

Important Policy Provisions

ELIGIBILITY

All full time regular employees of OSU or one of its institutions, and on Active Service. Evidence of insurability acceptable to us may be required.

ACTIVE SERVICE

"Active Service" means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Service on a day which is not a scheduled work day only if you would be able to perform in the usual manner all of the regular duties of your employment if it were a scheduled work day.

EFFECTIVE DATE OF COVERAGE

Your coverage will take effect on the requested Effective Date if you apply in writing within the first 90 days of eligibility; meet our underwriting rules; and are on Active Service.

ADJUSTMENTS AND LIMITATIONS

The Monthly Disability Benefits paid to you will be reduced by the payments you and your dependents are entitled to receive from:

- (a) group insurance coverage or like coverage for persons in a group;
- (b) Federal Social Security Act (this includes benefits paid to you and your dependents on account of your disability);
- (c) Federal Old Age Benefits, and increases which begin on or after the date of Total Disability, under the Federal Social Security Act on your own behalf; state or federal government disability or retirement plan and increases thereof which begin on or after the date of Total Disability;
- (d) state or federal government disability or retirement plan and increases thereof which begin on or after the date of Total Disability; pension plan to which the Policyholder or your employer contributes or makes payroll deductions; or
- (e) pension plan to which the Policyholder or your employer contributes or makes payroll deductions;
- (f) pay or wage continuance plans such as sick leave paid for by the Policyholder or your employer which extend beyond 180 days;
- (g) Workers' Compensation or like law; and
- (h) unemployment compensation.

With respect to items (b) and (c) only, unless you show proof to us that payments under these applicable programs or acts have been applied for but will not be paid, we: (a) will assume you are covered under the Federal Social Security Act and are receiving such payments; and (b) deduct any lump sum payment you received from your Monthly Disability Benefits payable. We may require you to reapply (but not more frequently than annually), once a Social Security denial has been received and all appeals have been pursued. Failure to reapply for benefits when required by us will result in our estimation of payment under those acts. Benefits will not be reduced due to a cost of living increase in Social Security if the increase takes place while benefits are payable under the Policy. The Minimum Monthly Disability Benefit payable will be no less than \$100.

EXCLUSIONS

The Policy does not cover any loss, fatal or non-fatal, which results from:

- (a) intentionally self-inflicted injury while sane or insane;
- (b) **War:** War or acts of war when serving as a member of any military, air force, naval organization, or an auxiliary unit thereto. This exclusion includes Accidental Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war or act of war. We will refund the pro rata unearned premium for any such period you or your dependents are not covered;
- (c) taking part in a riot, insurrection, or rebellion; or
- (d) penal incarceration. We will not pay benefits for Disability or any other loss for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.

PRE-EXISTING CONDITION

The term "Pre-Existing Condition" means a disease, Accident, Sickness, physical, or mental condition for which you:

- (a) had treatment;
 - (b) incurred expense;
 - (c) took medication; or
 - (d) received a diagnosis or advice from a Physician,
- during the 12-month period immediately before the Effective Date of your coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Accident, Sickness, physical, or mental condition.

PRE EXISTING CONDITION LIMITATION

If Total Disability is due to a Pre-Existing Condition and begins before you have been continuously covered under the Policy for 12 months, no Monthly Disability Benefit will be payable. This provision will not apply if you have:

- (a) gone treatment-free;
 - (b) incurred no expense;
 - (c) taken no medication; and
 - (d) received no diagnosis or advice from a Physician
- for 12 consecutive months for such condition(s).

Benefits will not be excluded for Total Disability due to a Pre-Existing Condition which begins after you have been continuously covered under the Policy for 12 months.

Any increase in benefits will be subject to this Pre-Existing Condition Limitation. A new Pre-Existing Condition period must be satisfied with respect to any increase applied for and approved by us.

WAIVER OF PREMIUM

If you become Disabled due to a covered Accidental Injury or Sickness and are eligible to receive a Disability Payment, your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following satisfaction of the Elimination Period, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins. Waiver of Premium will continue until:

- (a) the end of your Total Disability;
- (b) the end of the Maximum Benefit Period;
- (c) the end of the period for which benefits would otherwise be payable;
- (d) the date the Policy terminates; or
- (e) the date your employment with the Policyholder ends, as determined by the employer,

whichever occurs first. We will require proof on an annual basis that you remain Disabled during said period. Waiver of Premium will not be made retroactive if the Insured fails to apply for disability benefits within 60 days of the onset of disability.

Important Policy Provisions (con't)

APPROVED LEAVE WITH PARTIAL PAY

If you go on sabbatical Leave, Workers' Compensation, or other approved leave with a temporary reduction in hours of work and/or pay, coverage may be continued during such leave. Continuation of coverage during leave or temporary reduction in hours of work is:

- (a) limited to a maximum of 12 months; and
- (b) subject to the employer continuing your pay while on such leave.

If you receive partial pay while on approved leave:

- (a) the amount of your coverage will not change;
- (b) benefits payable for Total Disability which occurs while on leave will be based on the eligible coverage prior to the leave;
- (c) the premium due for benefits payable for Total Disability which occurs while on leave will be deducted from your benefit,

during the time coverage is being continued in accordance with this provision.

Benefits for a covered disability which began while on leave are payable and will begin on the first day;

- (a) coverage becomes effective (after reapplying); or
- (b) following the applicable Elimination Period which began while you were on leave,

APPROVED LEAVE OF ABSENCE WITH NO PAY

If you go on a Leave of Absence without Pay, coverage may be continued during such Leave of Absence. Continuation of coverage during Leave of Absence without Pay is subject to completion of the employers Leave of Absence forms. You must have a continuing assignment with approved periods of absence in-between appointments so noted by personnel action or the budget process. If you do not have a continuing assignment, coverage will be terminated at the end of the last approved assignment.

When you receive no Pay while on Leave of Absence:

- (a) the amount of your coverage will not change;
- (b) benefits payable for Total Disability which occurs while on Leave of Absence will be based on the eligible coverage prior to such Leave.

If Total Disability starts while on Leave of Absence:

- (a) the premium will be retroactively due at the end of the Leave of Absence; and
- (b) any remaining premium due for benefits payable for Total Disability which starts while on Leave of Absence will be deducted from your benefit.

If your Leave of Absence without Pay exceeds six months, you will be required to request continuation of coverage and pay the appropriate premium for the duration of the approved Leave.

Benefits for a covered disability which begin while on Leave of Absence are payable and will begin on the first day:

- (a) coverage becomes effective (after reapplying); or
- (b) following the applicable Elimination Period which began while you were on Leave of Absence,

whichever is later. Any amount of coverage in excess of the amount you were covered for prior to Leave of Absence will not be payable for such period of disability.

INDEXED PRE-DISABILITY EARNINGS

Means pre-disability earnings adjusted by the increase in the Consumer Price Index-West (CPI-W).

MONTHLY DISABILITY WORK EARNINGS

Means income earned from another occupation while Totally Disabled.

TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

- (a) the date you do not meet the Eligibility requirements;
- (b) the end of the last period for which premium has been paid;
- (c) the date the Policy is discontinued.

if:

- (a) your coverage ends as a result of your termination of Active Service;
- (b) such termination is caused by an Accident or Sickness for which Monthly Disability Benefits would be payable; and
- (c) Total Disability is established prior to the termination of Active Service,

then:

Monthly Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no effect on Total Disability Payments which began before termination. We may end your coverage if you submit a fraudulent claim.

The Company Behind Your Plan

American Fidelity Assurance Company is a third-generation family-owned organization providing insurance products and financial services to education employees, trade association members and companies throughout the United States and across the globe.

Since 1982, American Fidelity is rated “A+” (Superior)¹ by A. M. Best Company. Considered one of the nation’s leading insurance company rating services, A.M. Best bases its ratings on an analysis of the financial condition and operating performance of insurance companies in such vital areas as: Competency of Underwriting, Control of Expenses, Adequacy of Reserves, Soundness of Investments and Capital Sufficiency.

Because of American Fidelity’s fiscal strength and financial security, the company has been rated “A” (Excellent)² with TheStreet.com (formerly Weiss Ratings Inc.). This places American Fidelity on the list of TheStreet.com’s Recommended Companies, an elite group of life, health and annuity companies. American Fidelity’s rating represents the top 2.8 percent of insurance companies.

The 2008 Standard and Poor’s Insurance Rating Report has given American Fidelity an “Api”³ rating. The qualified solvency ratings assigned by S&P are based on the analysis of quantitative data such as Capital Strength, Quality of Assets, Profitability and Liquidity.

American Fidelity Assurance Company is proud to count itself among Fortune⁴ magazine’s “100 Best Companies to Work For” in America for the sixth straight year. We know that satisfied employees result in satisfied customers, which is an important foundation of American Fidelity’s approach to business.

American Fidelity is founded on and driven by the principle of serving our customers. We continue to grow steadily through calculated growth and conservative investment practices.

¹ www.ambest.com, February 21, 2008 (A+ is the 2nd out of 16 with 1 being the highest.)

² *TheStreet.com Ratings Guide to Life, Health and Annuity Insurers*, Winter 2008-09 (A is 2nd out of 16 with 1 being the highest.)

³ www.standardandpoors.com February, 2009 (Api is 9th out of 24 with 1 being the highest.)

⁴ *Fortune Magazine*, February 2, 2009 Issue.

HOME OFFICE
2000 North Classen Boulevard
Oklahoma City, OK 73106
(800) 654-8489

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Assurance Company**
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