



## **Short Term Disability Income Protection Insurance Plan Highlights**

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### **Harley Marine Services, Inc Policy # 226159**

Please read carefully the following description of your Short Term Disability Income Protection insurance plan, underwritten by Unum Life Insurance Company of America.

#### **Your Plan**

##### ***Eligibility***

All Benefit Eligible Employees in active employment in the United States with the Employer. Employee must be working a minimum of 30 hours per week on average during the 6 month period.

##### ***Guarantee Issue***

You may apply for coverage without answering any medical questions or providing evidence of insurability if you apply for coverage during this special enrollment period (Nov. 1<sup>st</sup>, 2014 – Dec. 12<sup>th</sup>, 2014).

If you are *not currently enrolled* and *do not elect coverage* during this special enrollment period you will be required to go through medical underwriting if you wish to elect the coverage in the future. This review may result in a declination of coverage.

##### ***Weekly Benefit Amount***

If you meet the definition of disability, you would be eligible to receive a weekly benefit if you are disabled equal to 60% of your weekly earnings, to a maximum of \$1,250 per week.

**Your disability benefit may be reduced by deductible sources of income and any earnings you have while disabled.** Deductible sources of income may include such items as disability income or other amounts you receive or are entitled to receive under: workers compensation or similar occupational benefit laws; state compulsory benefit laws; automobile liability and no fault insurance; legal judgments and settlements; certain retirement plans; salary continuation or sick leave plans; other group or association disability programs or insurance; and amounts you or your family receive or are entitled to receive from Social Security or similar governmental programs.

##### ***Definition of Disability***

You are disabled when Unum determines that due to your sickness or injury:

- you are unable to perform the material and substantial duties of your regular occupation; and
- you are not working in any occupation.

This provision allows you to return to work on a part-time basis and collect a

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"partial" benefit, payable to the full duration of disability as defined above in the Benefit Duration.

We will pay you a partial disability benefit after you have received benefits under the plan for at least 4 consecutive weeks if:

- you begin performing at least one of the material and substantial duties of your regular occupation or another occupation; and
- you have a 20% or more loss in weekly earnings due to the same sickness or injury.

You must be under the regular care of a physician in order to be considered disabled.

### ***Elimination Period***

The Elimination Period is the length of time of continuous disability which must be satisfied before you are eligible to receive benefits. If your disability is the result of an injury that occurs while you are covered under the plan, your Elimination Period is 7 days.

If your disability is due to a sickness, your Elimination Period is 7 days.

### ***Benefit Duration***

If you meet the definition of disability you may receive a benefit for 12 weeks.

### ***Federal Income Taxation***

You may wonder if your disability benefit amount will be taxed. It depends on how your premium — the price of your coverage — is paid.

**If your premium is paid with:**

- **Pre-Tax Dollars**,\* your benefit amount **will** be taxed
- **Post-Tax Dollars**,\*\* your benefit amount **will not** be taxed
- **Both Pre-Tax and Post-Tax Dollars**, a portion of your benefit amount will be taxed

The disability benefit amounts you receive will be reported annually on a W-2. It will show any taxable and non-taxable portions separately.

*\*Pre-Tax Dollars are dollars paid by your employer toward premium that are not reported as earnings on your annual W-2. They are also dollars you pay toward premium through a cafeteria plan.*

*\*\*Post-Tax Dollars are dollars paid through payroll deductions after taxes and withholdings have been subtracted from your earnings. They are also dollars paid by your employer toward premium that are reported as earnings on your annual W-2 and taxed accordingly.*

### ***Additional Benefits***

#### ***Rehabilitation and Return to Work Assistance***

Unum has a vocational Rehabilitation and Return to Work Assistance program available to assist you in returning to work. We will make the final determination of your eligibility for participation in the program, and will provide you with a written Rehabilitation and Return to Work Assistance plan developed specifically for you. This program may include, but is not limited to the following benefits:

- coordination with your Employer to assist your return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;

- job placement services;
- resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.

If you are participating in a Rehabilitation and Return to Work Assistance program, we will also pay an additional disability benefit of 10% of your gross disability payment to a maximum of \$250 per week. In addition, we will make weekly payments to you for 3 weeks following the date your disability ends, if we determine you are no longer disabled while:

- you are participating in a Rehabilitation and Return to Work Assistance program; and
- you are not able to find employment.

### **Limitations/Exclusions/ Termination of Coverage**

#### ***Pre-existing Condition Exclusion***

You have a pre-existing condition if:

- you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the 3 months just prior to your effective date of coverage; and
- the disability begins in the 12 months after your effective date of coverage.

#### ***Instances When Benefits Would Not Be Paid***

Benefits would not be paid for loss resulting from:

- war, declared or undeclared, or any act of war;
- active participation in a riot;
- intentionally self-inflicted injuries;
- loss of a professional license, occupational license or certification;
- commission of a crime for which you have been convicted;
- any period of disability during which you are incarcerated;
- an **occupational injury or sickness**, *(this will not apply to a partner or sole proprietor who cannot be covered by law under Workers' Compensation or any similar law);*
- pre-existing condition.

#### ***Termination of Coverage***

Your coverage under the policy ends on the earliest of the following:

- The date the policy or plan is cancelled;
- The date you no longer are in an eligible group;
- The date your eligible group is no longer covered;
- The last day of the period for which you made any required contributions;
- The last day you are in active employment except as provided under the

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covered layoff or leave of absence provision. Please see your Plan Administrator for further information on these provisions.

Unum will provide coverage for a payable claim which occurs while you are covered under the policy or plan.

### **Next Steps**

#### ***Effective Date of Coverage***

All newly elected coverage will be effective February 1<sup>st</sup>, 2015.

#### ***Delayed Effective Date of Coverage***

Insurance coverage will be delayed if you are not in active employment because of an injury, sickness, temporary layoff, or leave of absence on the date that insurance would otherwise become effective.

#### ***Questions***

If you should have any questions about your coverage or how to enroll, please contact your Plan Administrator.

This plan highlight is a summary provided to help you understand your insurance coverage from Unum. Some provisions may vary or not be available in all states. Please refer to your certificate booklet for your complete plan description. If the terms of this plan highlight summary or your certificate differ from your policy, the policy will govern. For complete details of coverage, please refer to policy form number C.FP-1, et al.

*Underwritten by:*

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