



Your Life, AD&D and Disability Benefits Guide

Enroll Now To Help Secure Your Financial Future

Southern Methodist University



SMU®



Welcome To Your Life, AD&D And Disability Benefits Guide

Protect What Matters Most

Building a financial safety net is important. It can also be easy if you take advantage of the benefits your employer offers. Take a few minutes now to explore your options and help protect your future and your loved ones. By enrolling in valuable insurance coverage from Standard Insurance Company – at affordable group rates – you can close key gaps in your financial safety net.

You Can Count On The Standard

Founded in 1906, The Standard has been keeping promises for more than 100 years. We specialize in employee benefits and offer plans designed to help give you peace of mind. Doing the right thing for our customers is in our DNA. Whether you have a question or need to file a claim, we're easy to reach and ready to help – online or on the phone.

Act Now To Protect Yourself And Those You Love

As you explore your benefit options, think about what – and who – is important to you, now and in the future. You may also want to plan ahead to take care of financial responsibilities. Read on to learn more reasons to enroll. Then refer to the Benefits at a Glance and Coverage Highlights included in this guide for the details of each plan.

Disability Insurance Protects A Key Asset – Your Income

You insure assets like your car, home or other possessions. But your most valuable asset is your income. That's why disability insurance is an important tool for securing your financial future. Disability insurance provides income replacement if you experience a covered illness, injury, pregnancy or mental disorder. The weekly or monthly benefit payments can help with bills that continue even when you can't work, like your mortgage or rent – expenses health insurance won't cover.

Your Employer-Paid Benefits

- Basic Life Insurance
- Long Term Disability (LTD)

Valuable Benefits You Can Enroll In Now

You may choose to enroll in any or all of the following plans at affordable group rates, with easy payroll deductions:

- Additional (Supplemental) Life
- Dependents Life
- Accidental Death & Dismemberment (AD&D)

Long Term Disability Insurance

After a Benefit Waiting Period, Long Term Disability (LTD) insurance replaces a portion of your income by paying monthly benefits if you experience a covered long-term illness, injury, pregnancy or mental disorder. Refer to the Benefits at a Glance.

Life Insurance – Plan Ahead For Peace Of Mind

It's not easy to think about, but what would happen to your loved ones if something happened to you? Or, how would you cope if a family member died? An unexpected death could leave your family with significant extra expenses, including final medical and funeral costs, on top of ongoing bills and possible loss of income.

How much Life insurance is enough? Refer to the Basic Life Benefits at a Glance and Additional (Supplemental) Life Coverage Highlights to learn more about the Life insurance coverage available through SMU. To help determine your needs, use our simple Life Insurance Calculator, available at <http://www.standard.com/calculators/life.html>.

Accidental Death & Dismemberment Insurance

Few people are prepared for the sudden financial loss brought on by an accidental death. Even fewer are financially prepared for the high cost of living after an accident results in a severe physical loss. SMU offers additional financial support by making available Voluntary Accidental Death and Dismemberment (AD&D) insurance through The Standard. AD&D insurance is designed to pay a benefit if you or, if applicable, any other covered family member have an accident that results in a covered loss.

Refer to the Benefits at a Glance and Coverage Highlights for more details on your AD&D coverage.

Do You Know Your Odds Of Disability?

- 1 in 4 of today's 20-year-olds will become disabled before they retire¹
- Every 90 seconds someone files for bankruptcy due to a serious illness²
- The two leading causes of long-term disabilities are diseases of the musculoskeletal system and connective tissue and cancer.³

1 Social Security Basic Facts, July 26, 2013

2 The American Journal of Medicine, Vol. 122, No. 8, August 2009

3 2012 Council for Disability Awareness Long-Term Disability Claims Review



Benefits at a Glance for Southern Methodist University

Group Policy # 750966
Effective Date January 1, 2015

Group Basic Life Insurance

Basic Life insurance from Standard Insurance Company helps provide financial protection by promising to pay a benefit in the event of an eligible member's covered death.

The cost of this insurance is paid by Southern Methodist University.

Eligibility

Definition of a Member

You are a member if you are an active benefit eligible employee of Southern Methodist University and regularly working at least 20 hours each week. You are not a member if you are a part-time faculty member (e.g. adjunct or lecturer), a temporary or seasonal employee, a full-time member of the armed forces, a leased employee or an independent contractor.

Class Definition

- Class 1** All Members who are not in Class 2 or 3
- Class 2** Members electing a maximum benefit of \$50,000
- Class 3** Postdoctoral Fellows

Eligibility Waiting Period

You are eligible on the date you become a member.

Benefits

Basic Life Coverage Amount

Class 1 & 2

- Option 1 Your Basic Life coverage amount is 1.5 times your annual base rate to a maximum of \$750,000.
- Option 2 Your Basic Life coverage amount is 1.5 times your annual base rate to a maximum of \$50,000.

Class 3 \$10,000

Age Reductions

Basic Life insurance coverage amounts reduce by 35 percent of pre-age 65 coverage at age 65, by 55 percent at age 70, by 70 percent of pre-age 65 coverage at age 75, by 80 percent of pre-age 65 coverage at age 80, by 85 percent of pre-age 65 coverage at age 85, and by 90 percent of pre-age 65 coverage at age 90.

Other Basic Life Features and Services

- Accelerated Benefit
- Portability of Insurance Provision
- Repatriation Benefit
- Right to Convert Provision
- Standard Secure Access account payment option
- Travel Assistance
- Waiver of Premium

This information is only a brief description of the group Basic Life insurance policy sponsored by Southern Methodist University. The controlling provisions will be in the group policy issued by The Standard. The group policy contains a detailed description of the limitations, reductions in benefits, exclusions and when The Standard and Southern Methodist University may increase the cost of coverage, amend or cancel the policy. A group certificate of insurance that describes the terms and conditions of the group policy is available for those who become insured according to its terms. For more complete details of coverage, contact your human resources representative.



Additional (Supplemental) Life Insurance

Life insurance coverage can help your family meet daily expenses, maintain their standard of living, pay off debt, secure your children’s education, and more in the event of your passing. Standard Insurance Company (The Standard) has developed this document to provide you with information about the elective coverage you may purchase through Southern Methodist University.

Eligibility Requirements

Employee

- You must be insured for Basic Life through The Standard
- You must be an active benefit eligible employee of Southern Methodist University working at least 20 hours each week
- Part-time faculty (e.g. adjunct or lecturer), temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible
- You cannot be insured as both an employee and a dependent

Dependent

- Spouse means a person to whom you are legally married
- Domestic Partner means an individual of the same gender with whom you have completed an affidavit of declaration of domestic partnership and submitted that affidavit to the Employer
- Child means your unmarried child from live birth through age 24
- Your child cannot be insured by more than one employee
- Your spouse/domestic partner or children must not be full-time member(s) of the armed forces

Premium

- You pay 100 percent of the premium for this coverage through after-tax payroll deduction

Coverage Amount Guidelines

Within the coverage amount guidelines shown below, you select the amount of Additional Life and Dependents Life insurance for which you are interested in applying.

	Minimum	Incremental Unit	Guarantee Issue Amount	Maximum
Employee	1x Annual Base Rate	1x Annual Base Rate	\$500,000	5x Annual Base Rate*

Spouse	Lesser of \$50,000 or 1x Annual Base Rate
Child	\$10,000

*or \$750,000, whichever is less

Note:

- Amounts of coverage elected above the Guarantee Issue amount are subject to medical underwriting approval. To submit a medical history statement online, visit: http://www.standard.com/mybenefits/mhs_ho.html.
- All late applications (applying 31 days after becoming eligible), requests for coverage increases and reinstatements (if break was greater than 90 days) are subject to medical underwriting approval. Employees eligible but not insured under the prior life insurance plan are also subject to medical underwriting approval.
- The coverage amount for your spouse/domestic partner cannot exceed 100 percent of your combined Basic and Additional Life coverage.
- The coverage amount for your child(ren) cannot exceed 100 percent of your combined Basic and Additional Life coverage.

Coverage Amount Needed

Your family has a unique set of circumstances and financial demands. To help you figure out the amount of Additional Life insurance you may need to protect your loved ones, The Standard has created a Life Insurance Needs Calculator found at: <http://www.standard.com/lifeneeds>.

Employee Coverage Effective Date

To become insured, you must satisfy the eligibility requirements listed above, serve an eligibility waiting period*, receive medical underwriting approval (if applicable), agree to pay premiums, and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, your insurance, including Dependents Life insurance, will not become effective until the day after you complete one full day of active work as an eligible employee.

*You are eligible on the first day of the month that follows the date you become a member.

Life Age Reductions

Under this plan, your coverage amount is reduced as follows: by 35 percent of your pre-age 65 coverage at age 65, by 55 percent of your pre-age 65 coverage at age 70, by 70 percent of your pre-age 65 coverage at age 75, by 80 percent of your pre-age 65 coverage at age 80, by 85 percent of your pre-age 65 coverage at age 85, and by 90 percent of your pre-age 65 coverage at age 90.

Your spouse's or domestic partner's coverage amount is reduced when he/she reaches the following ages: by 35 percent of their pre-65 coverage at age 65, by 55 percent of their pre-65 coverage at age 70, by 70 percent of their pre-65 coverage at age 75, by 80 percent of their pre-65 coverage at age 80, by 85 percent of their pre-65 coverage at age 85, and by 90 percent of their pre-65 coverage at age 90.

Life Insurance Exclusions

This plan contains an exclusion for death resulting from suicide or other intentionally self-inflicted injury. The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death. This is subject to state variations.

Life Insurance Features and Benefits

Please see your Human Resources representative for additional information about the features and benefits below.

Waiver of Premium	If you become totally disabled while insured under this plan and under age 60, and complete a waiting period of 180 days, your Basic and Additional Life insurance may continue without premium payment until age 65 provided you give us satisfactory proof that you remain totally disabled.
Accelerated Benefit	If you become terminally ill, you may be eligible to receive up to 75 percent of your combined Basic and Additional Life benefit to a maximum of \$500,000.
Portability	If your insurance ends because your employment terminates, you may be eligible to buy portable group insurance coverage.
Conversion	If your insurance ends or reduces, you may be eligible to convert your life insurance to an individual life insurance policy without submitting proof of good health.

When Insurance Ends

Coverage ends automatically on the earliest of the following:

- The last date the last period ends for which a premium was paid
- The last day of the calendar month in which your employment terminates
- The date you cease to meet the eligibility requirements (coverage may continue for limited periods under certain circumstances)
- The date the group policy, or your employer’s coverage under the group policy, terminates
- For each elective insurance coverage, the date that coverage terminates under the group policy

In addition to the above requirements, your Dependents Life coverage ends automatically on the date your dependent ceases to meet the eligibility requirements for a dependent.

For more details on when insurance ends, contact your human resources representative.

Group Insurance Certificate

If coverage becomes effective, and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy. Neither the information presented in this summary nor the certificate modifies the group policy or the insurance coverage in any way.

Employee Rates

If you elect Additional Life insurance, your monthly rate for this plan is indicated in the table below. Premiums for this coverage will be deducted directly from your paycheck.

Employee's Age (as of last January 1)	Rate (Per \$1,000 of Total Coverage)
<25	\$0.06
25-29	\$0.06
30-34	\$0.08
35-39	\$0.09
40-44	\$0.11
45-49	\$0.19
50-54	\$0.31
55-59	\$0.52
60-64	\$0.83
65-69	\$1.31
70-74	\$2.84
75-79	\$6.29
80-84	\$19.17
85-89	\$55.55
90-94	\$214.83
95+	\$284.07

To calculate your premium:

1. Amount Elected: Write this amount on Line 1. Line 1: _____
2. Line 1 divided by \$1,000 = Line 2. Line 2: _____
3. Select your rate from the rate table
and enter on Line 3. Line 3: _____
4. Line 2 multiplied by Line 3 = Your
monthly cost. Line 4: _____

Spouse/Domestic Partner Rates

If you elect Dependents Life insurance for your spouse/domestic partner, your monthly rate for this coverage is indicated in the table below. Premiums for this coverage will be deducted directly from your paycheck.

Spouse/ Domestic Partner Age (as of last January 1)	Rate (Per \$1,000 of Total Coverage)
<25	\$0.06
25-29	\$0.06
30-34	\$0.08
35-39	\$0.09
40-44	\$0.11
45-49	\$0.19
50-54	\$0.31
55-59	\$0.52
60-64	\$0.83
65-69	\$1.31
70-74	\$2.84
75-79	\$6.29
80-84	\$19.17
85-89	\$55.55
90-94	\$214.83
95+	\$284.07

To calculate the premium for your spouse/domestic partner:

1. Amount Elected: Write this amount on Line 1. Line 1: _____

2. Line 1 divided by \$1,000 = Line 2. Line 2: _____

3. Select your rate from the rate table
and enter on Line 3. Line 3: _____

4. Line 2 multiplied by Line 3 = Your
monthly cost. Line 4: _____

Child Rates

If you elect Dependents Life insurance for your eligible child(ren), your monthly rate for this coverage is \$1.90 regardless of the number of eligible children covered. Premiums for this coverage will be deducted directly from your paycheck.



Voluntary Accidental Death and Dismemberment (AD&D) Insurance

Accidents can happen to anyone, anywhere. Voluntary AD&D insurance can provide extra protection in the event an accident happens to you. Standard Insurance Company (The Standard) has developed this document to provide you with information about the elective coverage you may purchase through Southern Methodist University.

Eligibility Requirements

- Employee**
 - You must be an active benefit eligible employee of Southern Methodist University, working at least 20 hours each week
 - Part-time faculty (e.g. adjunct or lecturer), temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible
- Dependent**
 - You must elect Voluntary AD&D insurance for yourself in order to elect Dependents AD&D insurance
 - Spouse means a person to whom you are legally married
 - Domestic Partner means an individual of the same gender with whom you have completed an affidavit of declaration of domestic partnership and submitted that affidavit to the Employer
 - Child means your unmarried child from live birth through age 24
 - Your spouse/domestic partner or children must not be full-time member(s) of the armed forces
- Premium**
 - You pay 100 percent of the premium for this coverage through pre-tax payroll deduction

Coverage Amount Guidelines

Within the coverage amount guidelines shown below, you select the amount of Voluntary AD&D for which you are interested in applying.

	Minimum	Incremental Unit	Maximum
Employee	\$10,000	\$10,000	\$500,000

You may also elect Voluntary AD&D coverage for your family. The coverage amount for each dependent is as follows:

Spouse/Domestic Partner only	60% of your AD&D coverage amount
Child(ren) only	20% of your AD&D coverage amount for each child
Spouse/ Domestic Partner and Child(ren)	60% of your AD&D coverage amount 20% of your AD&D coverage amount for each child
Note: The amount for each child may not exceed \$25,000	

Employee Coverage Effective Date

To become insured, you must satisfy the eligibility requirements listed above, serve an eligibility waiting period*, agree to pay premiums, and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, your insurance, including Dependents AD&D insurance, will not become effective until the day after you complete one full day of active work as an eligible employee.

*You are eligible on the first day of the month that follows the date you become a member.

Voluntary AD&D Age Reductions

Under this plan, the coverage amount reduces by 50 percent of the pre-age 75 coverage amount at age 75 and by 75 percent of the pre-age 75 coverage amount at age 80.

Voluntary AD&D Insurance Benefit Schedule

The amount of your or your dependents AD&D benefit for losses covered under this plan is a percentage of the amount of your or your dependents AD&D insurance in effect on the date of the covered accident, as shown below.

Loss:	Percentage Payable:
Loss of Life	100%
One hand or one foot	50%
Sight in one eye	50%
Two or more of the losses listed above	100%
Thumb and index finger of the same hand ³	25%
Quadriplegia	100%
Hemiplegia	66 2/3%
Paraplegia	66 2/3%
Uniplegia	50%
Triplegia	75%

¹Including loss of life by accidental exposure to adverse weather conditions or disappearance if the disappearance is caused by an accident that could have reasonably resulted in your death.

²Even if the severed part is surgically re-attached. This benefit is not payable if a Voluntary AD&D benefit is payable for Quadriplegia, Hemiplegia, Uniplegia, Triplegia or Paraplegia involving the same hand or foot.

³This benefit is not payable if a Voluntary AD&D benefit is payable for the loss of the entire hand.

The loss must be caused solely and directly by an accident and occurs independently of all other causes, within 365 days after the accident. Loss of life must be evidenced by a certified copy of the death certificate. All other losses must be certified by a physician in the appropriate specialty as determined by The Standard. No more than 100 percent of the AD&D benefit will be paid for all losses resulting from one accident.

Voluntary AD&D Insurance Exclusions

Subject to state variations, AD&D benefits are not payable for death or dismemberment caused or contributed to by:

- War or act of war, declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Suicide or other intentionally self-inflicted injury
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- Voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a physician
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above
- Boarding, leaving or being in or on any kind of aircraft, unless you are a fare paying passenger on a commercial aircraft

Voluntary AD&D Insurance Features

The following are brief descriptions of features included in this plan. These features offer additional benefits when an AD&D benefit is payable

- Air Bag Benefit⁴** This provides an additional benefit if you or your dependent die as a result of a covered automobile accident where an eligible air bag system deployed at the time of the accident and for which a seat belt benefit is payable.
- Family Benefits Package** Eligible family members may be entitled to receive additional financial help for child care, college or career training in the event of your death. Included are the Child Care Benefit, Higher Education Benefit and Career Adjustment Benefit.
- Occupational Assault Benefit** This provision provides an additional benefit for public safety officers who suffer death or dismemberment in an accident while acting in the line of duty.
- Public Transportation Benefit⁴** This provides an additional benefit in the event of death as a result of an accident that occurs while you are riding as a fare-paying passenger on public transportation.
- Seat Belt Benefit⁴** This provides an additional benefit if you or your dependent die as a result of a covered automobile accident while properly using a seat belt system.

⁴This benefit is also available to your covered dependents.

When Insurance Ends

Coverage ends automatically on the earliest of the following:

- The last date the last period ends for which a premium was paid
- The last day of the calendar month with which your employment terminates
- The date you cease to meet the eligibility requirements (coverage may continue for limited periods under certain circumstances)
- The date the group policy, or your employer’s coverage under the group policy, terminates
- For each elective insurance coverage, the date that coverage terminates under the group policy

In addition to the above requirements, your Dependents AD&D coverage ends automatically on the date your dependent ceases to meet the eligibility requirements for a dependent.

Group Insurance Certificate

If coverage becomes effective, and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy. Neither the information presented in this summary nor the certificate modifies the group policy or the insurance coverage in any way.

Voluntary AD&D Rates

	<u>Cost per \$1,000 of Coverage</u>
Employee Only:	\$0.020
Family:	\$0.035

To calculate Voluntary AD&D premium for you:

$$\frac{\text{Your Amount Elected}}{\$1,000} = \text{_____} \times \$0.020 = \frac{\text{Your monthly cost}}{\text{_____}}$$

To calculate Voluntary AD&D premium for your family:

$$\frac{\text{Your Amount Elected}}{\$1,000} = \text{_____} \times \$0.035 = \frac{\text{Your monthly cost}}{\text{_____}}$$

Premiums for this coverage will be deducted directly from your paycheck on a pre-tax basis.



Benefits at a Glance for Southern Methodist University

Group Policy # 750966 Effective Date January 1, 2015

Group Long Term Disability Insurance

Group Long Term Disability (LTD) insurance from Standard Insurance Company helps provide financial protection for insured members by promising to pay a monthly benefit in the event of a covered disability.

The cost of this insurance is paid by Southern Methodist University

Eligibility

Definition of a Member

You are a member if you are an active benefit eligible employee of Southern Methodist University, regularly working at least 20 hours each week, and a citizen or resident of the United States or Canada. You are not a member if you are a part-time faculty member (e.g. adjunct or lecturer), a postdoctoral fellow, a temporary or seasonal employee, a full-time member of the armed forces, a leased employee or an independent contractor.

Eligibility Waiting Period

If you are already a member on the date the group policy is effective, you are eligible on that date. If you become a member after the group policy effective date, you are eligible the first day that follows 90 days of SMU employment.

Benefits

Monthly Benefit

60 percent of monthly base rate up to a maximum of \$7,500 per month, reduced by deductible income (e.g., work earnings, workers' compensation, Social Security disability benefits, state disability, etc.)

Maximum Monthly Benefit

\$7,500

Minimum Monthly Benefit

\$100

Benefit Waiting Period

90 days

Definition of Disability

For the benefit waiting period and the first 24 months for which LTD benefits are payable, being unable – as a result of physical disease, injury, pregnancy or mental disorder – to perform with reasonable continuity, the material duties of your own occupation, and suffering a loss of at least 20 percent of predisability earnings when working in your own occupation.

After that, being unable – as a result of physical disease, injury, pregnancy or mental disorder – to perform with reasonable continuity, the material duties of any occupation:

- that you are able to perform, due to education, training or experience,
- that is available at one or more locations in the national economy, and
- in which you can be expected to earn at least 60 percent of predisability earnings within 12 months of returning to work, regardless of whether you are working in that, or any other, occupation.

Maximum Benefit Period

If you become disabled before age 62, LTD benefits may continue until age 65. If you become disabled at age 62 or older, the benefit duration is determined by your age when disability begins:

Age	Maximum Benefit Period
62	3 years 6 months
63	3 years
64	2 years 6 months
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69+	1 year

Other Features and Services

- 24 hour coverage, including coverage for work-related disabilities
- Reasonable Accommodation Expense Benefit
- Rehabilitation Incentive Benefit
- Rehabilitation Plan Provision
- Return to Work Incentive
- Return to Work Responsibility
- Survivors Benefit
- Temporary Recovery Provision
- Waiver of Premium while LTD benefits are payable

This information is only a brief description of the group LTD insurance policy sponsored by Southern Methodist University. The controlling provisions will be in the group policy issued by The Standard. The group policy contains a detailed description of the limitations, reductions in benefits, exclusions and when The Standard and Southern Methodist University may increase the cost of coverage, amend or cancel the policy. A group certificate of insurance that describes the terms and conditions of the group policy is available for those who become insured according to its terms. For more complete details of coverage, contact your human resources representative.



Standard Insurance Company

For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 24,800 groups, covering over 8 million employees nationwide.* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about products from The Standard, contact your human resources department or visit us at **www.standard.com**.

* As of June 30, 2013, based on internal data developed by Standard Insurance Company.