

Individual Legal Memorandum



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Date: August 15, 2005

To: IDI Sales Producers

From: **Chris Starnes and Ruth Ansin**

Senior Compliance Analysts

Subject: The Protector+ Disability Income Product

We are pleased to announce that our new product, **The Protector+**, has been approved and is available for issue in the 20 states listed below. The new product includes 11 riders (4 new), 4 exclusions and limitation endorsements (2 new), an outline of coverage, and 3 applications (1 new).

Approved states

Alabama	Dist. Of Columbia	Nebraska	Oregon
Alaska	Illinois	Nevada	Pennsylvania
Arizona	Maine	New Mexico	Texas
Arkansas	Michigan	North Carolina	Washington
Delaware	Mississippi	Ohio	Wyoming

Generic Policy Forms

B152(5/05)	The Protector+ Policy
PR1(5/05)	Supplemental Social Insurance Rider
PR2(5/05)	Indexed Cost of Living Rider
PR4(5/05)	Future Purchase Option Rider
PR5(5/05)	Residual Disability Rider
PR6(5/05)	Noncancelable Policy Rider
PR7(5/05)	Own Occupation Benefit Rider
* PR9(5/05)	Catastrophic Disability Benefit Rider
* PR10(5/05)	Guaranteed Issue Rider – Pre-existing Conditions Waived
* PR11(5/05)	Guaranteed Issue Rider – Pre-existing Conditions Amended
* PR12(5/05)	Guaranteed Issue Rider – Pre-existing Cond. for Voluntary Enrollment
* 12611(5/05)	ERISA Claims Procedures Policy Endorsement
* 12612(5/05)	DI Policy Limitation For Mental Disorder And/or Substance Abuse Policy Endorsement
9234(5/05)	Policy Limitation Endorsement
9235(5/05)	Policy Exclusion Endorsement
9145(5/05)	Outline of Coverage

Application Forms

DIAPP(5/05)	Application For Disability Insurance
11360(5/05)	Short Form Application for Disability Income Insurance (GI)
12619(5/05)	Catastrophic Disability Benefit Application Supplement

The Protector+
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New Forms

Following is brief information regarding some of the new forms shown above. Product training materials, sample forms and transition rules are available at <http://www.standard.com/di>. The online Insurance Manual in POL has also been updated for The Protector+.

- Catastrophic Disability Benefit Rider, PR9(5/05) - Pays an additional monthly benefit if the insured becomes “catastrophically disabled” as defined in the rider.
- Guaranteed Issue Riders, PR10(5/05), PR11(5/05) and PR12(5/05) – These riders change the pre-existing conditions provision of The Protector+ policy for guaranteed issue (GI) cases.
 - PR10(5/05) waives the policy’s pre-existing conditions exclusion.
 - PR11(5/05) amends the policy’s pre-existing conditions exclusion to consider only the 3-month period prior to the policy’s effective date; and it provides coverage for pre-existing conditions only if, on the date the insured becomes disabled, the policy has been in force for 12 consecutive months. It also allows for waiver of the pre-existing conditions exclusion if the insured has had prior coverage.
 - PR12(5/05) amends the policy’s pre-existing conditions to cover pre-existing conditions only if, on the date the insured becomes disabled, the policy has been in force for 12 consecutive months.All three riders modify the policy’s Renewal Benefit provision to allow for a new schedule of maximum benefit periods under the policy’s Renewal Option.
- ERISA Claims Procedure Policy Endorsement, form 12611(5/05) - Generally, this form will be issued automatically with multi-life, employer-sponsored policies to add to the policy certain claims provisions required by ERISA.
- DI Policy Limitation For Mental Disorder And/or Substance Abuse Policy Endorsement, 12611(5/05) – This endorsement will be issued automatically with Own Occupation Riders. (Note the Protector+ base policy no longer contains the mental disorder/substance abuse limitation.)

Application Forms

- The basic application form DIAPP(5/05) and the Short Form (GI) Application 11360(5/05) are updated to include new rider and endorsement forms and the new 3% / 6% choice for the Indexed Cost of Living Benefit Rider.
- The new Catastrophic Disability Benefit Application Supplement, 12619(5/05), is primarily for use in guaranteed-issue (GI) cases where the Catastrophic Disability Benefit Rider is being applied for. It is not required with medically underwritten applications, unless the underwriter requests it.

All applications are available on POL and at <http://www.standard.com/di>. (At the top of the page click on Forms, then Application Forms; then select the state.) Online reference charts for application forms will be updated in early September.

Please discard/destroy any printed supply or stored file you may have of the earlier DI App Packets and GI Application packets for the states listed in this memo.

Waiting Period Requirements

Several states’ regulations prohibit use of the 730-day waiting period with disability insurance policies. Additionally, some prohibit use of the 365-day benefit waiting period with a 2-year benefit period. The chart below outlines which periods are not allowed for the states that have approved the Protector+

product. (States will be added to this list as approvals are received.) FIPSCO and ID3 have been updated to reflect this information.

State	730-Day Waiting Period	365-Day Waiting Period with 2-Year Benefit Period
Arkansas	Not Available	Not Available
Delaware	Not Available	Not Available
Maine	--	Not Available
Pennsylvania	--	Not Available
Texas	Not Available	--
Washington	Not Available	Not Available

Outline of Coverage

The following states require the producer to provide the client with a completed Outline of Coverage (and Acknowledgment of Receipt if noted) at the time of application. The producer must return the signed receipt to the home office with the application. (States will be added to this list as approvals are received.)

State	Outline of Coverage	Acknowledgment of Receipt
Maine	9145(5/05)ME	12639(5/05)
Nevada	9145(5/05)NV	--
Texas	9145(5/05)TX1*	12639(5/05)
	9145(5/05)TX2	12639(5/05)

* Includes language for List Bill issues in Texas

The above Outlines of Coverage and Acknowledgment of Receipt are available on POL and at <http://www.standard.com/di>.

Existing Notices and Other State State-Required Forms

Existing notices (guarantee association, replacement, etc.) and state-required forms that are currently issued with our other disability insurance products will continue to be issued with The Protector+ product.

Protector+ State Specific Language Chart

This chart is currently being updated with state specific language requirements as well as miscellaneous information. You will be notified once it is available.

If you have any questions about The Protector+ product, you may email getinfo@standard.com.