



# Disability Income

## Required Disclosure Statement

### SUMMARY OF COVERAGE

This Summary of Coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and Mutual of Omaha Insurance Company. It is, therefore, important that you

#### **Please Read Your Policy Carefully!**

#### **This policy is not a Medicare Supplement.**

Policies of this category are designed to provide disability income insurance coverage for loss resulting from a covered accident or sickness, subject to any limitations set forth in the policy. This policy 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 55%. This ratio is the portion of future premiums which Mutual of Omaha Insurance Company expects to return as benefits, when averaged over all people with this policy.

#### **Disability Income Benefits**

This coverage provides periodic benefit payments to help replace income when the insured is unable to work as a result of illness or injury.

#### **Definitions**

**Benefit Period** means the maximum length of time Total Disability benefits, Proportional Disability benefits or any combination of these benefits are payable. The benefit period begins on the first day benefits become payable after expiration of the Elimination Period. The benefit period ends after benefits have been payable for the duration of time shown on the policy schedule.

**Elimination Period** means the initial number of days of Total Disability, Proportional Disability or any combination thereof that must pass before benefits become payable. The elimination period is shown on the policy schedule. The elimination period begins on the date of first medical treatment during Total Disability or Proportional Disability.

**Loss of Monthly Income** means the difference between Prior Monthly Income and Current Monthly Income. Loss of Monthly Income must be caused by the injuries or sickness for which claim is made. The amount of the loss must be at least

25% of your Prior Monthly Income to be considered a loss of Monthly Income. If the loss is more than 75% of your Prior Monthly Income and Total Disability is not incurred, we will still consider the loss of Monthly Income to be 100%, and benefits, if any, will be paid as Total Disability benefits.

**Monthly Income** means your monthly income from salary, wages, bonuses, commissions, fees or other payments received for personal services rendered or work performed in Your Occupation. Normal and usual business expenses (as used in accepted accounting practices and procedures for tax purposes) are to be deducted, income taxes are not. Monthly income does not include dividends, rents, royalties, annuities or other forms of unearned income. Proof of monthly income may be required when a claim is filed.

**Prior Monthly Income** means the greater of:

- (a) your average Monthly Income for the 12-month period immediately prior to the onset of a covered disability for which claim is made; or
- (b) your average Monthly Income for the calendar year with the highest earnings of the last two calendar years prior to the onset of such covered disability.

**Retirement** means the first policy renewal date that coincides with or next follows the date you stop regular, active, gainful full-time employment for any reason other than sickness or injury.

**Your Occupation** means the occupation (or occupations, if more than one) in which you are regularly engaged at the time you become disabled.

#### **Benefits of Your Plan**

#### **Total Disability Benefits**

If you are unable to work because of sickness or injury, we will pay the Total Disability monthly benefit for each month of Total Disability, after the Elimination Period has been satisfied, for as long as:

- (a) the Benefit Period or to age 65, whichever is less, when loss begins before age 64; or
- (b) the Benefit Period or 12 months, whichever is less, when loss begins at or after age 64 but before age 75.

Loss will be considered to begin on the first date of medical treatment during Total Disability.

**Total Disability** *during* the Elimination Period and *during* the first 24 months following the Elimination Period means that due to sickness or injury:

- (a) you are unable to perform the material and substantial duties of Your Occupation; and
- (b) you receive regular medical care by a physician.

Total Disability *after* the first 24 months following the Elimination Period means that due to sickness or injury:

- (a) you are unable to perform the material and substantial duties of any occupation for which you are reasonably suited because of education, training or experience; and
- (b) you receive regular medical care by a physician.

### **Proportional Disability Benefits**

If you are unable to work as much time or perform as many employment duties as usual because of sickness or injury, we will pay the Proportional Disability monthly benefit for each month of Proportional Disability, provided you sustain a Loss of Monthly Income.

Proportional Disability benefits begin after expiration of the Elimination Period, and are payable for as long as:

- (a) the Benefit Period or to age 65, whichever is less, when loss begins before age 64; or
- (b) the Benefit Period or 12 months, whichever is less, when loss begins at or after age 64 but before age 75.

The Proportional Disability monthly benefit will be an amount determined each month by using this formula:

(Loss of Monthly Income *divided* by Prior Monthly Income) *multiplied* by the Total Disability Monthly Benefit *equals* the Proportional Disability monthly benefit.

Benefits for Proportional Disability are not payable during Total Disability.

### **Indexing of Prior Monthly Income**

If Proportional Disability continues for 12 months in a row or longer, your Prior Monthly Income amount will be adjusted to compensate for increases in the cost of living for purposes of calculating the above formula. On each one-year anniversary of the start of Proportional Disability, your Prior Monthly Income amount will be increased by 5% compounded annually. Such increases will continue for the duration of the Benefit Period, as long as Proportional Disability benefits are payable.

**Proportional Disability** *during* the Elimination Period and *during* the first 24 months following the Elimination Period means that due to sickness or injury:

- (a) you are unable to perform one or more of the material and substantial duties of Your Occupation or you are not able to perform such duties for as much time as it would normally take you to do them; and
- (b) your Loss of Monthly Income is at least 25%, but not more than 75%, of your Prior Monthly Income; and
- (c) you receive regular medical care by a physician.

Proportional Disability *after* the first 24 months following the Elimination Period means that due to sickness or injury:

- (a) you are unable to perform one or more of the material and substantial duties of any occupation for which you are reasonably suited because of education, training or experience, or you are not able to perform such duties for as much time as it would normally take you to do them; and
- (b) your Loss of Monthly Income is at least 25%, but not more than 75%, of your Prior Monthly Income; and
- (c) you receive regular medical care by a physician.

### **Specific Injury Benefits**

We will pay the amount shown in the policy for any listed injury you receive. If, in the same accident, you receive two or more of the injuries listed, we will pay only ONE amount. The amount we pay will be the largest shown for the injuries received. Specific Injury Benefits are payable in addition to any other benefits payable under this policy.

### **Presumptive Total Disability Benefits**

You will be presumed to be Totally Disabled if, prior to age 75 or Retirement, sickness or injury results in the entire, irrecoverable and uncorrectable loss of:

- (a) speech;
- (b) hearing in both ears;
- (c) sight in both eyes; or
- (d) the use of both hands, both feet or one hand and one foot.

You must present satisfactory proof of your loss. Your ability to engage in any occupation will not matter. Further medical treatment will not be required. Benefits will be paid, provided you are alive, according to the Total Disability provisions of this policy, except as follows:

- (a) Benefits will begin to accrue on the date of loss or the day following the Elimination Period, whichever is first; and
- (b) Regardless of the Benefit Period shown on the policy schedule, Total Disability benefits will be paid until age 65 or for 12 months, whichever is longer.

No other benefits will be paid for Total Disability or Proportional Disability while benefits are paid under this provision.

### **Transplant Donor Benefits**

If you become disabled as the result of a transplant of part of your body to the body of another person, we will consider such disability to be the result of a sickness, and we will pay benefits for Total Disability or Proportional Disability on the same basis as any other sickness. Total or Proportional Disability, due to a transplant donation, must start while your policy is in force and at least six months after the policy date.

### **Survivor Benefit**

Upon your death, we will pay a survivor benefit to your designated beneficiary, if:

- (a) Total or Proportional Disability benefits were payable; and
- (b) the Benefit Period was not exhausted;

at the time you died. The survivor benefit will be a lump-sum amount equal to three times the Total or Proportional Disability monthly benefit payable under your policy and any Social Insurance Substitute Benefits Rider at the time of your death. In the event no beneficiary is named or living, the survivor benefit will be paid to your estate.

### **Rehabilitation Benefits**

While you take part in a vocational on-the-job program, we will continue to pay Total Disability or Proportional Disability benefits to which you are otherwise entitled. We must approve the program before it begins and how long it is to continue.

We may also pay the cost for evaluation, other vocational assistance and medical management needed to see if you can be reemployed. We must give prior written approval.

### **Recurrent Loss**

If a later loss results from a sickness or injury entirely unrelated to the cause(s) of a prior loss, such later loss will be considered a new loss if, between such losses, you have returned to full-time work and have not been eligible to receive Proportional Disability benefits for the 30 or more continuous days immediately preceding the new loss. Otherwise, such loss will be considered a continuation of the prior loss.

If a later loss results from a sickness or injury related to the cause(s) of a prior loss, that later loss will be considered to be a new loss, if, between such losses, you have been released from medical treatment by your physician for the condition(s) causing the prior loss, you have returned to full-time work and you have not been eligible to receive Proportional Disability benefits for at least six months in a row.

The full Benefit Period will be restored, and a new Elimination Period will apply, to a new loss.

This recurrent loss section will not extend the limitation for benefits payable due to Substance Abuse or Mental or Nervous

Disorders beyond the stated lifetime maximum of 24 months or the length of the Benefit Period, whichever is less.

### **Waiver of Premium**

If sickness or injury results in a period of more than 90 continuous days of Total Disability, we will:

- (a) refund any premiums which became due and were paid during this 90-day period; and
- (b) waive the payment of each premium which thereafter becomes due as long as Total Disability continues. In no event will premiums be waived beyond the end of the Benefit Period.

After waiver of premium ceases, you must again pay any premiums which become due in order to keep your policy in force. You must present satisfactory proof of Total Disability in order for premiums to be waived.

### **Exclusions and Limitations**

Benefits are not payable for:

- (a) loss that begins while this policy is not in force;
- (b) loss resulting from an act of declared or undeclared war;
- (c) loss caused by intentionally self-inflicted injury;
- (d) loss resulting from commission or attempted commission of a felony;
- (e) loss caused by suicide or attempted suicide; or
- (f) loss resulting from your air travel as a non-commercial airline pilot.

Benefits payable are limited or excluded for the following conditions and circumstances:

### **Pregnancy**

Benefits are not payable for loss due to normal childbirth, normal pregnancy or voluntarily induced abortion. Benefits for Complications of Pregnancy are payable on the same basis as any other sickness.

**Complication of Pregnancy** means:

- (a) conditions requiring hospital stays, when the pregnancy is not terminated, whose diagnoses are distinct from pregnancy, but are adversely affected by pregnancy or caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion and similar medical and surgical conditions of comparable severity; and
- (b) non-elective cesarean section delivery, ectopic pregnancy which is terminated and spontaneous termination of pregnancy which occurs during a period of gestation in which a viable birth is not possible.

Complication of pregnancy does not include false labor, occasional spotting, physician prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum, preeclampsia and similar conditions associated with the management of a difficult pregnancy not constituting a distinct medically-classified complication of pregnancy.

#### **Substance Abuse Limitations**

Benefits payable for Substance Abuse are limited to a lifetime maximum of 24 months or the length of the Benefit Period shown in the policy schedule, whichever is less. The RECURRENT LOSS section will not extend this lifetime maximum limitation for Substance Abuse.

**Substance Abuse** means drug abuse, alcoholism or chemical dependency.

#### **Mental or Nervous Disorder Limitations**

Benefits payable for Mental or Nervous Disorders are limited to a lifetime maximum of 24 months or the length of the Benefit Period shown in the policy schedule, whichever is less. The RECURRENT LOSS section will not extend this lifetime maximum limitation for Mental or Nervous Disorders.

**Mental or Nervous Disorder** means neurosis, psychoneurosis, psychosis, or mental or emotional disease or disorder of any kind. Mental or nervous disorder does not include Alzheimer's disease or similar forms of dementia resulting from degenerative diseases, stroke, head trauma or viral infection.

#### **Military Service/Armed Forces Exclusion and Suspension of Coverage**

Benefits are not payable for loss sustained while serving in the military or the armed forces. Upon notice to us of entry into the military or armed forces, the unearned portion of the premium will be refunded.

If you enter into full-time military service, or are a member of a reserve component of the United States armed forces, including the National Guard, you can request to have your coverage suspended during a period of active duty. During this time, your policy will not be in force and no premium will need to be paid by you. Once the period of active duty ends, we will resume your coverage upon our receipt of your written application and payment of the required premium within 60 days following active duty termination.

Suspension of coverage will be allowed for up to five years of continuous active duty. Active duty does not include any period of service dedicated to training or determination of your physical fitness.

#### **Important Facts About Your Coverage**

##### **Renewable to Age 75 or Retirement – Premiums Subject to Change**

This policy is renewable to age 75 or Retirement. This means you have the right to continue your coverage until you reach age 75 or retire, whichever comes first. During that time, we cannot cancel the policy unless you do not make the required

premium payment before the end of each grace period. To continue the policy, you must make sure that you pay the premiums when they are due.

The premium for this policy will change at age 65. The premium may also change prior to or after age 65, but only if the same change is made on all policies of this form delivered or issued for delivery in New York to persons of the same classification and benefits. In no event will the premium increase during the first 12 months following the policy date. All premium changes are subject to approval by the New York State Insurance Department.

#### **Termination**

This policy will terminate on the earliest of:

- (a) the date we receive your request to cancel the policy (in which case the grace period will not apply);
- (b) the date of your death;
- (c) the policy renewal date, if sufficient premium has not been paid before the end of the grace period;
- (d) your reaching age 75; or
- (e) your Retirement.

In the event of cancellation or death, we will promptly return the unearned portion of any premium paid. If we accept a premium after you reach age 75 or after we receive notice of your Retirement, disability coverage will continue until the end of the period for which premium was accepted.

Termination of coverage will not affect any disability claim which began while the policy was in force.

#### **Optional Benefits**

##### **Social Insurance Substitute (SIS) Benefits Rider**

Provides an additional monthly benefit when you do not qualify for Social Insurance such as Social Security, Workers' Compensation or Occupational Disease Law benefits.

##### **Guaranteed Insurability Option (GIO) Rider**

You can raise your monthly benefit amount to keep pace with annual salary increases — regardless of changes in your health.

##### **Cost of Living Adjustment (COLA) Rider**

Selecting this rider will increase your monthly benefit by 5%, compounded annually.

##### **Sixty-Month Disability Definition Rider**

Extends the period of time you would receive total or proportional disability benefits from your own occupation from two years to five.

##### **Association Marketing Rider**

Will reduce premiums by 5% and will be added to disability income policies sold to members of approved associations. (The expected benefit ratio for the policy is changed to 60.8% when this rider is attached.)

**In-Hospital Total Disability Benefits Rider**

Pays an in-hospital total disability monthly benefit for each month you are confined in a hospital as a resident inpatient.

**Specific Injury Benefits Rider**

Pays a fixed disability benefit amount for certain specified injuries (such as a fracture or dislocation) when such benefits are greater than the disability benefits that would otherwise be payable under the policy and any SIS Benefits Rider. (This rider's benefits are payable in addition to any Specific Injury Benefits which may be payable under the policy.)

**If you have questions that are not answered by this Summary of Coverage, be sure to ask your agent or insurer representative.**

**Retain this for your records.**

**This is only a Summary of Coverage provided under the policy and rider forms designated. It is not a contract of insurance. The exact terms and conditions of this coverage are set forth in the policy and riders.**

Policy Form # D77-20315 or state equivalent

Rider Form #'s 0HY6M, 0HT2M-30, 0HT3M-30, 0HT4M Rev., 0JR4M, 0KR7M, 0KR8M or state equivalent

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