



UNDERWRITING GUIDE

Disability Income
Field Underwriting Guide
The Union Central Life Insurance Company

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I. INTRODUCTION

This guide is designed to help you in your role as a field underwriter. Included are medical and financial guidelines to which you can refer before and during your meetings with prospects and clients. This gives you the necessary information at hand so you can properly advise someone applying for disability insurance.

The risk selection process is a joint responsibility shared by the field underwriter and the Union Central underwriter. While the Union Central underwriter will make the final decision about the nature of insurance coverage to be offered, and information used in making that decision may come from several sources, the decision is largely based on information obtained by the field underwriter. Therefore, the collection of information obtained by the field underwriter is critical in the underwriting process and makes this function one of the most important roles an insurance agent performs.

This guide focuses on careful completion of the application as well as obtaining all of the necessary financial documents. This not only assists the Union Central underwriter in the assessment of risk, but also helps in other critical areas. Careful attention to detail and submission of complete application packages significantly decreases the time it takes to complete the underwriting process and issue a policy. Also, the field underwriter has a responsibility, both to the applicant and to the insurer, to fairly and completely disclose any known positive, or potentially adverse, medical or non-medical information that could affect an underwriting decision.

Union Central values the partnership with our field associates. The long-term availability of a competitive product and the viability of a strong company are dependent upon this partnership and the shared responsibility of sound risk management and risk selection. This guide is presented as a resource in the performance of those tasks. But remember, **this is only a guide.**

II. UNDERWRITING PHILOSOPHY

The underwriting philosophy at Union Central is to review, analyze and assess the risk of applicants for disability income insurance in accordance with appropriate guidelines and to place each applicant into a broad category appropriate with morbidity expectations. In order to properly assess risks, underwriting relies on strong field relationships to provide complete and accurate information on which to make an informed decision. Underwriting is performed in a manner consistent with prescribed medical and financial underwriting standards as outlined in our underwriting manuals. The manuals serve as guidelines and references for the underwriting process. In order to make the most favorable decision, from a risk standpoint, we use the best available data from the company's actual morbidity results and consult with our medical director and financial advisor. It is our intent to be competitive and to make offers that yield results consistent with Union Central's long-term morbidity expectations.

Union Central strives to be a company with the reputation of stability in the disability insurance industry. We underwrite competitively with fairness and efficiency, and will offer the client the right of first refusal whenever possible.

III. TAKING APPLICATIONS

In the sale of a disability insurance policy, you make two presentations:

- To your prospect/client, you present the need for income protection and your suggested solution for meeting that need.
- To the Union Central underwriter, you present the case for insuring this person.

Just as you carefully prepare your presentation to the prospect/client, making certain you have covered all important points, it is important to pay careful attention to your presentation to the Union Central underwriter, making certain it is prepared as a fair and thorough representation of the facts of the case.

Application Process

Here are important steps in completing the application:

- Use the correct application for the state of residence of the applicant. Check the version number in the lower left corner. (*Applications and forms are available on Producer Workbench.*)
- Print the application on **blank paper** with no other identifying logo/trademarks from stationery left in the printer.
- Have the applicant answer all questions in Part I and Part II of the application. Obtaining the answers to unanswered questions once the application is received at Union Central slows down the approval process and results in the need for an amendment to the contract.
- Complete the application by typing it or handwriting it legibly in black ink.
- The application should be completed in the presence of the applicant. This helps to enable you to evaluate the applicant as an acceptable risk.
- The applicant must initial corrections. White out is not acceptable.
- Collect proper signatures and dates wherever needed.
- Complete the medical questions, even if a paramed or medical exam is necessary. You, as a field underwriter, perform the first assessment of the applicant as a risk. Your knowledge of any health impairments is critical in this assessment.
- Give the applicant the authorization, privacy and Medical Information Bureau (MIB) forms.
- Inform the applicant that he/she may be contacted for a personal history interview (PHI). Prepare him/her for the questions that will be asked and advise what information he/she should have on hand.
- Advise an applicant who has an adverse medical history, that the policy may have a rating or exclusion, or may not be issued at all. The best time to discuss a possible substandard policy is at the time of application. An Informal Inquiry (UC 0401P) can give you an early indication of the underwriting appraisal prior to submission of the application. At policy delivery, it is better to deliver good news to a client who has been prepared for bad news than to deliver bad news to a client who has not been prepared for it. And remember, delivering a policy with a rating or a rider really isn't bad news at all. It is the accurate reflection of a risk, and the delivery of a policy that provides needed protection is good news!

	<ul style="list-style-type: none"> Agents are encouraged to obtain the full initial premium, if appropriate, at the time the application is written. Payment may be in the form of a business or personal check, but not cash. The check should be made payable to Union Central. Detach the Conditional Receipt and leave it with the applicant. (Note: There are certain conditions under which an initial premium should not be collected. These conditions are listed on the Conditional Receipt. Also, review Conditional Receipt in this section.)
Agent's Statement	<p>The agent's statement must be completed with each disability income application. The statement is essential to the underwriting process as it provides valuable information about the applicant, allows the home office underwriter to accurately classify him/her as a risk and allows you to certify that you have disclosed all relevant information. By completing this form accurately, you can often eliminate PHI or inspection report delays and help establish insurability. The information supplied will assist the Union Central underwriter in processing the application in a quick and efficient manner.</p>
Application Forms	<p>Use application form UC 2550* when the applicant qualifies for non-medical coverage. If the applicant does not qualify for non-medical coverage, arrange for a paramed facility to complete exam form UC 2598B.* For Employer-Sponsored Multi-Life Plan cases that qualify for Guaranteed Standard Issue, use application form UC 4348.*</p> <p>* State variations may apply.</p>
Association Cases	<p>A discount is available for policies that are issued as part of an approved association case. Be sure to identify the name of the association and the association number on the application. Refer to the Association Marketing Guide for full details.</p>
Authorization	<p>When an applicant signs the "Authorization to Obtain Information" section of the application, he/she agrees to the following:</p> <ul style="list-style-type: none"> Any medical professional or facility may share medical information with Union Central. The MIB or any other consumer reporting agency may share information with Union Central regarding the applicant's medical or financial history, occupation, habits, reputation, activities or character. That a consumer investigative report may be produced. That, to facilitate the submission of such information, records or knowledge may be given to any agency employed by Union Central to collect and transmit that information. That he/she understands the information will be used by Union Central to determine eligibility for insurance. That he/she agrees the authorization is good for two and one-half years. That he/she acknowledges he/she can receive a copy of the authorization. That he/she acknowledges he/she can revoke or refuse this authorization at any time by giving a written request to the company. <i>(This however, may impair Union Central's ability to process the application.)</i>

Conditional Receipt

In general, the authorization allows Union Central, and any agency employed by Union Central, to request and obtain information that may be used solely for the determination of eligibility for insurance. Union Central may collect medical and non-medical information about the applicant, but we may only use that information to determine eligibility for insurance.

Union Central may share information with the MIB or with an agency employed by Union Central to make it easier to collect additional information. Union Central will not share any information with another insurance company without specific authorization by the applicant to do so.

Union Central obtains medical information only in connection with specific products or claims. We will not use or share personally identifiable medical information for any purpose other than the underwriting or administration of the application policy, claim or account, or as otherwise disclosed when the information is collected.

The Conditional Receipt provides coverage only when the collected premium is at least the full modal premium. Partial payments are not acceptable.

The maximum coverage provided by our Conditional Receipt is \$8,000 per month. The limit applies to disability income and disability overhead expense.

If you are submitting an application for disability income or disability overhead expense benefits in excess of \$8,000 per month, do not submit premium with the application and do not give the proposed insured a Conditional Receipt. If the risk is impaired or if the proposed insured will not be an acceptable risk to the Company at standard premium rates for the benefit applied for without exclusion or restrictive endorsement, the premium should not be accepted with the application. If there is any question, the agent should use an Informal Inquiry Form UC 0401P for preliminary evaluation of insurability.

Cover Letters

A cover letter is your opportunity to disclose any additional information to the Union Central underwriter that you feel will be valuable in evaluating a risk. Use the cover letter to paint a complete picture of the applicant by providing additional details on his/her occupational duties, medical condition or financial situation. You also may ask for any special considerations you feel the applicant's situation may warrant.

In the cover letter:

- Refer to any pre-underwriting conversations you have had with Union Central personnel. If you have had a conversation with an underwriter, address the cover letter to that underwriter.
- Mention any considerations or exceptions already made.
- Explain why you are making any requests that you are requesting.
- Explain any medical history of the applicant.
- In the event of medical impairments, discuss if the applicant is willing to accept a rating, exclusion or modification of coverage.
- Describe any competitive offers from other companies.

- Describe any unusual increases/decreases in income, including bonuses or other incentive compensation.
- Discuss retirement contributions and any substantial unearned income or net worth.
- Describe any relevant details about the applicant beyond what can be included on the application - for example, occupational duties that are unusual in nature, education or future employment prospects and plans. Include percentage of time spent on specific duties.
- If the applicant is a business owner, describe the nature of the business and a history of earnings growth. Discuss any significant fluctuations in earnings and any plans for growth.
- If the client works “from home”, clarify the percentage of time they leave the home, in connection with their duties. If they do not leave the home at all, so specify.

Sample Cover Letter

Dear Disability Underwriter:

Subject: John Adams – DOB: October 1, 1964

My client, Mr. Adams, is the applicant that I discussed with you on September 14, 2006 regarding his recent elevated cholesterol level. His cholesterol had been elevated up to 272, but his physician, Dr. Edward Johnson, started him on Lipitor and the subsequent test was 198.

As for his professional history, Mr. Adams began a new business last year after working for 10 years at XYZ Company. As a researcher with a PhD in computer science, his duties are 100% management and consultative. His business is thriving as it has grown from 10 to 17 employees over the past year and one-half.

I am enclosing the last two years' W-2s from XYZ Company as well as the complete personal tax forms from 2004 and 2005. Since he is a business owner, I am also enclosing complete business tax forms. Even though he has changed businesses in the last two years, I believe that the attached financial information will provide you with detailed information on the stability of income and growth of his business.

He currently has existing disability insurance with ABC Company for \$3,000 per month issued on a standard non-tobacco basis in March 2003. He is not replacing this and there is no other individual or group disability applied for or in force.

I am submitting this application together with those of five of his employees and request that they all be part of a multi-life case and held on approval so that they can be issued with a common date. Please use the billing address of the office.

I have scheduled Mr. Adams for a paramedical exam on September 21, 2006, to include blood and urine testing. In addition, I have ordered an Attending Physician Statement from Dr. Johnson due to his recent cholesterol elevation. I have informed Mr. Adams of the Personal History Interview and he is available in his office from 8 a.m. to 5 p.m. EST every day.

I have tried to give you complete details in this cover letter, but please feel free to contact me at 513-123-1234 or e-mail me at agent@unioncentral.com if you have any further questions.

Sincerely,
George Producer

Differences Between Life and Disability Underwriting

When applying for a combination of life and disability insurance or after having been underwritten for life insurance, it is important to understand the differences between the underwriting of life insurance and the underwriting of disability insurance. Understanding those differences can avoid potential frustration later. Disability insurance and life insurance are different products with a separate set of risks that are unique unto themselves. The following factors are of *primary importance to disability insurance* but may be of less concern to life insurance.

Income

Disability insurance requires financial documentation for every application. Refer to Section V for details. Financial documentation may include tax returns, W-2s, business tax returns, Profit and Loss Statements, etc. For life insurance, income is a significant factor only for large amounts of insurance.

Medical Impairments

Do not assume that the client who has recently been approved for life insurance will automatically be a satisfactory risk for disability insurance. The client should never be advised that they are insurable for disability insurance based on life insurance underwriting approval. In these situations, request his/her risk analysis be performed by Disability Underwriting. Back pain, psychological history, etc. need a complete evaluation by Disability Underwriting to determine if an applicant can be insured. These are in addition to impairments that also can be significant to the underwriting of life insurance (i.e. cancer, diabetes, coronary disease).

Occupation

Correct occupational classification for disability insurance is critical in determining the proper premium rate or even eligibility for insurance. Occupation, unless extremely hazardous, is rarely a concern for life insurance underwriting.

Do's and Don'ts Definition of Disability Codes

Do include on the application the definition of disability code for the plan selected by the insured. Listed below are the plan codes. You can find the code selected on the illustration.

- UC 4401(65) "Own Occ" definition for the entire benefit period
- UC 4401(65NW) "Own Occ and not engaged in any" definition for the entire benefit period
- UC 4401(60) "Own Occ" definition for 60 months and then "any reasonable Occ" thereafter
- UC 4401(60NW) "Own Occ and not engaged in any" definition for 60 months and then "any reasonable Occ" thereafter
- UC 4401(24) "Own Occ" definition for 24 months then "any reasonable Occ" thereafter
- UC 4401(24HP) "Own Occ and not engaged in any" definition for 24 months and then an "ADL" definition thereafter

<i>Exclusion Riders</i>	Do discuss with an applicant the potential for an exclusion rider when there is a significant medical impairment. See Section XII for a listing of common impairments and potential actions.
<i>Ratings Discussion</i>	Do discuss with an applicant the potential for an extra premium classification (rating) due to medical or non-medical factors. When appropriate, this rating is expressed as a percentage increase from the standard premium and can be illustrated using Illustration Edge.
<i>Notifications</i>	Do give the applicant the “Notice of Insurance Information Practices,” which explains the underwriting process.
<i>Occupational Classes</i>	Proper classification of the applicant is important. Do refer to the occ class guide in the Agent’s Guide. The complete occ class guide is also included on Illustration Edge. Ask the applicant about specific duties and percentage of time spent on various duties, if there are several. Ask how long he/she has been in that occupation. Finally, if you have any questions about the occ class, do call Product Marketing for assistance.
<i>Policy Dates</i>	<p>In calculating the age of the applicant, Union Central follows the policy of issuing contracts using last birthday rather than nearest birthday. Therefore, we do not allow backdating of the application to save insurance age. Don’t backdate an application. You may date ahead up to 30 days from the date of the Part I of the application. However, explain to the applicant that coverage will not be effective until that date, at the earliest.</p> <p>Normally, the policy date will be 14 days after approval on cash on delivery (COD) applications. This allows the producer time to schedule policy delivery. When a Conditional Receipt has been given, the terms of the Conditional Receipt will be used to determine the policy date.</p>
<i>Replacements</i>	<p>If the new coverage will replace existing coverage, do provide the date to which the inforce coverage is paid. If the state of application requires it, do complete state replacement forms. Don’t recommend that the applicant cancel any existing coverage until new coverage is approved and in force. Once the new coverage with Union Central is in force, please follow up with the client to make sure that the previous coverage is canceled.</p> <p>Union Central will contact the insuring company that issued the inforce coverage to make certain any intended replacement coverage has been discontinued. In the event that previous coverage was noted on the application to be replaced and was not, the new coverage may be modified or rescinded.</p>
<i>Underwriting Decision</i>	Do inform the applicant that coverage should not be assumed to be in force until the Union Central underwriter has made a decision.
<i>HIPAA Privacy Rule</i>	The HIPAA Privacy Rule allows covered providers and health plans to disclose protected health information if the providers or plans obtain satisfactory assurances that the disclosed information will be used only for limited purposes and that the information will be protected from misuse.

	<p>As a result of these new regulations, providers and other health care entities will require that authorizations for release of protected health information meet certain standards and may not be combined with any other document to create a compound authorization. The HIPAA regulations also require that the individual be provided a copy of the signed authorization.</p> <p>This revised Authorization (UC 3932) must be completed IN ADDITION TO the authorization(s) already contained in applications you are utilizing. The new authorization will print automatically with all the applications on Producer Workbench. The revised authorization will be IN LIEU OF the authorization you are now utilizing at claim time. Failure to utilize this REVISED AUTHORIZATION may result in delays in our receipt of medical records.</p>
Illustrations	<p>To help facilitate the underwriting process, submit an illustration with each application. If they do not match, the information on the application dictates what will be underwritten. If information on the application is incorrect, an amendment to the contract will be required. If more than one plan is illustrated, applicants must initial the plan they selected to purchase. The application becomes part of the legal contract.</p> <p>Illustrations for Employer-Sponsored Multi-life Plans that are approved for Guaranteed Standard Issue will be done in the Union Central Home Office.</p>
Informal Inquiry	<p>There are many ways to seek an opinion on the insurability of a proposed insured: application, e-mail, phone call and Informal Inquiry. The application process is a formal request for coverage. E-mail and phone calls are unofficial requests for opinions on the insurability of a proposed insured.</p> <p>The Informal Inquiry approach to a questionable risk saves time and avoids unnecessary expenses. It allows Underwriting the opportunity to review the medical or non-medical aspects of a case. It also provides the agent an opinion on the insurability of the proposed insured. The agent can then proceed accordingly.</p> <p>An Informal Inquiry Form (UC 0401P) should be submitted when:</p> <ul style="list-style-type: none"> • A proposed insured has been declined, limited or rated for life or disability insurance in the past. • There is medical or non-medical history that creates doubt as to whether a declination or rating might result. • The producer requests a tentative offer. • A proposed insured is contemplating any medical or non-medical activity that might cause a formal application to be postponed, e.g., hospitalization or foreign travel.
Multi-Life Cases	<p>Discounts are available for Employer-Sponsored Multi-Life cases of three or more approved paid lives. Refer to the Agent's Guide (DI 1010) for available discounts.</p>

Polices — Additional/Alternate
Additional Policies

When submitting applications that include a multi-life discount, include the following:

- A cover letter stating that this is part of a multi-life case.
- The name of the employer.
- The IPN (the case identification number assigned for that case) on each application that qualifies for the discount.
- For Check-O-Matic cases, a letter from the employer stating the company will sponsor the plan.

When submitting a new multi-life case, it is best to submit all applications together, with the cover letter, so that all applications are underwritten at the same time.

Alternate Policies

Rarely is it essential to have an additional policy. If there is a need for an additional policy, contact the Underwriting Department for guidance prior to submitting the application.

Union Central does not issue alternate policies. The illustration software should be used to run comparative illustrations.

Refunded Premiums

If money is collected on an application in excess of \$8,000 per month or if the risk is impaired, Union Central will notify the agency/agent and **refund that premium directly to the premium payor**. An explanation of the reason for the refund will accompany the premium return. Circumstances in a given case, including the severity of the impairment and the state in which the application is written, will dictate precise handling.

Setting Expectations

It is important to prepare the applicant for the underwriting process. Properly setting expectations greatly increases the likelihood of placing a case that may take longer in underwriting or be issued on a basis other than applied for.

Here are some tips for setting expectations:

- Disability insurance underwriting is often a longer process than life insurance underwriting. If both applications are written concurrently, it is possible that a decision may be made regarding life insurance before the decision regarding disability insurance is made.
- The amount of DI one may purchase is closely tied to income. Therefore, documentation of one's income is crucial and may require the applicant to furnish significant financial documentation.
- Many medical conditions, while not life-threatening, may be disabling. An example is a bad back. Therefore, medical underwriting for disability income is very thorough. Careful evaluation of medical records is an integral part of the underwriting process. Based on the results of that review, disability insurance is often customized to fit a particular applicant's situation. This may result in an approved policy that may be different from the design for which the applicant applied. It may include a rating for extra premium and/or an exclusion of pre-existing conditions.

Submission of Complete Package to Home Office

- An applicant can help expedite the process by providing complete and accurate information on a timely basis. If it is necessary to submit blood and/or take a medical exam, have him/her do so as quickly as possible. Prepare him/her for requests for information such as medical conditions, names/addresses of medical providers, and any medications currently prescribed.

Prepare your presentation to the Union Central underwriter so as to yield the best results. A complete application package should include:

- A complete Part I with all applicable questions answered and all proper signatures included.
- A complete Part II with all questions answered and properly signed.
- Any appropriate amendment forms, including:
 - Alcohol (UC 0287C-Alcohol)
 - Aviation Amendment (UC 1217B)
 - Avocation Amendment (UC 0287C – Specific)
 - Disease Amendment (UC 0287C – Disease)
 - Drug (UC 0287C – Drugs)
 - Foreign Travel Amendment (UC 0287AB)
- Copies of any pre-underwriting correspondence with home office personnel.
- Cover letter (*See Cover Letters on page 4 for tips*).
- Lab ticket for blood/urine.
- Income documentation as required for the amount of coverage (*See Section V for requirements*).
- Initial premium, if collected.
- HIV consent form.
- Check-O-Matic form (if necessary).
- A copy of the DI illustration that matches the coverage for which the applicant is applying.
- Completed replacement forms (*if appropriate*).

When Not to Submit Application

As a field underwriter, you are the first person to evaluate the applicant as a risk. Occasionally, it is better not to take an application at all. Taking an application on an applicant who is certain to be declined will not only upset the applicant, but is also a misuse of your time and impedes the Union Central underwriter's ability to process other cases that ultimately will be approved.

If there is a question about a particular medical impairment, see Section XII of this guide. Do not submit an application for someone who is affected by a condition next to where you see "DECL" noted. If you still have a doubt, contact a Union Central underwriter with your question.

IV. MEDICAL UNDERWRITING

The application is the legal basis of the contract and has been designed to elicit pertinent information needed to determine whether a policy can be issued. Therefore, it is important that the applicant understands his/her obligation to answer the questions accurately and completely. All relevant information should be included in the application.

An admitted existing condition, sickness, or injury shown on the application, and not specifically excluded by Union Central, will be covered from the date of issue of the policy. However, failure to inform Union Central of such pre-existing conditions could result in denial of a claim and/or rescission of the contract. If any prepayment is obtained with the application, complete the Conditional Receipt attached to the application and give it to the applicant. Acknowledgment and amount of payment received must be indicated on the application.

If no premium is paid at the time the application is taken, this information should be included on the application, and the Conditional Receipt is to remain attached to the application. No premium should be accepted between the time the application is taken and delivery of the policy. A policy issued without prior collection of the premium cannot be delivered unless the applicant has been in continuous good health since the application date. See Section XIII for an explanation of when a Good Health Statement is required.

Due to the increase of fraudulent claims in the industry, the following statement is incorporated into our application:

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.”

Impaired Risks

In any situation where there is doubt as to the insurability of a potential applicant, submit an Informal Inquiry (UC 0401P) for preliminary consideration. Under no circumstances should a premium be accepted. You may prepare an applicant for a possible premium increase or a restricted or modified issue, but do not promise an applicant the policy will be issued on a standard basis.

While most applicants qualify for standard disability insurance, some applicants will not because of their medical history. For those cases not qualifying for standard insurance, we will attempt to issue a modified policy that provides coverage at a reasonable cost. A modified policy can mean a premium increase, an exclusion rider, an increase in the waiting period or a decrease in the benefit period. In some instances, a combination of two or more of these methods may be used; however, in some cases we are unable to offer any coverage. It is our practice to keep our policies as free of restrictions as possible. When a policy is issued with an exclusion rider, two copies of the exclusion rider must be signed by the insured. A copy is to remain attached to the policy and the signed original should be returned to Union Central.

Medical Underwriting Requirements

Requirements listed below are necessary when the amounts applied for and in force with Union Central equal or exceed the amounts shown below. **To determine medical requirements, add the base monthly benefit, with the Social Insurance Substitute (SIS) Rider and one-half the Future Increase Option (FIO) Rider.**

Ages	Blood/HOS	Paramed	EKG
18 - 40	\$3,000*	\$5,001**	N/A
41 - 50	\$3,000*	\$4,001**	10,000
51 and over	\$3,000*	\$2,001	5,000

When disability income and disability overhead expense coverages are applied for concurrently, the nonmedical and medical limits apply to the sum of the monthly benefits.

* This amount reduces to \$2,000 in Massachusetts, New Jersey, New York and Texas, and \$1,000 in California and Washington D.C.

** This amount reduces to \$2,001 in California, New York and Washington D.C.

An exam completed by a medical doctor should be obtained if the applicant has a history of a heart murmur, rheumatic fever, diabetes, or any other medical problem which, in the judgement of the agent or manager, would require a physician's examination.

Ratings

Ratings on disability income policies are quoted in terms of a percentage increase in the standard premium. It may be necessary to charge an extra premium and impose an exclusion rider on the same policy. On significantly impaired risks, the underwriter may find it necessary to modify the benefits, benefit period or elimination period in addition to imposing a rating. When this is necessary, the underwriter will contact the agent/agency in advance of issue.

Requirements Time Period

The following are the guidelines in using medical requirements obtained from prior applications to Union Central or to other companies.

Blood Profile/Urine Specimen

Lab results are generally acceptable for 180 days from the date taken. Medical history may determine that, in an underwriter's judgment, a repeat blood profile or urine specimen may be required.

Paramedical Exams

Paramedical exams done for another company are generally acceptable for 90 days from the date taken. If the exam was done for another company, the Union Central non-medical Part II portion of the application needs to be completed.

Union Central paramedical exams are generally acceptable up to 180 days from the date taken with an updated non-medical portion of the application completed. However, medical history or other factors may warrant a repeat paramedical exam requested by the underwriter. See Section XIII for an explanation of when a Good Health Statement is required.

V. FINANCIAL UNDERWRITING

Financial underwriting is the evaluation of the financial aspects of the application. This is done to determine the correct amount of coverage for which an applicant qualifies and, particularly, to avoid overinsurance. Union Central is concerned about overinsurance because experience has shown that it leads to an increase in the number and length of claims. When applying financial underwriting standards, an underwriter will evaluate earned income, unearned income, net worth and bankruptcy history, if any.

It is important to note that financial underwriting of disability income applications differs from life insurance applications. With disability income, published issue limits are established based on *earned income*.

Disability underwriting requires financial documentation of income. A large net worth will generally justify larger amounts of life insurance, but may actually reduce the need for disability income insurance. Therefore, a solid understanding of insurable income is essential when writing a disability contract. Proficiency in understanding tax returns together with knowledge of earned and unearned income is necessary.

Disability Income underwriting guidelines also are published in the Agent's Guide (DI 1010) and the Easy Reference Underwriting Guidelines brochure (DI 1051).

The following pages outline our requirements for income documentation and tax form submission when applying for disability income. (*See the Income Documentation Summary on Page 16.*)

Annual Earned Income

The Annual Earned Income section on every application must be completed, even if financial documentation is submitted. All applications must include income for current year, last year and two years ago. Please refer to the Income Documentation Summary on page 16 for the types of income documentation required. Whenever income has increased substantially in the past year (i.e. 20% or more), we will need a detailed explanation. Unusual fluctuations may require us to average previous years' income to determine an issue amount. Include a cover letter to explain these situations. Each application will receive individual consideration.

Bankruptcy

Individuals who have a history of bankruptcy present a concern for disability underwriting. Personal bankruptcy may be a means of escaping a bad financial situation, and repeated episodes may well indicate a fraudulent intent. Until all creditors' claims have been settled, regardless of circumstances, there is a risk the bankrupt individual may be tempted to use DI insurance proceeds to compensate for lost income or his/her inability to earn a satisfactory income.

Favorable underwriting factors include a single bankruptcy, Chapter 11 or 13 bankruptcy, bankruptcy discharge and job and financial stability. Some *unfavorable underwriting factors* include multiple bankruptcies, Chapter 7 bankruptcy, recent or pending bankruptcy, debts still outstanding and history of fraud.

	<p>A bankruptcy must be fully discharged and generally all debts repaid for at least two years before we will consider disability income insurance. If there are multiple bankruptcies, most likely the individual will not be insurable. Any application for disability insurance with a bankruptcy history within the last 10 years will be considered on a case-by-case basis. Complete information should accompany the application including the type, chapter, circumstances of the bankruptcy and the discharge information. A current statement of net worth, including all liabilities not discharged by the bankruptcy and two years of federal income tax returns (including business tax returns), if applicable, should be submitted for consideration.</p>
Cash Sickness States	<p>The Social Insurance Substitute (SIS) Rider waiting period must be the same or longer than that of the base policy. If the insured is eligible for cash sickness benefits in Hawaii, New Jersey, New York and Rhode Island, the SIS Rider will be issued with a minimum waiting period of 180 days. For California, the minimum waiting period is 365 days. However, if the insured is self-employed and has declined a state's cash sickness coverage, a shorter waiting period is available.</p>
Change in Occupation or Employer	<p>Generally, an applicant must have demonstrated earnings stability in his/her occupation for at least one year to be considered for coverage. An applicant who has recently changed occupations to one where he/she doesn't have prior experience will be given individual consideration. Individuals who recently changed employers but remain within the same occupation usually can be considered for coverage provided that adequate income documentation can be supplied regarding the new employment situation. For non-salaried employees, consideration will be given to prior earnings history, but projections of higher income will not be used to determine benefit amounts.</p>
Earned Income	<p>Earned income net of business expenses is the primary basis for determining the amount of coverage Union Central is willing to consider for an applicant. For underwriting purposes, income is earned if it stops or would be significantly reduced because of a disability.</p> <p>The underwriter examines all sources of income available to the insured and identifies the amount of earned income that can be supported by historical pattern and, at the same time, appears stable in the future. Those individuals that have significant fluctuations in income or do not have discernable income patterns will be underwritten very carefully and will need to provide additional information to support their expected future income. Earned income depends upon the insured's employment and business ownership status. The underwriter will rely exclusively on tax reportable information and the earned income assessment. Any income not reported to the Internal Revenue Service will not be considered for underwriting purposes. This is consistent regarding determination of earned income at the time of any claim. The Income Documentation Summary chart on the following page is a guide to understanding employment status, ownership and income documentation requirements.</p>
Income Averaging	<p>Current income is normally used to determine maximum monthly indemnity. However, when there has been fluctuation of income in the past three years, we will use a weighted average of those incomes to determine the maximum amount available.</p>

Income Documentation

All applications must include income documentation. The application should reflect current income and two previous years' income. For benefit amounts less than \$7,500/month, a federal tax filing, W-2 or year-to-date pay stub is required. For benefit amounts of \$7,500 or more, a complete tax return including all supporting schedules is necessary. For amounts over \$15,000/month, two years of complete tax returns are necessary. All joint returns require a copy of the W-2 from the applicant only in order to determine how much income the applicant provides. If the applicant has ownership, business tax returns are required in addition to personal W-2s or 1040 schedules. Refer to the Income Documentation Summary. Any questions should be referred to Disability Underwriting.

The use of tax returns or W-2s as documentation of income is required on all individually underwritten cases. Adequate financial underwriting is always essential, but can be especially critical when larger amounts are considered, where there is a substantial increase in the current income over previous years' incomes, or where there are discrepancies as to earned income. Inadequate financial documentation can result in underwriting delays and/or reduction of benefits or even declination. In situations where discrepancies exist, larger amounts are involved or there is a substantial increase in the current year's earnings, verification of income figures may be required.

Income Documentation Summary

The Income Documentation Summary identifies the documents (federal income tax and employer provided) that meet the definition of "income documentation."

INCOME DOCUMENTATION SUMMARY					
Amount*	Employee	Ownership			
		Sole Proprietor	Partnership	S-Corp	C-Corp
Up to \$7,500	Paystub or W-2	Completed 1040 and Sched. C	K-1 or Sched. E	W-2 and Sched. E or K-1	W-2 and 1120
\$7,501-\$14,999	Completed 1040 (All Schedules)	Completed 1040 (All Schedules)	Completed 1040 (All Schedules)	Completed 1040 (All Schedules)	Completed 1040 (All Schedules) and 1120
\$15,000 and up	2 yrs. 1040 (All Schedules)	2 yrs. 1040 (All Schedules)	2 yrs. 1040 (All Schedules)	2 yrs. 1040 (All Schedules)	2 yrs. personal returns and 1120
*Applied for and in force with all companies					

All joint returns require a copy of W-2s from the applicant only.

Multiple Occupations

If an individual has more than one occupation, he/she generally will be classified on the basis of the lowest-classed occupation. Individual consideration will be given on a case-by-case basis. Policy provisions and underwriting will be based on that occupation. Income from all of the occupations can be considered when determining benefit amounts provided that each of the occupations is insurable.

Pension and Profit-Sharing Contribution Limits

In most cases, contributions to pension and profit-sharing plans can be included as earned income when determining the Maximum Issue and Participation Limit. Contributions in excess of 25% of annual salary must be substantiated with tax returns. This amount is added to the "gross income net of business expenses."

Professionals

For some individuals, particularly those in the medical field, a complete copy of an employment contract, including the signature page, may be substituted for other financial documentation. For such individuals, in lieu of the other financial documentation requirements, the following conditions must be met:

- The professional must be in his/her first year of employment.
- The contract should specify a start date.
- The contract should specify a minimum employment length of two years.
- The contract must specify a guaranteed salary or a guaranteed hourly wage for a specific period of time.

Students

Certain individuals, while still in school or post-graduate training, are eligible for disability income insurance even though their income is minimal at present. The following limits are applicable to students in the fields of medicine, osteopathy, dentistry, law, pharmacy, podiatry or veterinary medicine and are based on income potentials rather than current earnings. These figures represent Maximum Issue and Participation Limits.

	Issue/Participation Limits	Occupational Class
Fourth-year medical or osteopathic students	\$2,000	*
Third-year medical or osteopathic students	1,500	*
Final-semester dental students	1,500	3AP
Senior podiatry students	1,000	3A
Senior veterinary students	1,000	4A
Senior law students	1,000	4A
Pharmacy students	500	4A

*** Medical specialty will dictate occupational classification. If there is no declared medical specialty, then 3A occupational class applies.**

Professionals in Residency or Fellowship

Professionals still in residency or fellowship can be considered for the following amounts. These amounts are in addition to any group coverage in force.

	Issue	Participation
Physicians and Osteopaths	\$4,000	\$5,000
Dentists	2,500	2,500
Pharmacists	1,500	1,500
Podiatrists	1,000	1,000
Veterinarians	1,000	1,000

Medical Residency/Fellowship Program

A 4A medical resident or fellow can purchase \$4,000 in monthly benefit, up to \$8,000 Future Increase Option (FIO) Rider and \$2,000 Catastrophic Disability (CAT) Rider, regardless of any Group LTD coverage in force.

A 3AP, 3A or 4M medical resident or fellow can purchase \$4,000 in monthly benefit, \$6,000 Future Increase Option (FIO) Rider and \$2,000 Catastrophic Disability (CAT) Rider, regardless of any Group LTD coverage in force.

Professionals Entering Practice

For certain professionals just entering practice,* the following amount liberalizations are available, less any disability benefits the applicant currently has in force.

Physicians and Osteopaths	\$4,500
Attorneys and CPAs	3,000
Dentists	3,000
Engineers	2,500
Veterinarians	2,500
Architects	2,000
Optometrists	2,000
Pharmacists	2,000
Podiatrists	2,000

* Professionals entering practice are defined as those who are within two years post graduation from an appropriately accredited institution.

Physician/Osteopath Entering Practice Program

A 4A physician or osteopath entering practice can purchase \$4,500 in monthly benefit, up to \$9,000 Future Increase Option (FIO) Rider and \$2,000 Catastrophic Disability (CAT)* Rider.

A 3AP, 3A or 4M physician or osteopath entering practice can purchase \$4,500 in monthly benefit, \$5,500 Future Increase Option (FIO) Rider and \$2,000 Catastrophic Disability (CAT) Rider.

* CAT not available in CT or TX.

Self-Employed

Due to lack of income documentation and increased risk of business failure, individuals generally will not be considered for coverage until they have been self-employed for at least one year. Consideration will be given to an applicant who has been in a similar occupation for a minimum of two years prior to becoming self-employed. Other situations may be considered on a case-by-

Stability of Earnings

case basis if favorable factors exist such as those applicants with substantial experience in their field, with contracts guaranteeing income, in professional fields such as physicians or dentists with demonstrated earnings capacity.

In most situations, one year of income will have to be established in the applicant's current occupation to be eligible for coverage. This rule does not apply to professionals in residence or entering practice. In those situations where the business is stable and there is an employee relationship, exceptions may be made to this rule.

Wealth Net Worth

As a person's net worth approaches \$4,000,000, there may be less need for long-term disability income coverage. When net worth exceeds \$4,000,000, sufficient financial information must be submitted so an accurate determination of the composition and liquidity of assets can be made. This analysis is then considered in relation to the applicant's age, health, life-style, work habits and record. This analysis does not apply to policies issued as part of an Employer-Sponsored Multi-Life Plan that is approved for Guaranteed Standard Issue.

Unearned Income

Income unaffected by a disability can act as a source of disability income and must be taken into account when determining Maximum Issue and Participation Limits or overinsurance could result. These rules apply to both personal DI and DOE. If the net unearned income exceeds \$20,000 per year, the excess will be deducted at one-half its value from the issue limits indicated in the charts to allow for some uncertainty of receipt. Government, military or other pensions that are certain to be received will be deducted at full value.

For example, if unearned income is \$29,600 per year, \$400 must be subtracted from the Issue and Participation Limits (based on earned income);

$$\$29,600 - \$20,000 = \$9,600 \times 50\% = \$4,800 \div 12 \text{ (months)} = \$400.$$

This analysis does not apply to policies issued as part of an Employer-Sponsored Multi-Life Plan that is approved for Guaranteed Standard Issue.

Taxation

Federal tax law is complex. Because of the size and intricacies of the tax laws, we cannot discuss all of the laws and their exceptions in this guide. Areas concerning the taxation of disability income insurance are complicated and include guidelines covering types of businesses and salary continuation plans. For specific answers and advice, your client should consult with his/her own professional legal and/or tax advisors.

However, as far as taxation is concerned, we can discuss what type of business is involved, whether the premiums are deductible and whether the benefits are taxable.

The chart on the following page illustrates **disability insurance and federal taxes**.

Disability Insurance and Federal Taxes Chart

Disability Insurance and Federal Taxes					
Organization Form	Coverage for	Premium Paid by	Owner/Beneficiary	Premium	Tax Treatment Benefits
Individual	Individual	Individual	Individual	Not deductible (IRC Sec. 213) and (IRC Sec. 262)	Tax free [IRC Sec. 104(a)(3)]
Sole Proprietorship	Sole Proprietor	Sole Proprietor	Sole Proprietor	Not deductible business expense (IRC Sec. 213) and (IRC Sec. 262)	Tax free [IRC Sec. 104(a)(3)]
	Employee	Employer	Employee	Deductible business expense Not taxable income to employee (IRC Sec. 162) and (IRC Sec. 106)	Benefits reported as income (IRC Sec. 105)
	Employee	Employer	Employer	Not deductible business expense (IRC Sec. 265)	Tax free to sole proprietor [IRC Sec. 104(a)(3)]
Partnership	Partner	Partnership	Partner	Not deductible business expense (IRC Sec. 262) and (IRC Sec. 162)	Tax free [IRC Sec. 104(a)(3)]
	Employee	Employer	Employee	Deductible business expense Not taxable income to employee (IRC Sec. 162) and (IRC Sec. 106)	Benefits reported as income (IRC Sec. 105)
	Employee	Employer	Partnership	Not deductible business expense (IRC Sec. 265)	Tax free to partnership [IRC Sec. 104(a)(3)]
C. Corp	Employee	Corporation	Employee	Deductible business expense Not taxable income to employee (IRC Sec. 162) and (IRC Sec. 106)	Reported as income (IRC Sec. 105)
	Employee	Corporation	Corporation	Not deductible business expense (IRC Sec. 265)	Tax free to corporation [IRC Sec. 104(a)(3)]
	Employee	Employee funds received through executive bonus	Employee	Executive bonus is tax deductible to the business and is reported as income to the employee	Tax free [IRC Sec. 104(a)(3)]
S. Corp	More than 2% Shareholder	Employer	More than 2% Shareholder	Entity deductible expense (IRC Sec. 162) Individual income taxable (IRC Sec. 61)	Tax free [IRC Sec. 104(a)(3)]
	Employee or 2% or less Shareholder	Employer	Employee	Entity deductible expense	Benefits reported as income (IRC Sec. 105)
	Employee or 2% or less Shareholder	Employee funds received through executive bonus	Employee	Executive bonus is tax deductible to the business and is reported as income to the employee	Tax free [IRC Sec. 104(a)(3)]
Disability Overhead Expense					
Organization Form	Premium Paid by	Owner/Beneficiary	Premium	Tax Treatment Benefit	
All Forms of Eligible Business	Sole proprietor or business	Sole proprietor or business	Tax deductible (Rev. Rule 55-264, 1955-1 CB 11)	Reportable as income. However, overhead expenses which are deductible as ordinary business expenses will, to the extent deductible, offset the reportable benefits.	

These illustrations should not be considered legal advice. The facts of a particular situation may change the results indicated by these general illustrations.

Refer to the Qualified Sick Pay Plan Guide for details.

VI. DISABILITY OVERHEAD EXPENSE (DOE) UNDERWRITING

Overhead expense coverage is intended for the professional business owner who wants to keep the office open during a period of disability. An insurable need must exist. It must be demonstrated that the loss of the applicant, due to disability, will result in a loss of income to the business entity without any decrease in the business entity's fixed expenses. Certain businesses are not eligible for overhead expense, for example: retail operations, manufacturing operations and some sales organizations.

The number of owners and/or employees will impact the need for DOE.

If there are sufficient owners, then the loss of one owner could possibly be absorbed by the other owners, and the business would continue to operate and generate income to cover its expenses. The same is true if there are sufficient numbers of employees, or there is an employee who can perform the applicant's duties. There would be sufficient expertise to maintain operations that in turn would generate revenue to cover expenses. Five is the maximum number of owners that will normally be considered for DOE.

Cases with more than five owners will be given individual consideration upon underwriting review prior to submission. The number of employees is dependent upon the type of business.

Working In or From Residence

Business owners working in or from their homes are **not** eligible for disability overhead expense coverage.

Overhead Expenses

These are the expenses that are usual and customary in the operation of an applicant's office or business. An item of expense must be accepted by the United States Internal Revenue Service (IRS) as a tax-deductible business expense; however, not all accepted business expenses would qualify as eligible business overhead expenses.

Examples of some covered overhead items include:

- utilities
- laundry and maintenance services
- employee's wages including payroll taxes and contributions for benefits
- property and liability insurance
- taxes on business premises owned and used by insureds in the operation of their business
- rent or the greater of scheduled depreciation for tax purposes or scheduled mortgage payments
- leasing payments or the greater of scheduled depreciation for tax purposes or scheduled payments for furniture, equipment and implements of the business
- accounting, billing and collection service fees
- interest payments on business debts

- association dues
- subscriptions; and
- janitorial fees

If the applicant shares expenses with someone else in the operation of an office or business, only the applicant's portion, equal to the percentage of ownership, of the expenses can be included.

Expenses that are not covered include, but are not limited to:

- salaries of like professionals or any person employed to perform the duties of the insured
- fees
- drawing accounts
- profits or other forms of compensation for the applicant
- salaries for any member of the applicant's family
- salaries for anyone sharing business with the applicant
- cost of equipment
- most supplies or inventory
- travel or entertainment costs
- any expense for which the applicant was not liable prior to disability; or
- any non-recurring expense

The expense section of each application for Disability Overhead Expense must be completed, even if financial documentation is submitted.

- A profit and loss statement will be required when the amount applied for and in force is \$5,000 or more.
- A profit and loss statement plus last year's business tax return will be necessary when the amount applied for and in force is \$15,000 or more.
- For nonprofessional business owners, we will need a listing of all employees, their salaries and duties whenever the amount applied for and in force is \$3,000 or more.
- For professional business owners, we will need a listing of the compensation for all employees in the same occupation as the owner.

VII. ISSUE AND PARTICIPATION LIMITS

Maximum Issue and Participation Limits							
Non-Medical Market							
All Benefit Periods	50 and Under		51 - 55		56 - 60		
	Issue	Participation	Issue	Participation	Issue	Participation	
	5AP, 5A	\$15,000	\$15,000*	\$15,000	\$15,000*	\$15,000	\$15,000*
	4A, 3AP	\$15,000	\$15,000*	\$15,000	\$15,000*	\$15,000	\$15,000*
	3A	\$10,000	\$15,000	\$10,000	\$15,000	\$10,000	\$15,000
	2A	\$8,000	\$8,000	\$5,000	\$5,000	\$3,000	\$3,000
A, B	\$6,000	\$6,000	\$5,000	\$5,000	\$3,000	\$3,000	
* \$25,000 when there is Group LTD in force (\$15,000 in CA)							
Medical Market							
All Benefit Periods	Issue	Participation					
	4A	\$15,000	\$15,000*				
	3AP/3A/4M	\$10,000	\$15,000*				
* \$20,000 when there is Group LTD in force (\$15,000 in CA)							
Dentists and Surgeons are included in the 3AP medical market.							
Guaranteed Standard Issue Maximum Issue Limits							
	Employer-Paid		Voluntary (Employee-pay-all)		Core/Buy Up (ER-pd base, EE-pd base excess)		
Maximum GSI Limits	5-9 lives: Up to \$2,000 10+ lives: Up to \$8,000 based on group size and demographics		Up to \$5,000, based on group size and demographics		Up to \$8,000, based on group size and demographics		
61-64 Guaranteed Renewable*							
Classes	Benefit Period	Waiting Period		Maximum Issue & Participation Limit		Riders	
5AP - 2A	Two years	30, 60, 90 and 180 days		\$4,000		None	
5AP - 2A	One year	30, 60, and 90 days		\$4,000		None	
*The applicant must be part of a three person minimum multi-life case. Coverage is conditionally renewable in New Jersey.							
California residents have a Maximum Issue Limit of \$10,000 and Maximum Participation Limit of \$15,000. The addition of the Catastrophic Disability Rider (CAT) does not affect the Maximum Issue and Participation Limits (see above).							

Union Central has established the maximum amount of coverage an applicant is eligible to have. The maximum amount is based on the applicant's annual earned gross income less any business expenses and any other (individual or group) coverage he/she may have.

The Issue and Participation Charts on the following pages show what amounts an applicant is eligible for as determined by his/her income.

Use the **Individual Pay IDI Chart** for most cases when the applied for coverage will be paid by the **applicant** and there is no group LTD in force.

Use the **Employer Pay IDI Chart** when the applied for coverage will be paid by the **employer** and there is no group LTD in force.

Use the **Individual Pay IDI Group Combo Chart** when the applicant has group LTD and the **applicant** will pay the premium on the new individual policy.

Use the **Employer Pay IDI Group Combo Chart** when the applicant has group LTD and the **employer** will pay the premium on the new individual policy.

When using these limits, the amount of **individual** coverage from all companies can never exceed the limits in the Individual Pay or Employer Pay IDI Charts.

ISSUE AND PARTICIPATION LIMITS CHART

Individual Pay IDI

Income	EE Pay	+ SIR	= Total
18,000	300	800	1,100
22,000	500	800	1,300
24,000	500	1,000	1,500
27,000	600	1,000	1,600
30,000	700	1,100	1,800
33,000	850	1,100	1,950
36,000	900	1,200	2,100
39,000	1,000	1,200	2,200
40,000	1,000	1,300	2,300
42,000	1,050	1,400	2,450
45,000	1,150	1,500	2,650
48,000	1,300	1,500	2,800
51,000	1,300	1,600	2,900
54,000	1,350	1,700	3,050
57,000	1,500	1,700	3,200
60,000	1,500	1,800	3,300
63,000	1,600	1,800	3,400
65,000	1,600	1,900	3,500
70,000	1,800	1,900	3,700
75,000	1,900	2,000	3,900
80,000	2,100	2,000	4,100
85,000	2,300	2,000	4,300
90,000	2,500	2,000	4,500
95,000	2,650	2,000	4,650
100,000	2,900	2,000	4,900
105,000	3,050	2,000	5,050
110,000	3,200	2,000	5,200
115,000	3,400	2,000	5,400
120,000	3,600	2,000	5,600
130,000	4,000	2,000	6,000
140,000	4,300	2,000	6,300
150,000	4,700	2,000	6,700
160,000	5,000	2,000	7,000
170,000	5,300	2,000	7,300
180,000	5,600	2,000	7,600
190,000	5,900	2,000	7,900
200,000	6,200	2,000	8,200
210,000	6,500	2,000	8,500
220,000	6,800	2,000	8,800
230,000	7,100	2,000	9,100
240,000	7,400	2,000	9,400
250,000	7,700	2,000	9,700
260,000	7,900	2,000	9,900
270,000	8,100	2,000	10,100
280,000	8,300	2,000	10,300
290,000	8,500	2,000	10,500
300,000	8,800	2,000	10,800
310,000	9,100	2,000	11,100
320,000	9,400	2,000	11,400
330,000	9,700	2,000	11,700
340,000	10,100	2,000	12,100
350,000	10,400	2,000	12,400
360,000	10,700	2,000	12,700
370,000	11,100	2,000	13,100
380,000	11,400	2,000	13,400
390,000	11,700	2,000	13,700
400,000	12,100	2,000	14,100
420,000	12,400	2,000	14,400
440,000	12,700	2,000	14,700
460,000	13,000	2,000	15,000
480,000	13,000	2,000	15,000
500,000	13,000	2,000	15,000
520,000	13,000	2,000	15,000
540,000	13,000	2,000	15,000
560,000	13,000	2,000	15,000
580,000	13,000	2,000	15,000
600,000	13,000	2,000	15,000
620,000	13,000	2,000	15,000
640,000	13,000	2,000	15,000
660,000	13,000	2,000	15,000
680,000	13,000	2,000	15,000
700,000	13,000	2,000	15,000
720,000	13,000	2,000	15,000
740,000	13,000	2,000	15,000
760,000	13,000	2,000	15,000

Employer Pay IDI

Income	EE Pay	+ SIR	= Total
18,000	350	800	1,150
22,000	550	800	1,350
24,000	550	1,000	1,550
27,000	800	1,000	1,800
30,000	900	1,100	2,000
33,000	1,100	1,100	2,200
36,000	1,200	1,200	2,400
39,000	1,400	1,200	2,600
40,000	1,400	1,300	2,700
42,000	1,400	1,400	2,800
45,000	1,500	1,500	3,000
48,000	1,700	1,500	3,200
51,000	1,800	1,600	3,400
54,000	1,900	1,700	3,600
57,000	2,100	1,700	3,800
60,000	2,200	1,800	4,000
63,000	2,200	1,800	4,000
65,000	2,400	1,900	4,300
70,000	2,700	1,900	4,600
75,000	2,800	2,000	4,800
80,000	3,000	2,000	5,000
85,000	3,300	2,000	5,300
90,000	3,550	2,000	5,550
95,000	3,750	2,000	5,750
100,000	4,200	2,000	6,200
105,000	4,450	2,000	6,450
110,000	4,700	2,000	6,700
115,000	4,950	2,000	6,950
120,000	5,200	2,000	7,200
130,000	5,600	2,000	7,600
140,000	6,100	2,000	8,100
150,000	6,500	2,000	8,500
160,000	6,900	2,000	8,900
170,000	7,300	2,000	9,300
180,000	7,700	2,000	9,700
190,000	8,100	2,000	10,100
200,000	8,500	2,000	10,500
210,000	8,900	2,000	10,900
220,000	9,300	2,000	11,300
230,000	9,700	2,000	11,700
240,000	10,100	2,000	12,100
250,000	10,400	2,000	12,400
260,000	10,700	2,000	12,700
270,000	11,000	2,000	13,000
280,000	11,300	2,000	13,300
290,000	11,600	2,000	13,600
300,000	11,900	2,000	13,900
310,000	12,300	2,000	14,300
320,000	12,600	2,000	14,600
330,000	12,800	2,000	14,800
340,000	13,000	2,000	15,000
350,000	13,200	2,000	15,200
360,000	13,400	2,000	15,400
370,000	13,600	2,000	15,600
380,000	13,800	2,000	15,800
390,000	14,000	2,000	16,000
400,000	14,000	2,000	16,000
420,000	14,000	2,000	16,000
440,000	14,000	2,000	16,000
460,000	14,000	2,000	16,000
480,000	14,000	2,000	16,000
500,000	14,000	2,000	16,000
520,000	14,000	2,000	16,000
540,000	14,000	2,000	16,000
560,000	14,000	2,000	16,000
580,000	14,000	2,000	16,000
600,000	14,000	2,000	16,000
620,000	14,000	2,000	16,000
640,000	14,000	2,000	16,000
660,000	14,000	2,000	16,000
680,000	14,000	2,000	16,000
700,000	14,000	2,000	16,000
720,000	14,000	2,000	16,000
740,000	14,000	2,000	16,000
760,000	14,000	2,000	16,000

ISSUE AND PARTICIPATION LIMITS CHART

Individual Pay IDI Group Combo

Income	Total
18,000	1,100
22,000	1,300
24,000	1,500
27,000	1,600
30,000	1,800
33,000	1,950
36,000	2,100
39,000	2,200
40,000	2,300
42,000	2,450
45,000	2,650
48,000	2,800
51,000	3,050
54,000	3,200
57,000	3,300
60,000	3,400
63,000	3,600
65,000	3,700
70,000	3,900
75,000	4,100
80,000	4,200
85,000	4,500
90,000	4,750
95,000	5,000
100,000	5,500
105,000	5,750
110,000	6,000
115,000	6,250
120,000	6,500
130,000	7,000
140,000	7,500
150,000	8,000
160,000	8,500
170,000	9,000
180,000	9,500
190,000	9,900
200,000	10,400
210,000	10,800
220,000	11,300
230,000	11,800
240,000	12,300
250,000	12,800
260,000	13,200
270,000	13,600
280,000	14,100
290,000	14,500
300,000	15,000
310,000	15,500
320,000	16,000
330,000	16,500
340,000	17,000
350,000	17,500
360,000	18,000
370,000	18,500
380,000	19,000
390,000	19,500
400,000	20,000
420,000	21,000
440,000	22,000
460,000	23,000
480,000	24,000
500,000	25,000
520,000	25,000
540,000	25,000
560,000	25,000
580,000	25,000
600,000	25,000
620,000	25,000
640,000	25,000
660,000	25,000
680,000	25,000
700,000	25,000
720,000	25,000
740,000	25,000
760,000	25,000

Employer Pay IDI Group Combo

Income	Total
18,000	1,150
22,000	1,350
24,000	1,550
27,000	1,800
30,000	2,000
33,000	2,200
36,000	2,400
39,000	2,600
40,000	2,700
42,000	2,800
45,000	3,000
48,000	3,200
51,000	3,500
54,000	3,600
57,000	3,800
60,000	4,000
63,000	4,200
65,000	4,300
70,000	4,650
75,000	5,000
80,000	5,350
85,000	5,600
90,000	5,850
95,000	6,050
100,000	6,700
105,000	7,050
110,000	7,400
115,000	7,700
120,000	8,000
130,000	8,700
140,000	9,400
150,000	10,000
160,000	10,700
170,000	11,400
180,000	12,000
190,000	12,700
200,000	13,400
210,000	13,800
220,000	14,100
230,000	14,500
240,000	15,000
250,000	15,700
260,000	16,300
270,000	16,900
280,000	17,500
290,000	18,200
300,000	18,800
310,000	19,400
320,000	20,000
330,000	20,700
340,000	21,300
350,000	21,900
360,000	22,500
370,000	23,200
380,000	23,800
390,000	24,400
400,000	25,000
420,000	25,000
440,000	25,000
460,000	25,000
480,000	25,000
500,000	25,000
520,000	25,000
540,000	25,000
560,000	25,000
580,000	25,000
600,000	25,000
620,000	25,000
640,000	25,000
660,000	25,000
680,000	25,000
700,000	25,000
720,000	25,000
740,000	25,000
760,000	25,000

The limits in all charts are based on gross annual earned income for federal income tax purposes less business expenses, if any. Limits represent the maximum monthly indemnity from all companies, including any Social Insurance Substitute (SIS) or short-term supplementary benefits in force or applied for.

For Classes 5AP–3AP, and Medical Market Classes 4A, 4M, 3AP and 3A, the total monthly benefit can be issued as an all base benefit or divided between base and the Social Insurance Substitute (SIS) Rider. These amounts can never exceed the Maximum Issue and Participation Limits shown on page 23.

For Classes 3A, 2A, A, and B, the total monthly benefit must be divided between base benefit and the Social Insurance Substitute (SIS) Rider. The amounts of each benefit must not exceed the limits indicated in each column of the chart. These amounts can never exceed the Maximum Issue and Participation Limits shown on page 23.

Business owners may be eligible for an additional \$500 of monthly benefit above our stated Issue and Participation Limits (not to exceed overall Maximum I&P limits) to cover the loss of company perks.

In combination, base benefit plus the Social Insurance Substitute (SIS) Rider plus the Catastrophic Disability (CAT) Rider and any other DI coverage in force, cannot exceed 100% of the insured's gross income, net of business expenses. The CAT Rider minimum is \$200 and the maximum is \$8,000. The ratio of CAT to base and SIS can be up to 3-to-1 except in New Jersey where the CAT benefit cannot exceed the base benefit.

Individual/Group Combination Limits

The limits listed in the **Group Combo Charts** of the Issue and Participation Limits Chart are applicable only when a client has in force group coverage. **When using these limits, the amount of individual coverage from all companies can never exceed the limits in the Individual Pay or Employer Pay IDI Charts.**

If the group coverage and the individual coverage are all employer-paid, no “discount” calculation is permitted. The calculation is made using the Employer Pay IDI Group Combo Chart.

The following “discount” calculation approach is only applicable when the individual coverage is paid by the individual and the existing group coverage is 100% employer-paid and integrated with Social Security benefits. It is done to recognize the taxable nature of employer-paid LTD benefits.

The discount does not apply to self-employed individuals in a Sole Proprietorship, Partnership, S Corporation or most LLC business entities.

*Example:

(Annual Earned Income = \$60,000)

LTD in force	\$ 1,500
20% Discount†	x .8
Adjusted LTD Benefit	\$ 1,200
Individual Pay IDI Group Combo Limit	3,400
Subtract LTD	– 1,200
Monthly Benefit Available	\$ 2,200

* All figures are based on Issue and Participation Limits Chart.

† Use 25% discount for incomes of \$200,000 or greater where the LTD booklet is available for underwriting review.

Employer-Pay Credit

NonCancellable Policy – All Classes

The employer-pay credit refers to an additional amount of monthly benefit available to certain applicants. The credit is allowed in those circumstances where an employer is paying the premium for an individually owned disability income policy. Because the employer is paying the premium, benefits received in the event of disability are taxable as ordinary income to the insured and this taxation results in a decrease in benefit.

Employer-Pay Guidelines

See Employer Pay IDI or Employer Pay IDI Group Combo Charts.

Disability income benefits are **taxable** to the insured when received.

A. Employer-Pay Credit is available in the following situations to:

- “C” Corporation shareholders
- “S” Corporation shareholders with no more than a 2% ownership interest

Disability Overhead Expense Issue and Participation Limits Chart

- Nonowner employees
- Those individuals using pre-tax dollars to pay their disability income premiums.

B. Individual-Pay limits apply in all other situations. Among those are: "S" Corporation shareholders with greater than a 2% ownership interest or owners whose businesses are set up as a sole proprietorship or partnership, along with individuals paying for their disability income premium using after-tax dollars, limited liability partnerships and most limited liability corporations.

Personal disability income policies do not affect these limits unless there is an indication of significant overinsurance.

Maximum Issue and Participation Limits		
Class	Issue	Participation*
5AP**	\$30,000	\$30,000
4A	\$15,000	\$15,000
3AP/3A	\$10,000	\$10,000
California Limits		
Class	Issue	Participation*
5AP**	\$20,000	\$25,000
4A	\$10,000	\$15,000
3AP/3A	\$10,000	\$10,000

* To participate beyond \$20,000, Union Central requires two years of financial documentation.

** There is no 5A occupational class for DOE. All 5A occupational classes for Individual DI will be upgraded to 5AP for DOE.

Limits: The monthly benefits available are limited to 100% of eligible overhead expenses.

The addition of the Salary Substitute Expense Rider is not affected by the Maximum Issue and Participation Limits.

VIII. SPECIAL UNDERWRITING
CONSIDERATIONS
Employment Requirements

An applicant must be able to demonstrate stability of employment and income. Applications for people employed in their stated occupation for less than 12 months should be accompanied by an explanation with respect to present and future stability of employment and income. Generally, self-employed individuals are not eligible for coverage unless they are involved in their business for a minimum of one year prior to the date of the application. However, this requirement can be met by virtue of employment in a similar occupation for a minimum of two years prior to becoming self-employed. Applicants must have been employed in the applied for occupational classification for a minimum of 12 months.

Foreign Born

People solicited for disability income coverage should be able to read and speak the English language. Recent immigrants are not eligible for coverage until they have attained permanent resident status. (*See Residing Permanently in the United States in Section IX.*)

Public Employees (Teachers,
Municipal, State and Federal)

Public employees, which include teachers and municipal, state and federal employees are eligible for up to \$1,500 base benefit plus \$2,000 Social Insurance Substitute (SIS) Rider, subject to our stated Issue and Participation Limits. When applying for the maximum benefits available, the full amount of SIS must be used. The Underwriting Department **will not** require a copy of the disability retirement plan booklet for review. There are no restrictions for age or years of service. The Residual Disability, Catastrophic Disability and Cost of Living Adjustment Riders are available to public employees.

Catastrophic Disability (CAT) Benefits for Public Employees	
Annual Income	Maximum CAT Benefit*
< \$100,000	\$1,000
\$100,000 - \$149,999	\$2,500
\$150,000 +	\$4,500
* In combination, base benefit plus the SIS Rider plus the CAT Rider and any other DI coverage in force, cannot exceed 100% of the insured's gross income net of business expenses.	

Medical Specialty Letters

Medical specialty letters will be made available on request. These will recognize only AMA approved specialties. No sub-specialty letters will be provided. See next page for AMA recognized medical specialties.

AMA - RECOGNIZED MEDICAL SPECIALTIES

A	Allergy
ADL	Adolescent Medicine
ADM	Addiction Medicine
ADP	Addiction Psychiatry
AI	Allergy and Immunology
ALI	Allergy & Laboratory/Clinic & Laboratory Immunology
AM	Aerospace Medicine
AN	Anesthesiology
APM	Pain Management (Anesthesiology)
AS	Abdominal Surgery
ATD	Anatomic Pathology
BBK	Blood Banking Transfusion Medicine
CBG	Clinical Biochemical Genetics
CCA	Clinical Care Medicine (Anesthesiology)
CCG	Clinical Cytogenetics
CCM	Clinical Care Medicine (Internal Medicine)
CCP	Pediatric Critical Care
CCS	Surgical Critical Care (Surgery)
CD	Cardiovascular Disease
CDS	Cardiovascular Surgery
CG	Clinical Genetics
CHN	Child Neurology
CHP	Child and Adolescent Psychiatry
CLP	Clinical Pathology
CMG	Clinical Molecular Genetics
CN	Clinical Neurophysiology
CRS	Colon & Rectal Surgery
D	Dermatology
DDL	Clinical & Laboratory (Dermatological Immunology)
DIA	Diabetes
DR	Diagnostic Radiology
EM	Emergency Medicine
END	Endocrinology, Diabetes and Metabolism
ESM	Sports Medicine Emergency Medicine
ETX	Medical Toxicology
FOP	Forensic Pathology
FP	Family Practice
FPG	Geriatric Medicine (Family Practice)
FPS	Facial Plastic Surgery
FSM	Sports Medicine (Family Practice)
GE	Gastroenterology
GO	Gynecological Oncology
GP	General Practice
GPM	General Preventive Medicine
GS	General Surgery
GYN	Gynecology
HEM	Hematology (Internal Medicine)
HEP	Hepatology
HMP	Hematology (Pathology)
HNS	Head & Neck Surgery
HSO	Hand Surgery (Orthopedic Surgery)
HSP	Surgery of the Hand (Plastic Surgery)
HSS	Surgery of the Hand (Surgery)
ICE	Cardiac Electrophysiology
ID	Infectious Disease
IG	Immunology
ILI	Clinical and Laboratory Immunology (Internal Medicine)
IM	Internal Medicine
IMG	Geriatric Medicine (Internal Medicine)
ISM	Sports Medicine (Internal Medicine)
LM	Legal Medicine
MG	Medical Genetics
MM	Medical Microbiology
N	Neurology
NCC	Critical Care Medicine (Neurological Surgery)
NEP	Nephrology
NM	Nuclear Medicine

NP	Neuropathology
NPM	Neonatal-Perinatal Medicine
NR	Nuclear Radiology
NS	Neurological Surgery
NSP	Pediatrics Surgery (Neurology)
NTR	Nutrition
OAR	Adult Reconstructive Orthopaedics
OBG	Obstetrics and Gynecology
OBS	Obstetrics
OCC	Critical Care Medicine (Obstetrics & Gynecology)
OM	Occupational Medicine
OMO	Musculoskeletal Oncology
ON	Medical Oncology
OP	Pediatric Orthopaedics
OPH	Ophthalmology
OR	Orthopaedic Surgery
OS	Other, i.e. physician designated a specialty other than appearing here.
OSM	Sports Medicine (Orthopaedic Surgery)
OSS	Orthopaedic Surgery of the Spine
OT	Otology
OTO	Otolaryngology
OTR	Orthopaedic Trauma
P	Psychiatry
PA	Clinical Pharmacology
PCH	Chemical Pathology
PCP	Cytopathology
PD	Pediatrics
PDA	Pediatric Allergy
PDC	Pediatric Cardiology
PDE	Pediatric Endocrinology
PDO	Pediatric Otolaryngology
PDP	Pediatric Pulmonology
PDR	Pediatric Radiology
PDS	Pediatric Surgery (Surgery)
PDT	Medical Toxicology (Pediatrics)
PEM	Pediatric Emergency Medicine
PG	Pediatric Gastroenterology
PH	Public Health & General Preventive Medicine
PHO	Pediatric Hematology
PIP	Immunopathology
PLI	Clinical & Laboratory Immunology (Pediatrics)
PM	Physical Medicine
PMD	Pain Medicine
PN	Pediatric Nephrology
PO	Pediatric Ophthalmology
PP	Pediatric Pathology
PPR	Pediatric Rheumatology
PS	Plastic Surgery
PSM	Sports Medicine (Pediatrics)
PTH	Anatomic/Clinical Pathology
PTX	Medical Toxicology Preventive Medicine
PUD	Pulmonary Disease
PYA	Psychoanalysis
PYG	Geriatric Psychiatry
R	Radiology
REN	Reproductive Endocrinology
RHU	Rheumatology
RIP	Radioisotopic
RNR	Neuroradiology
RO	Radiation Oncology
RP	Radiological Physics
TRS	Traumatic Surgery
TS	Thoracic Surgery
U	Urology
UM	Underseas Medicine
UP	Pediatric Urology
VIR	Vascular & Interventional Radiology
VS	General Vascular Surgery

Misrepresentation

Misrepresented or fraudulent applications will be rejected immediately. Union Central intends to protect itself and its policyholders from any fraudulent activity. Fraudulent applications jeopardize our ability to effectively maintain valuable disability coverage for customers at competitive prices. Any suspected fraudulent conduct, applications, or activities should be brought to the attention of the Special Investigative Unit for investigation or through our website at www.unioncentral.com, under “contact us.” In many states, if fraud is even **suspected**, it **must** be brought to the attention of state insurance authorities.

Personal History Interviews/ Inspection Reports

All disability income applications of \$2,001 or greater require a PHI or inspection report. The agreement section of the application includes an acknowledgment by the applicant that he or she has received the “Notice of Insurance Information Practices.” This Notice is attached as an addendum at the top of the Part I and should be removed and given to the applicant before completing the application.

Reconsideration

In the case of exclusion riders, ratings, or restriction of benefits, consideration of removal or reduction of the rating *may* be given but not until after the second policy anniversary at the earliest. There are exclusion riders, ratings and restriction of benefits that may be permanent and reconsideration is not possible. If the agent believes that the policyowner has experienced an improvement in the condition for which the rating or rider was imposed, the underwriter should be consulted. A request to consider a reduction of the rating or removal of the exclusion rider can be made. Complete an application together with the non-medical portion, authorization section and the request to reconsider and then send it to Union Central for reconsideration. Evidence of insurability is required and reconsideration will be based on all of the facets of the risk, not just the condition for which the rating was originally imposed.

Sharing Underwriting Information With Other Companies

Throughout the industry, it is general practice not to supply underwriting materials to a competitor. If Union Central’s issue limit has been reached or Union Central has declined the application, the underwriting materials will be shared with another Company with written requests and proper authorization by the applicant. If Union Central has issued a policy or an application is withdrawn by the agent before issue, the underwriting papers will be shared only if:

- The Union Central policy has been returned for cancellation.
- Any cash with an application has been returned to the premium payor.
- Union Central is reimbursed for underwriting expenses (i.e. examinations, blood tests, etc.).
- A valid authorization has been executed by the applicant.

We do require a written authorization from the proposed insured directing Union Central to send information to a named company. Union Central cannot accept blanket authorizations. The underwriting papers will be sent directly to the other company's Underwriting Department, and cannot be sent to an agent or broker. The material shared with the other company will include all underwriting materials with the exception of Attending Physician's Statements, inspection reports and information obtained through the Medical Information Bureau.

Tobacco Use

There are non-tobacco and tobacco user classifications for DI. In order to qualify for non-tobacco classification, cigarettes, cigars, pipes, snuff, chewing tobacco, nicotine gum or patch, or any form of tobacco should not have been used in the past 12 months. If a urine specimen is collected, the nicotine results must be negative. Currently, we will consider an applicant who reports the occasional use of a cigar, no more than one per month, with a negative urine nicotine collection as a non-tobacco user. Information from the Personal History Interview, inspection report, Attending Physician Statement, or other underwriting sources will be used to verify the information provided on the application. If the urine nicotine test is positive, only the tobacco user classification will be available. Retests are not permitted.

Applicants not qualifying for non-tobacco rates will be considered for tobacco rates. When a policyholder quits tobacco use, we will consider non-tobacco rates under the following conditions:

- No use of tobacco in any form or nicotine replacements for at least the last 12 months.
- The policy must be in force a minimum of one year.
- Form UC 1799 is submitted to the Disability Underwriting Department.
- A urine specimen will be required.

If you have any questions, please contact the Disability Underwriting Department.

IX. NON-MEDICAL Avocations and Hazardous Sports

There are many avocations for which there are no additional concerns or any unusual hazards. However, there are also many avocations that do offer additional risks and concerns for disability insurance. These avocations will be considered with an exclusion rider depending upon the degree of participation and the hazard incurred.

Complete details listing the hazards involved, the frequency, the duration, any certification, and full description should be included in a cover letter. If appropriate, submit a questionnaire with the application. The application requests information relative to hazardous sports and specialized questionnaires on these activities are available, upon request, from the Underwriting Department. The Informal Inquiry (Form UC 0401P) is highly recommended for determining whether an extra premium is required. Remember, the better the information given to the underwriter, the more appropriate the offer made.

Below are specific avocations.

Acrobatics

Frequent activity and/or participation in acrobatics will be declined for coverage.

Aviation

In all aviation situations, complete the aviation questionnaire and submit it with the application.

- **Commercial Pilots and Aviation Flight Attendants**

Commercial pilots and flight attendants are not eligible for disability insurance. Due to the nature of their work they must meet stringent medical requirements to maintain flying qualifications.

- **Private Pilots**

Private pilots flying for non-commercial flights (not for pay), unless specifically excluded, are usually considered an acceptable risk without an extra premium. An applicant with a history of accidents, injuries or any other unusual concerns will be considered on a case-by-case basis.

- **Student Pilots**

Student pilots will receive an aviation exclusion endorsement.

SCUBA Diving

A SCUBA diving questionnaire should be completed and submitted with the application.

- **Certified divers who dive on vacations only**, with no history of medical problems, who generally dive in less than 60 feet of water, with well-maintained gear, usually will be offered standard insurance.

- **Divers who generally dive from 60 to 100 feet** will be given individual consideration but usually will require an exclusion rider.

- **Applicants who sometimes dive over 100 feet**, are non-certified, who dive alone, and/or do cave exploration usually will not be insurable.

Skydiving

Applicants who parachute jump or skydive will be considered with an exclusion rider.

Criminal History

A history of criminal activity will be given individual consideration. A minimum period of at least two years from prison and/or parole is necessary before we will consider disability insurance. For those individuals with a felony history, no offer will be made within five years.

Favorable underwriting factors include:

- Single minor violation
- Financial stability
- Job stability
- Nonviolent crime
- Criminal activity over five years ago

Unfavorable underwriting factors include:

- Chronic offender
- Serious crime/felony
- On probation/parole or pending charges
- History of alcohol or drug abuse
- Sex crime
- Occupational impact

In all instances, a cover letter carefully detailing the involvement, the outcome, and future outlook together with two years complete tax forms should be submitted with the application.

Driving

Driving history is a very important consideration in disability underwriting. Motor vehicle accidents account for a large portion of disability claims. Accident rates increase in relation to the number of driving violations. A full and complete driving history along with any other vehicle violations or any unusual explanation should be included with the disability income application.

If the driver's license currently has been revoked, there has been a recent driving under the influence (within two years), or other major moving violations, we will be unable to consider the applicant for disability insurance. Any questions should be referred to the Disability Underwriting Department.

Foreign Travel

Foreign travel to countries outside the United States can be a concern for disability underwriting. Normal vacations, business trips, trips of short duration, and trips to politically stable countries are usually not a problem.

Extended travel, travel to some non-English speaking countries, and countries that are politically unstable are definitely a concern for disability insurance. Due to political instability and terrorism, the US State Department's foreign travel advisory list will be used for determination of which countries are on the travel-warning list. Disability insurance will not be considered for anyone traveling to a country on the US State Department travel-warning list. Due to the changing political climate, these countries can fluctuate frequently. When submitting an application on an individual who is planning foreign travel, complete information on the trip should be included with the application. If you have a question, please contact the Disability Underwriting Department.

Full-Time/Part-Time Work

Union Central will consider for disability coverage (individual or overhead expense) only those individuals employed on a full-time basis. For underwriting purposes, full-time is defined as an applicant who works, on average, at least 30 hours per week. We are not able to offer coverage to applicants who do not meet this requirement.

Residing Permanently In The United States (Recent Immigrants)

Foreign citizens who have established permanent residence in the United States (persons living in the United States on a full-time basis with only occasional trips to their native country) will be considered the same as US citizens provided they hold an Alien Registration Receipt Card (green card), and have resided in the United States continuously for five or more years.

Persons who have resided in the United States for at least one year, but less than five years, will be considered in accordance with the following rules:

- It must be the proposed insured's intention to reside permanently in the United States and return to the native country only occasionally, such as a vacation.
- The proposed insured must be gainfully employed on a full-time basis.
- The proposed insured must hold a permanent visa, and a visa copy must be provided with the application.
- The proposed insured must speak and understand the English language.
- Amounts and plans of insurance will be determined by usual insurance needs.
- Medical examinations and inspection reports are required in all cases. If the proposed insured has resided in the United States less than two years, inspection coverage must be available from his/her country of origin. Attending Physician Statements must also be made available.
- Persons residing in the United States less than six months and individuals without definite ties to the United States, such as property ownership or business interests, or who spend substantial amounts of time in their native country, will not be considered.
- Take no money with the application. The Conditional Receipt must remain with the application.

Working From Home

If an applicant spends more than 50 percent of his/her working time in his/her home, the Home Provider* contract must be used. If the client spends 50 percent or less of his/her time working in the home (i.e. the majority of time is spent outside of the home), there are no restrictions placed on coverage we can otherwise offer. Please note the Home Provider is not available in all states. Refer to the Agent Guide for detailed information regarding the Home Provider contract.

** Home Provider contract not available in CA, CT, FL, IA, MD, MO, NJ, OR, SC, TX, VA, VT.*

X. HEIGHT AND WEIGHT GUIDELINES

HEIGHT AND WEIGHT BUILD CHART		
Height	Maximum Standard Weight	Uninsurable Weight
5'0"	179	214
5'1"	184	219
5'2"	189	223
5'3"	193	229
5'4"	198	236
5'5"	204	242
5'6"	209	249
5'7"	215	256
5'8"	222	262
5'9"	227	269
5'10"	233	277
5'11"	238	284
6'0"	245	292
6'1"	251	298
6'2"	257	306
6'3"	264	314
6'4"	272	324
6'5"	280	333
6'6"	289	343

This information is given only as a guideline. Individual consideration will be given to each application. Fluctuation in weight, recent significant weight gain or weight loss together with other medical history will be used in underwriting consideration.

Individuals above the uninsurable weight are not eligible for coverage. Individuals significantly underweight will be given individual consideration.

For any weight loss within the last 12 months, add half of the loss to the total weight before using the chart.

XI. ATTENDING PHYSICIAN STATEMENTS

An Attending Physician Statement (APS) is sometimes requested by the Home Office underwriter to obtain details surrounding medical treatment received by the applicant. Union Central encourages agencies to order an APS to save in processing time.

This section should be used as a guideline for determining how and when to order an APS. Each individual application and the specifics of the situation will determine the underwriting action. Keep in mind the medical information obtained in connection with an insurance application is **CONFIDENTIAL**.

Privacy of the applicant for insurance is paramount. This information is obtained only on a need-to-know basis for insurance underwriting and should never be discussed in any other manner. The attending physician or medical provider should be requested to forward all information to the Union Central, Individual Disability Income New Business Department.

Any questions regarding use of this section can be directed to any underwriter.

Guidelines for Requesting Attending Physician Statements (APS)

When statements are not requested by the field office, the Union Central underwriter will determine which APS is necessary and request that it be ordered. In general, before ordering an APS, the following factors should be considered:

- An APS should be requested in accordance with the guidelines in this section. The agent should use judgment with respect to conditions not addressed in this guide. If doubt exists, a Union Central underwriter should be consulted.
- A signed authorization is necessary before an APS can be requested. This authorization is part of the application and should be copied by the agent to use when requesting an APS.
- Where there is a complicated medical history with several physicians treating the proposed insured, a Union Central underwriter should be contacted to determine which medical sources are appropriate.
- If the proposed insured has been rated or rejected by another company or if the agent has any doubt regarding insurability, no APS should be ordered. In such situations, an Informal Inquiry (Form UC 0401P) is appropriate. As an alternative, a Union Central underwriter can be consulted before beginning the application and the APS process.
- Whether or not the field office orders an APS, the complete name and address of all physicians and medical facilities should be included with the application. If Union Central finds it necessary to contact a medical source for any reason, names and addresses of all physicians and medical facilities consulted facilitates the processing.
- If the field requests an APS, a copy of this request must accompany the application when sent to Union Central. Error in providing a copy can result in a duplicate request with unnecessary expenses and delays.
- Whenever a medical condition or physical impairment prompted the visit to a physician or medical facility, the guidelines listed above should be followed.

Attending Physician Statements (APS) for Routine Physical Examinations

Physical examinations or checkups listed on the application refer to routine physician visits, not prompted by symptoms and completed in a routine manner.

APS for routine examinations or checkups should be ordered in accordance with the following limits:

Age	Time Since Physical	Amount Applied For*
18 – 40	Within 6 months	\$2,000 +
	Within 12 months	\$3,000 +
	Within 24 months	\$4,000 +
41 – 50	Within 6 months	\$2,000
	Within 12 months	\$3,000
	Within 24 months	\$4,000
Over 50	Within 12 months	\$1,000
	Within 24 months	\$2,000 +

* For APS requirements, add the base monthly benefit, the Social Insurance Substitute Rider and one-half the Future Increase Option Rider.

Special Facilities

If the proposed insured has visited a nationally known medical facility such as the Mayo Clinic, Greenbriar, Cleveland Clinic, or Oschsner, within the past two years, an APS should be requested. Further, if the proposed insured has traveled to another city for a medical consultation and no symptoms are listed, an APS should be requested within two years of the date of this visit.

Special Studies

If a special medical test is listed on a Part II, such as a treadmill EKG, chest X-ray, or blood work, and was obtained other than as a routine physical, an APS should be requested if the special test is done within two years of the day of the application.

XII. MEDICAL UNDERWRITING GUIDE

The following Medical Underwriting Guide listing shows medical conditions often seen on the application for disability insurance. This listing provides guidelines for ordering Attending Physician Statements (APS) and indicates what the underwriting decision is likely to be. This will help you prepare your client for possible adverse action or identify situations where an offer is unlikely, eliminating a potentially unpleasant surprise.

Beside each impairment are instructions as to when an APS is required. Numerals indicate the duration in years since the condition has required medical attention. If there is no number indicated, an APS is required. If treatment has been received within this period of time, an APS is required.

Remember, this is only a guide. The need for an APS and the underwriting decision will be based on the complete information developed during underwriting.

A listing of the abbreviations that are used in this guide follows.

Abbreviations

APS	Attending Physician Statement
Dash (-)	to
DECL	Decline
EXCL	Exclusion rider
HO	Refer to Home Office
HR	High rating (75% - 100%)
IC	Individual consideration
LR	Low rating (25% - 50%)
Slash (/)	and/or
STD	Standard
U	Usually
U DECL	Usually declined
U STD	Usually standard

Limitations

Generally, when policies are rated 50 percent, the maximum benefit period available is five years. Policies rated higher than 50 percent are usually limited to a two-year benefit period. Certain medical conditions will always require a limited benefit period.

The Automatic Increase Rider and Future Increase Option Rider are not available on rated policies. Other optional riders may be available on a case-by-case basis.

MEDICAL IMPAIRMENTS

Abscess..... U STD

Addison's Disease – *See Adrenal Gland Disorders*

Adrenal Gland Disorders

Addison's – APS..... HR-DECL

Cushing's – APS

Present or within 1 yr..... DECL

1 – 5 yrs..... HR-DECL

5+ yrs STD-LR

Albuminuria – *Presence of urine in kidney*..... IC

Alcohol Abuse or Alcoholism – APS

0 – 5 yrs..... DECL

5 – 10 yrs..... HR-DECL

10+ yrs..... U STD

Allergy

Respiratory or skin, other than latex U STD

Latex – APS EXCL/HR-DECL

Amputation – APS

Due to accident or trauma IC

Due to disease – Refer to disease IC

Anemia – *Abnormally low red blood cell count or volume* – APS

Iron deficiency, mild STD-LR

Other IC

Aneurysm – *Abnormal dilation of blood vessel wall* – APS

Present DECL

Treated, full recovery..... IC

Angina – *See Coronary Artery Disease*

Angioplasty – *See Cardiac Surgery*

Anorexia Nervosa – *See Eating Disorders*

Anxiety – *See Mental/Nervous Disorder*

Aortic Stenosis, Regurgitation, or Insufficiency –
See Heart Murmur

Arrhythmia – *Abnormal or irregular pulse/heartbeat* – APS

Bradycardia – slow pulse..... U STD

Tachycardia – rapid pulse..... IC

Atrial fibrillation or flutter

Single episode

0 – 1 yr since episode IC

1 – 2 yrs STD-HR

2+ yrs U STD

Multiple episodes

0 – 1 yr since last episode..... DECL

1 – 5 yrs IC

5+ yrs STD-LR

Chronic DECL

Arteriosclerosis – *Abnormal thickening of the arteries resulting in reduction of arterial capacity* U DECL

Arthritis – *Inflammation of a joint or joints* – APS

Osteoarthritis – *Degenerative condition of a joint due to overuse or trauma/injury*

1 – 3 affected joints – APS U EXCL

Multiple (3+) joints U DECL

Rheumatoid arthritis – *Chronic, systemic disease primarily affecting multiple joints*

0 – 5 yrs since last symptom DECL

5+ yrs IC

Asthma – *Reversible obstruction of the airways of the lungs*

Currently under treatment – APS STD-EXCL

History of treatment – APS (2) U STD

Atherosclerosis – *See Arteriosclerosis*

Atrial Fibrillation or Flutter – *See Arrhythmia*

Back Pain or Back Disorders – *See Spine Disorders*

Basal Cell Carcinoma – *See Tumors*

Bell's Palsy – *Usually temporary paralysis of facial nerves*

Present DECL

Fully recovered – APS (1).....STD

Bi-Polar Disorder – *See Mental/Nervous Disorders*

Blindness – *See Eye Disorder*

Boeck's Sarcoid – *See Sarcoidosis*

Bradycardia – *See Arrhythmia*

Breast Disorders

Fibrocystic breast disease including mastitis characterized by formation of cysts causing pain or tenderness; no suspicion of malignancy – APS..... STD-EXCL

Breast cancer or tumor – *see Tumors*

Bright's Disease – See *Glomerulonephritis*

Bronchiectasis – *Abnormal dilation of the bronchi ...* LR-DECL

Bronchitis – *Inflammation of the membranes of the bronchi*
 AcuteSTD
 Chronic - See *Emphysema*

Buerger's Disease – *Disease that causes blockage in the small arteries and veins, typically of the extremities ...* U DECL

Bulimia – See *Eating Disorders*

Bursitis – *Inflammation of the bursa between tendons and muscles – APS (1) ...* U STD-EXCL

Caesarean Section (C-Section) – See *Pregnancy*

Cancer, Carcinoma – See *Tumors*

Cardiac Surgery
 Due to coronary artery disease –
 bypass or angioplastyDECL
 Due to valvular diseaseDECL
 Due to congenital disorder IC

Carpal Tunnel Syndrome
 Surgically corrected STD-EXCL
 Present, not surgically corrected EXCL

Cataract – See *Eye Disorders*

Cerebral Hemorrhage – See *Hemorrhage*

Cerebral Palsy IC/U DECL

Chest Pain – APS (2) IC

Chiropractic Treatment, Maintenance or Adjustment – See *Spine Disorders*

Cholecystectomy, Cholecystitis, Cholelithiasis –
 See *Gallbladder*

Cholesterol – APS
 Elevated, treated, under control U STD

Chorio Retinitis-Iritis-Choroiditis – See *Eye Disorders*

Chronic Fatigue Syndrome – See *Mental/Nervous Disorder*

Cirrhosis of the Liver – See *Liver Disorder*

Colitis – *Inflammatory Disease of the Colon* – APS
 Spastic/Irritable Bowel Disease U STD
 Ulcerative
 Single episode
 0 – 3 yrsDECL
 3 – 5 yrs EXCL/LR
 5+ yrs STD-LR
 Multiple episodes or recurrent
 0 – 5 yrs since last episodeDECL
 5 – 7 yrs EXCL/HR
 7 – 10 yrs EXCL/LR
 10+ yrsSTD-LR/EXCL

Collapsed Lung – See *Pneumothorax*

Concussion – See *Fractures*

Convulsions – See *Epilepsy*

COPD – See *Emphysema*

Corneal Ulcer – See *Eye Disorder*

Coronary Artery Disease
 Heart attack, myocardial infarction, blockage of arteries
 in the heart U DECL

Crohn's Disease/Ileitis – APS
 PresentDECL
 0 – 3 yrs U DECL
 3 – 7 yrs LR/EXCL
 7+ yrs LR-STD

Cushing's Disease – See *Adrenal Gland Disease*

Cystic Kidney – See *Kidney Disorder*

Cystitis – Infection or inflammation of the urinary bladder –
 See *Urinary Bladder*

Cysts
 Ovarian cysts – See *Uterus Disorders*
 Other – See *Tumors, benign*

Deafness – See *Ear Disorder*

Depression – See *Mental/Nervous Disorders*

Dermatitis – *Inflammatory skin disorder* U STD

Deviated Septum – *Abnormal angulation of the septum of the nose* U STD

Diabetes – *Chronic disorder resulting from insulin deficiency or insulin resistance* – APS

Non-insulin dependent – *controlled by diet or oral medication*

Under age 30 DECL

Over age 30 LR-HR

*5-year maximum benefit period

Insulin dependent – *controlled by insulin injections*

Under age 30 DECL

Age 30 – 40 U DECL

Over age 40 HR-DECL

*2-year maximum benefit period

Gestational diabetes, history of STD-LR

Disc Disorders – *See Spine Disorders*

Dislocations – *All joints* – APS (2)

Operated or complete recovery U STD

Unoperated or mild complications EXCL

Severe complications DECL

Diverticulitis and Diverticulosis – APS (1)

No symptoms U STD

Symptoms STD-EXCL

Drug Abuse HO

Duodenal Ulcer – *See Ulcer*

Ear Disorder

Deafness

One ear U STD

Both ears EXCL

Eardrum Perforation

Present EXCL

Resolved STD

Labrynthitis – *Inner ear inflammation* – APS (1)

Present U DECL

Single episode, resolved STD

Multiple episodes IC

Mastoiditis – APS (1)

Present U DECL

Others U STD

Meniere's Disease – APS (3)

Present to 3 years DECL

3+ years LR-HR

Otitis Media – *Middle ear infection*

Acute STD

Chronic U STD

Otosclerosis – APS (1)

Unoperated EXCL/STD

Operated U STD

Eardrum Perforation – *See Ear Disorder*

Eating Disorders – APS (3)

Bulimia, Anorexia Nervosa

0 to 2 yrs DECL

2 yrs to 5 yrs LR

5+ yrs (normal weight) U STD

Emphysema – *Chronic Obstruction Pulmonary Disease* – APS

Early – no complications HR

Intermediate to late DECL

Epilepsy – APS (5)

Grand Mal Seizure

First attack before age 40

0 – 5 yrs since last attack HR-DECL

5 – 10 yrs since last attack LR

10+ yrs since last attack U STD

First attack over age 40 IC

Petit Mal Seizure

Time since last attack

0 – 5 yrs LR-HR

5+ yrs U STD

Seizures/Epilepsy — *including convulsions*

Type Unknown IC

Eye Disorders

Blindness

Total IC

Due to injury

one eye only – APS (3) EXCL-IC

Due to disease

one eye only – APS (3) EXCL-IC

Cataract

Operated – APS (3) U-STD

Unoperated – APS (2)

One eye STD-LR/EXCL

Both eyes EXCL/LR

Chorio Retinitis-Iritis-Choroiditis – APS (3)

Single attack

0 – 6 mos U DECL

6 mos – 3 yrs EXCL/LR

3+ yrs ULR

Recurrent attacks IC

Corneal Ulcer – APS (2)

Present U DECL

With residuals EXCL/LR

Without residuals U STD

Glaucoma – APS (1)

Operated EXCL

Under good control EXCL

Others EXCL-LR

Retinal Detachment or Hemorrhage – APS (3)

Operated EXCL

Unoperated EXCL/DECL

Retinitis Pigmentosa IC

Strabismus – Cross-eye – APS (1)

Present EXCL

Operated STD-LR

Fainting

Single episode – mild – APS (2)

0 – 6 mos U DECL

6 mos – 2 yrs IC

2+ yrs U STD

Recurrent or severe – APS (3)

0 – 3 yrs DECL

3 yrs IC

Fatty Liver – *See Liver Disorders*

Fibrillation – *See Arrhythmia*

Fibrocystic Breast – *See Breast Disorders*

Fibroid – *See Uterus Disorders*

Fibromyalgia DECL

Fistula-In-Ano – APS (1)

Unoperated STD-LR

Operated, complete recovery STD

Floating Kidney – *See Kidney Disorder*

Fractures

Skull – concussion – APS (2)

0 – 1 yr U DECL

1+ yrs, full recovery U STD

Depressed skull fracture – APS (5)

0 – 2 yrs U DECL

2 yrs – 5 yrs LR-HR

5+ yrs STD

Spinal fracture – APS (3) EXCL

Hip – APS (3) STD/EXCL

Other bones – APS (6 mos) STD/EXCL

Gallbladder

Cholecystectomy – *Gallbladder removed* STD

Cholecystitis – *Inflammation of the gallbladder* – APS (1)

Unoperated

Single episode U STD

Recurrent STD-LR

Operated STD

Cholelithiasis – *Gallstones* – APS (1)

Unoperated

Single episode U STD

Recurrent STD-LR

Operated STD

Gastritis – APS (1)

Acute, single attack STD

Chronic, recurrent attacks STD-LR

Gastro-Esophageal Reflux Disease (GERD).. STD-EXCL

Gestational Diabetes – *See Diabetes*

Glaucoma – *See Eye Disorders*

Glomerulonephritis – *See Kidney Disorder*

Glycosuria – *See Kidney Disorder*

Goiter – *See Thyroid Disorder*

Gonorrhea – *See Sexually Transmitted Disease*

Gout

Present – APS (1) LR-DECL/EXCL

In past – APS (3) LR-HR/EXCL

Grand Mal Seizure – *See Epilepsy*

Graves' Disease – *See Thyroid Disease*

Headaches – *Including Migraines*

Mild, occasional U STD

Moderate, recurrent – APS (1) STD-LR/EXCL

Severe, persistent – APS (2) EXCL-DECL

Heart Attack – *See Coronary Artery Disease*

Heart By-Pass Surgery – *See Cardiac Surgery*

Heart Murmur

Functional murmur – APS (2) U STD

Mitral Insufficiency or Regurgitation –

Apical systolic murmur IC

Mitral Stenosis – Apical diastolic murmur DECL

Aortic Stenosis, Regurgitation or

Insufficiency – APS IC/U DECL

Hematuria – *See Kidney Disorder*

Hemophilia – *Genetic blood coagulation disease* IC

Hemorrhage – *Bleeding disorders*

Cerebral hemorrhage (stroke) DECL

0 – 3 yrs DECL

3+ yrs IC

Gastro intestinal hemorrhage – APS (5) LR-HR/EXCL

Retinal hemorrhage – APS (3)

Operated EXCL

Unoperated EXCL/DECL

Hepatitis – *See Liver Disorder*

Hepatomegaly – *See Liver Disorder*

Hernia – *Abdominal, Inguinal, Hiatal* STD-EXCL

Herniated Disc – *See Spine Disorders*

Herpes Zoster – *See Shingles*

High Blood Pressure – APS (2)

Controlled, on medication U STD

Uncontrolled, newly discovered, untreated LR-DECL

Hives – APS (1)

Present – Mild U STD

Present – Disabling or severe EXCL/DECL

Hodgkin's Disease – APS (5)

0 – 10 yrs since full recovery DECL

10+ yrs since full recovery HR/EXCL

Hydrocele/Varicocele – *Fluid sack surrounding*

the testicle U STD

Hydronephrosis – *See Kidney Disorder*

Hypertension – *See High Blood Pressure*

Hyperventilation

Single attack, mild STD

Multiple attacks, severe – APS (2) IC

Hypoglycemia – *Low blood sugar* – APS (2)

Mild, infrequent episodes U STD

Severe or frequent episodes DECL

Hysterectomy

Non-malignant condition – APS (1) STD

Malignant condition – *See Tumors*

Ilitis – *See Crohn's Disease*

Indigestion – *See Gastritis*

Iritis – *See Eye Disorders*

Iron Deficiency Anemia – *See Anemia*

Irritable Bowel Syndrome (IBS) – *See Colitis*

Kidney Abscess – *See Kidney Disorder*

Kidney Disorder

Albuminuria – *Presence of protein in urine*

(Proteinuria) IC

Floating Kidney – *Nephroptosis* – APS (2)

Present

No symptoms STD-LR

Others EXCL/DECL

In history

No residuals U STD

Others EXCL

Glomerulonephritis – *A kidney filtration disease* – APS (5)

Acute, one or two attacks IC

Chronic, recurrent, or more than 2 attacks IC

Glycosuria – *Presence of sugar in the urine* IC

Hematuria – *Presence of blood in the urine*

Depends on number of red blood cells in urine IC

Hydronephrosis (Nephrosis) – APS (3)

Present IC

In past STD-DECL

Kidney Abscess – APS (2)

Present DECL

In history STD-LR

Kidney Stones – *Renal Colic*

Acute – APS (1) U STD

Chronic – APS (2) STD/EXCL

Nephrectomy – *Kidney removal*

Due to trauma or donation

0 – 6 mos – APS (3) DECL

6 mos – 2 yrs – APS (3) LR

2+ yrs U STD

Due to disease IC

Polycystic Kidney — *including Cystic Kidney* DECL

Proteinuria HO

Pyelitis/Pyelonephritis – *Infection of kidney*

Single episode, recovered U STD

Recurrent LR-DECL

Pyuria – *Presence of white blood cells in urine* – APS (2)

Depending on current labs STD-LR

Kidney Stones – *See Kidney Disorder*

Knee Disorders

Ligament or meniscus disorders

Present – APS (1) EXCL

Operated – full recovery STD-EXCL

Labrynthitis – *See Ear Disorder*

Latex Allergy – *See Allergy*

Leukemia U DECL

Liver Disorder

Hepatitis A or B – APS (5)

Present	DECL
0 – 6 mos	DECL
6+ mos, with normal liver enzymes	U STD
Hepatitis C	U DECL
Hepatomegaly	HO
Fatty Liver	
Present	
Normal liver enzymes	U STD
Abnormal	LR-DECL
History	
No symptoms, normal liver enzymes	U STD
Cirrhosis of the liver	DECL

Lumbosacral Strain or Sprain – *See Spine Disorders*

Lupus

Discoid	
Present	IC
Full recovery	LR-STD
Systemic Lupus Erythematosus	DECL

Lyme Disease

Present	DECL
Fully recovered, no residuals	U STD

Malignancy – *See Tumors*

Mastitis – *See Breast Disorders*

Mastoiditis – *See Ear Disorder*

Melanoma – *See Tumors*

Meniere's Disease – *See Ear Disorder*

Meningitis

Acute – complete recovery – APS (2)	U STD
Chronic or with residuals	IC

Menopause

Mild – moderate, not disabling	U STD
Severe, disabling – APS (1)	
0 – 6 mos	DECL
6+ mos	U STD

Menorrhagia – *See Uterus Disorders*

Menstrual Disorders – *See Uterus Disorders*

Mental/Nervous Disorders

Anxiety, depression, chronic fatigue syndrome, neurosis, panic disorder, bi-polar disorder, nervous breakdown – APS (5)

Present or under treatment	DECL
1 – 5 years	LR-DECL
Other – depends on diagnosis, duration, treatment, severity	IC/ STD/ DECL
Schizophrenia or other psychosis	DECL
Suicide attempt – after 10 yrs	LR

Migraine – *See Headache*

Miscarriage – *See Pregnancy*

Mitral Stenosis, Insufficiency or Regurgitation –

See Heart Murmur

Mitral Valve Prolapse

No other cardiac problems – APS (3)	U STD
With minor cardiac arrhythmias	LR-HR
Others	U DECL

Mononucleosis

Full recovery and no residuals – APS (2)	STD
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Multiple Sclerosis

Murmur – *See Heart Murmur*

Muscular Dystrophy

Myocardial Infarction – *See Coronary Artery Disease*

Neck Disorder – *See Spine Disorders*

Nephrectomy – *See Kidney Disorder*

Nephrosis – *See Kidney Disorder*

Neurosis – *See Mental/Nervous Disorder*

Osteoporosis

Otitis Media – *See Ear Disorder*

Otosclerosis – *See Ear Disorder*

Ovarian Cysts – *See Uterus/Ovary Disorders*

Overweight – *See page 24 for Weight Chart*

Pacemaker

Palpitations – *See Arrhythmias*

Pancreatitis – APS (5)

One episode	LR-DECL
Chronic	DECL

Panic Disorder – See *Mental/Nervous Disorders*

Paralysis HO

Parkinson's Disease DECL

Peptic Ulcer – See *Ulcers*

Pericarditis –

Inflammation of the lining around the heart – APS (5)

Within 1 yr DECL

1+ yrs – no residuals U STD

Pernicious Anemia – See *Anemia*

Petit Mal Seizure – See *Epilepsy*

Phlebitis APS (3)

Within 1 yr DECL

1+ yrs – no residuals U STD

Pleurisy – APS (2)

Single episode, full recovery STD

Others IC

Pneumonia – APS (2)

Single episode, full recovery STD

Multiple episodes STD-LR

Pneumothorax – *Collapsed lung* – APS (2)

Within 2 yrs STD-LR

2+ yrs U STD

Poliomyelitis (Polio)

If residual weakness or paralysis U EXCL

Polyp

Present EXCL

Removed U STD

Pregnancy

Currently pregnant

First 6 months EXCL

Last 3 months DECL

Not currently pregnant

History of complications, miscarriage or

C-section and of childbearing age EXCL

Prostate Disorder – APS (1)

Prostate cancer – See *Tumors*

Prostatitis

Single episode, full recovery STD

Multiple episodes EXCL

Proteinuria – See *Kidney Disorders*

Psoriasis – APS (1)

Present – *non-disabling, no arthritic component* STD-EXCL

Others U DECL

Psychoneurosis/Psychosis – See *Mental/Nervous Disorder*

Pulmonary Embolism – APS (3)

Single episode

Within 1 yr DECL

1+ yrs LR

Multiple episodes or still on treatment

Within 3 yrs DECL

3+ yrs IC

Pulmonary Tuberculosis – APS (3)

Active infection DECL

Full recovery

Within 1 yr DECL

1+ yrs LR

Positive skin test only

Negative x-ray STD

Pyelitis-Pyelonephritis – See *Kidney Disorder*

Pyuria – See *Kidney Disorder*

Raynaud's Disease/Phenomenon – *Poor circulation in extremities* – APS (5)

With full evaluation, mild symptoms STD-LR

Without full evaluation, or moderate to severe symptoms DECL

Regional Enteritis – See *Crohn's Disease*

Reflux Disease – See *Gastro Esophagal Reflux Disease*

Retinal Detachment or Hemorrhage – See *Eye Disorder*

Retinitis Pigmentosa – See *Eye Disorder*

Rheumatic Fever – APS (5)

Full recovery, no heart residuals

0 – 2 yrs LR

2+ yrs STD-LR

Heart residuals, rheumatic heart disease DECL

Rheumatoid Arthritis – See *Arthritis*

Ruptured Disc – See *Spine Disorders*

Sarcoidosis – *Formation of nodular lesions*

especially in the lungs – APS (5)

Present, Stage I STD-LR

Stages II, III or IV DECL

Arrested IC

Schizophrenia – See *Mental/Nervous Disorders*

Scoliosis – *See Spine Disorder*

Seizures – *See Epilepsy*

Septal Defects – *Congenital heart defect* – APS (5)

Atrial or ventricular
Repaired, no residuals.....U STD
OthersIC

Sexually Transmitted Diseases

Gonorrhea
Present to 1 year.....U DECL
In past – APS (2)
1 episode.....U STD
2 or 3 episodes
0 – 2 years.....U DECL
2+ yearsSTD-LR
More than 3 episodes.....U DECL
Syphilis
Present to 1 yrU DECL
In past – APS (3)
PrimaryLR
SecondaryHR-DECL
TertiaryDECL

Shingles – APS (2)

Present.....DECL
Recovered, no residualsSTD

Sickle Cell Anemia – *See Anemia*

Situational Depression/Anxiety – *See Mental/Nervous Disorder*

Skin Cancer – *See Tumors*

Skull Fracture – *See Fractures*

Sleep Apnea – APS (5)

Sleep study confirms diagnosis.....STD-DECL
Appropriate treatment.....STD
OthersLR-HR

Spastic Colitis – *See Colitis*

Spine Disorders – *Including back pain or back disorders and neck disorders* – APS (5)

Chiropractic treatment, maintenance, or adjustment . EXCL
Ruptured, slipped, or herniated disc.....EXCL
Spinal curvature (Scoliosis)
Mild, asymptomatic.....STD
Symptomatic or moderateEXCL
SevereDECL
With surgeryEXCL/DECL
Spinal stenosis.....EXCL
Sprain or strain
0 – 2 yearsEXCL
2+ years.....STD
Whiplash
Within 3 years.....EXCL
3+ years, no residuals.....U EXCL

Stomach Ulcer – *See Ulcer*

Strabismus – *See Eye Disorder*

Stroke – *See Hemorrhage*

Suicide Attempt – *See Mental/Nervous Disorders*

Syphilis – *See Sexually Transmitted Disease*

Tachycardia – *See Arrhythmias*

Thrombophlebitis – *See Phlebitis*

Thyroid Disorders

Hypothyroid – *Treated and controlled*STD
Hyperthyroid
Not treatedDECL
Treated and controlled, 1+ yrU STD
Thyroiditis
CurrentDECL
Full recoverySTD
NodulesHO
Goiter – *Thyroid enlargement*
Non-toxic – APS (1)
Present.....LR-EXCL
In pastU STD
Toxic – (Graves' Disease) – APS (2)
Present.....DECL
In past, operatedSTD-LR

Tuberculosis – *See Pulmonary Tuberculosis*

Tumors – APS

- Benign, after removal and with no residuals
 - Brain or spinal cord DECL
 - Others (*Depending on type and location*)..... U STD
- Malignant - cancerous
 - Internal tumors – within 10 yrs HO
 - 10+ yrs IC
- Skin cancers
 - Basal cell, or squamous cell,
after removal HO/U STD
 - Melanoma U DECL

Ulcerative Colitis – *See Colitis*

Ulcers – Duodenal, Gastric, Peptic, or Stomach – APS (3)

- Unoperated
 - Present HR/EXCL
 - In history STD-HR/EXCL
- Operated
 - 0 – 2 yrs U DECL
 - 2 – 5 yrs LR
 - 5+ yrs U STD

Undescended Testicle

- Operated – APS (1) STD
- Unoperated STD/EXCL

Urinary Bladder Disorders

- Infections, benign disorders STD
- Chronic or severe disorders – APS (1)..... EXCL/DECL

Uterus/Ovary Disorders

- Cervical Disorders – APS (1)
 - With normal current pap smear..... U STD
 - With abnormal most recent pap..... U DECL
- Cystocele, rectocele, urethrocele – APS (1)
 - No complications U STD
 - With complications..... U EXCL
- D & C – APS (1)
 - Rate for cause
- Endometriosis – APS (1)
 - Present – mild, moderate U STD
 - Severe or recurring EXCL-DECL
 - In history U STD
- Fibroid tumor – APS (1)
 - Operated, benign STD
 - Unoperated..... U EXCL
- Menstrual Disorders
 - Amenorrhea, Dysmenorrhea, Menorrhagia, Metrorrhagia
 - Single episode, resolved STD
 - Chronic or not resolved EXCL
- Ovarian Cysts – APS (2)..... U STD

Varicose Veins

- Abdomen, esophagus, or thorax..... DECL
- Legs – APS (1)
 - Present
 - Mild U STD
 - Moderate to severe EXCL/DECL
 - Operated and resolved U STD

Vertigo

- Single episode, mild – APS (2)
 - 0 – 6 mos U DECL
 - 6 mos – 2 yrs..... STD-LR
 - 2+ yrs U STD
- Recurrent or severe – APS (3)
 - 0 – 3 yrs DECL
 - 3+ yrs IC

Weight Loss or Gain

- Unexplained, sudden loss/gain
 - of more than 20 pounds – APS (2)
 - Cause known Rate for cause
 - Cause unknown..... U DECL
 - Dietary loss IC

Whiplash – *See Spine Disorders*

XIII. DELIVERING THE POLICY
Amendments

An application asks the applicant for the information needed to issue an insurance contract and is the basis upon which a policy is issued. Delays and possible restriction of commission can be avoided by paying attention to detail when completing the application. Amendments are required when the application has changed, there are unanswered questions on the application, or the application contains inaccuracies. Approximately 60 percent of amendments are due to:

- unanswered questions
- incomplete information about the plan
- incomplete information about the amount of insurance
- lack of detail regarding consultations with attending physicians

Risk and Nonrisk Amendments

Risk amendments are used when there is no liability to the Company until the amendment is signed. For example, risk amendments are needed for rated policies and benefit amounts different from those shown on the application. Commissions are restricted until the amendment is signed and received at Union Central. To facilitate this process, a return envelope is included with each policy.

Nonrisk amendments are amendments involving such things as clarification of beneficiary or date of birth. Commissions will be paid on nonrisk amendments; however, it is important the agent have the amendment signed at the time of delivery and promptly returned to Union Central in the envelope provided. Remember, signing the amendment completes the contract.

Delivery of the Policy

After the agent receives the policy, delivery should take place as soon as possible. A policy delivery receipt is included with each policy that must be completed and returned to Union Central in accordance with the instructions on the receipt.

It is important to deliver a policy as soon as possible because all policies contain a free-look provision, making the time of delivery key. The delivery receipt establishes the date on which the free-look period begins. A policy should **NOT BE** delivered if the proposed insured has a change in health status after the date of the application. Even if the premium has been collected and a Conditional Receipt given, the agent must hold the policy and immediately contact the Union Central underwriter for further instructions. Generally, the policy should be returned to Union Central immediately. Underwriting will then determine if and when the policy can be delivered.

Good Health Statement
(Form UC 0553A)

Medical information provided on the Union Central application Part II medical or paramedical is acceptable for underwriting purposes for 180 days from the date of completion with a currently dated Union Central non-medical Part II portion of the application completed.

	<p>Conditional Receipt policies issued as applied for must be delivered within 90 days of the date of the application or Part II medical/paramedical. Policies issued other than applied for or policies issued on a COD basis require completion of a Good Health Statement (Form UC 0553A Amendment of Application) upon delivery if more than 60 days elapse from the date of the application or Part II.</p> <p>Under no circumstances can any policy be delivered beyond 90 days from the date of the application or Part II without a Good Health Statement (UC 0553A) unless the Union Central underwriter has extended the delivery date.</p>
Policies Issued As Applied For	<p>Policies issued as applied for on a Conditional Receipt basis must be delivered within 90 days of the date on the Part II. If the policy is not delivered within 90 days of this date, contact the Union Central underwriter for instructions.</p>
Policies Issued Other Than Applied For	<p>Policies issued other than applied for or on a COD basis must be delivered within 60 days of the date on Part II. Otherwise, a Good Health Statement (Form UC 0553A) must be signed at the time of delivery. If the policy is not delivered within 90 days of this date, contact Union Central for instructions.</p>
Reinstatement	<p>To reinstate a policy, all past due premiums must be paid within 30 days of the premium due date.</p> <p>If a policy has lapsed over 30 days, it is eligible for reinstatement consideration for up to one year after policy lapse. For reinstatement consideration, submit form UC 2387 State Specific Nonmedical. All past due premiums along with financial documentation are required for reinstatement to be considered.</p> <p>Underwriting must:</p> <ul style="list-style-type: none"> • Review the reinstatement request to determine other requirements needed for reinstatement. Medical evidence may be needed when deemed necessary by underwriting. • Review the reinstatement request and make a determination in the best interests of the company. • Advise the producer of any adverse actions.

About the UNIFI Companies

The UNIFI Companies—Ameritas Life Insurance Corp., Acacia Life Insurance Company and The Union Central Life Insurance Company and their affiliated companies—offers a wide range of insurance and financial products and services to individuals, families and businesses. These products and services include life insurance, annuities, individual disability insurance, retirement plans, investments, mutual funds, group dental and eye care insurance, banking and public finance.

The organization's financial strength and stability are reflected in strong financial ratings from independent analysts. The life insurance companies' heritage, dating back to 1867, is built on traditional values, high ethical standards and trusted relationships. For more information, visit the UNIFI Companies web site at www.UNIFlcompanies.com.



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