

# Guaranteed Standard Issue Individual Disability Insurance

Answers to Questions About Plan Administration for Employers



Standard Insurance Company

The Standard Life Insurance Company of New York



Standard Insurance Company is licensed to issue insurance in all states except New York. The Standard Life Insurance Company of New York is licensed to issue insurance only in the state of New York.

# Guaranteed Standard Issue Individual Disability Income Insurance Plan Design

As the program sponsor, the employer works with The Standard<sup>‡</sup> to create the plan design for all employees covered under your GSI Individual Disability Insurance plan. Each insured employee has the same type of coverage, although eligibility for amounts of insurance and certain optional riders may differ, based on financial qualifications, age or occupation.

The plan provisions and eligibility rules are described in the offer letter that is part of the application process. Please refer to that offer letter or contact your insurance representative for details about your GSI IDI plan.

The Standard's GSI IDI plans integrate IDI insurance with group long term disability insurance and existing individual disability insurance. This way you can offer a comprehensive disability insurance package that maximizes the features and flexibility of both individual and group insurance.

If you have chosen The Standard for both your individual and group disability insurance, The Standard will manage the administration of both of your plans. Administration of the group portion of your plan is explained in detail in The Standard's Group Insurance Plan Administration Guide.

## Responsibilities

The Standard, your insurance representative and you, the employer, all play important roles in maintaining the GSI IDI plan.

### The Standard's Responsibilities

- Issue policies
- Receive and apply premium
- Provide appropriate claim administration
- Provide answers to your questions
- Process policy change requests
- Notify you of changes affecting the coverage
- Evaluate program for renewal offer



<sup>‡</sup> The Standard is a marketing name for StanCorp Financial Group, Inc., and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Ore., in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, N.Y.

## Your Insurance Representative's Responsibilities

- Enroll new employees
- Facilitate policy changes
- Adjust billing arrangements for departing employees
- Provide answers to your questions

## Your Responsibilities

- Collect and submit premiums
- Supply timely information for enrollment based on the timelines in the offer letter
- Work with an insurance representative to enroll new employees
- Inform newly eligible employees of available coverage
- Facilitate the acceptance and distribution of new policies to insured employees
- Provide forms and employer information for benefits claims
- Provide timely notice to The Standard when an employee leaves the program or your employment
- Support plan renewals to keep benefits aligned with annual increases in compensation

## Billing Administration

Billing takes each GSI IDI-covered employee into account every month.

## Billing Method

Premium payments for GSI IDI are administered using a "list bill"<sup>1</sup> method with insured employees listed individually, including name, the date for which premium is due and the amount. Each employee may be charged a unique premium based on type of coverage, benefit amount, age and tobacco use.

Please do not calculate premium on your GSI IDI list bill. The Standard will advise you of the premium amount due for each employee. Instead, please pay from the initial billing. After policies are in force, they will each appear on subsequent list bill statements.

<sup>1</sup> In New York this is called "Multi-Account Bill."

Note: For policies issued in New York: 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 is at least 60% for guaranteed standard issue coverage. This ratio is the portion of future premiums which The Standard expects to return as benefits, when averaged over all people with this policy.



If you have Group LTD insurance with The Standard, you will receive a separate bill for that coverage. You may receive list bills or use self-administered billing with employee data summarized (not listed separately). Please refer to the Billing Administration section of the Group Insurance Plan Administration Guide for more information about paying premiums.

## Commonly Asked Questions About Billing Administration

### Who Do I Contact With Routine Changes Regarding List Bills, Premiums or Billing?

Contact The Standard directly at [gsiprem@standard.com](mailto:gsiprem@standard.com).

### What Amount Do I Pay?

The total premium due is listed on the last page of your list bill. Please pay the amount due and enter it on the statement. If you submit an amount different from the amount due, please explain the difference.

### Are There Adjustments to the Premiums?

Yes:

- When a policy is continued past the maturity date shown on the policy data page
- When the plan sponsor changes the benefit structure with an amended offer letter from The Standard
- When the plan renews, premiums will be adjusted for any increase in coverage per employee

Premiums are due on the first of the month for the entire month. The Standard does not prorate premiums. If the insured employee terminates employment during the middle of a month, premiums will be administered according to the terms of the policy. The Standard's list bill team will work with you regarding any premium refunds, if applicable. For more information, please refer to the Commonly Asked Questions About Employee Changes section on the next page.

### When Is the Premium Payment Due?

Premium payments are due on the first of the month for the month indicated, unless otherwise noted. Premium statements will be mailed to you in advance of the due date. The GSI IDI policy provides a 31-day grace period following the month in which payment is due. In order to keep coverage in force, payment must be received within the grace period.

The grace period for your GSI IDI plan may be different from that of your group insurance plan. Please consult your group policy for information about the grace period for your group coverage.

### What Happens if the Premium Payment Is Late?

If payment is not received by its due date, The Standard sends a letter to notify the plan sponsor of the past-due premium.

If past-due premium is not received in a timely manner, the employer-sponsored program could be discontinued.

If the employer-sponsored program is discontinued, The Standard may contact employees directly to allow the policyowners the opportunity to continue premium payments on their own in order to keep their policies in force.



## When Employees Leave the Program, How is Billing Affected?

If the employee is covered under the plan for any portion of the month, please pay the entire premium for that month. The Standard will calculate the amount of any premium refund owed and remit or credit the refund to the appropriate party.

While coverage is in force, premiums paid by the employer cannot be refunded for any premium period prior to the month that The Standard receives notice of employment termination, regardless of the effective date of termination.

## How Do I Add an Employee to the Program?

Please consult the offer letter for details regarding eligibility for new employees. Newly eligible employees must complete an application and be approved by The Standard in order to become insured. Please contact your insurance representative to request applications for newly eligible employees.

You will be asked to supply certain employee information to assist with the application completion. Applications may be completed up to 90 days before or after the eligibility date defined in the offer letter. The application forms must be signed by the newly eligible employees (policyowners) as will the delivery forms when they arrive at your offices. Your insurance representative may need your assistance in contacting the employees at that time.

Premium payment and receipt of policy delivery requirements are required to activate coverage for an approved application. The Standard will notify you of the premium due at the time of policy delivery, and will send policies to the plan for acceptance and delivery to the insured employees.

## Commonly Asked Questions About Employee Changes

### When Employees Leave the Program, Can They Take the GSI IDI Coverage With Them?

The GSI IDI coverage is fully portable, which means that insured employees may keep the coverage in force after they leave the plan, provided they pay the premiums on time. This is due to the fact that all covered employees receive customized insurance contracts (individual policies) through your GSI IDI plan. It is important that you inform terminating employees of their ability to keep coverage in force.

The Standard must be notified of the date employees leave an employer-sponsored GSI IDI program as well as be provided with the employees' personal contact information so the employees may be contacted regarding continuation of coverage.



## When Does Coverage Above the GSI Maximum Become Effective?

Under some circumstances, coverage above the Guaranteed Standard Issue limit may be available with additional underwriting approval. In this case, a separate application, along with medical and income documentation, is required for fully underwritten coverage. Applications for fully underwritten coverage may be:

- Accepted as applied for
- Issued with coverage exceptions
- Assessed additional premium
- Declined for coverage

Since the availability of additional coverage is unknown until the underwriting process is complete, no premium is collected with a fully underwritten application. You will be advised of the effective date of coverage and premium due when the GSI IDI policy is issued.

## Employer-Initiated Plan Changes

As outlined in the offer letter, the plan sponsor manages the plan design for the insured employees who participate in the GSI IDI plan. Basic plan design features include:

- Maximum monthly benefit amount
- Maximum benefit period
- Benefit waiting period
- Benefit limitations
- Optional provisions

The above plan provisions may be changed, provided the change applies to all eligible employees. Plan changes will not be made for individual employees or subsets of individuals participating in the plan. If you wish to add, remove or change provisions of your plan, please contact your insurance representative.

Plan changes shall not affect existing coverage without the approval of the insured employees.

All plan changes are subject to underwriting approval by The Standard and may require additional information about your participating employees.



## Renewals and Benefit Increases

The Standard will review your plan annually to determine if changes may be made to the Guaranteed Standard Issue offer for your plan. If you request a change to your GSI IDI plan, you may be asked to provide The Standard with an updated census, including current salary and other compensation amounts. We will review the census information, plan design and experience to date to determine if the amounts under the Guaranteed Standard Issue plan may be increased.



## Renewal Option After the Termination Date

Policies are scheduled to end on the termination date shown in each policy. However, each policy may be extended under the Renewal Option provision of the plan, provided the policyowner is actively working on a full-time basis and is not on claim. The Standard will contact the policyowner at the policy termination date to confirm eligibility.

After the policy is renewed under the Renewal Option, it may be renewed annually under the same requirements listed above. In addition, premiums payable may increase. The benefit period for renewal is listed in the data page of each policy. While the benefit for Total Disability continues unchanged with renewal after termination, other policy benefits are permanently terminated and are not available for renewal.

## Claims for Benefits

As soon as employees think they might be disabled under their GSI IDI policy from The Standard, they should contact us at:

### The Standard

phone 800.628.9797

fax 971.321.5609

Employees may also ask their authorized insurance representative to contact The Standard on their behalf.

After we receive the employee's notice, The Standard will mail the employee a claim packet. Once we receive all the forms necessary to process the claim, we will contact the employee to provide the status of the claim.

If The Standard provides short term disability, long term disability and/or waiver of life insurance premium for your employees in addition to GSI IDI, a single benefits analyst will manage all claims.

Benefit payments may be made via paper checks or electronic funds transfer.

## GSI Policy Summaries

Brochures summarizing the GSI IDI policy (available from your insurance representative) can be used to highlight certain features of the policy and help answer questions.

The brochures contain all possible provisions for the Guaranteed Standard Issue insurance plan. Some provisions may not apply to your GSI IDI plan. Please consult your offer letter to determine the provisions of the plan selected for your business.

Thank you for selecting The Standard to provide Individual Disability Income Insurance on a Guaranteed Standard Issue basis for your valued employees.

For assistance in administering your disability insurance plan, contact Standard Insurance Company at 800.247.6888 or The Standard Life Insurance Company of New York at 800.378.6057.





## Count on The Standard

The Standard ranks among the leading individual disability insurance carriers in the nation. You can be confident that we're financially strong, our disability products are high in quality and we can pay what we promise – now and in the future. In the event you become disabled and need to make a disability claim, you'll discover our exceptional service. Our goal is to give you the kind of expert, friendly service we wish for ourselves and our families.

These policies have exclusions and limitations and terms under which the policies may be continued in force or discontinued. Some policy provisions and available riders may vary by state. Optional riders are subject to underwriting, and may increase premiums. For complete cost and coverage details, please contact your insurance representative or The Standard.

The Standard is a marketing name for StanCorp Financial Group, Inc., and subsidiaries. Insurance products are offered by Standard Insurance Company of 1100 SW Sixth Avenue, Portland, Oregon, in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of 333 Westchester Avenue, West Building, Suite 300, White Plains, New York. Product features vary by state and company, and are solely the responsibility of each subsidiary. Each company is solely responsible for its own financial condition. Standard Insurance Company is licensed to solicit insurance business in all states except New York. The Standard Life Insurance Company of New York is licensed to solicit insurance business in only the state of New York.

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