

# Disability Income Insurance Reference Manual

- Radius®
- Radius Transition Select
- RetireGuard®
- Business Overhead Expense (BOE/SBOE)

*The Disability Insurance manual was created in a linked PDF. You will be able to click on any page number reference, be brought to the referenced page, and then navigate back to the original page you were reading.*

*Check out the following page for more thorough instructions*



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# PDF Instructions

Easily find what you need in this on-screen manual by using your navigation tool bar and/or the navigation controls in the status bar at the bottom of the PDF window.

The DI manual itself is divided into six sections. A contents page (gray background) specific for each individual section precedes each section's first page. There is also an Index for the whole manual beginning on page 6-8.

After you've opened the PDF file, go to the top of the screen and click on View. Then go to Toolbars and click both Basic and Navigation.

Select the Hand tool from your Basic toolbar. Throughout the entire manual you can position the hand over any page reference (whether listed in a right-hand column or highlighted in yellow) and it will change to a hand with a pointing finger. Click and be navigated to your topic of interest.

To return to the topic page you were reading before navigating to a reference page, click on the arrows with tails (arrows are sometimes within a green button background). These arrows with tails actually navigate to the Previous VIEW or the Next VIEW. (The Next View command is available only if you have chosen Previous View before.)

The single triangle arrow (sometimes in blue with no tail) ONLY takes you to the Previous PAGE (pointing left) or the Next PAGE (pointing right).

# Foreword

This guide provides company representatives with basic information ordinarily needed for the solicitation, writing and servicing of MassMutual's disability income insurance business.

It contains general information as well as policy provisions. The rules and regulations that govern these provisions may vary from state to state and may deviate from what is stated in this guide. Information in this guide will continue to apply until it is revised, and is subject to change without notice, as circumstances require.

All references to 98, '04, and '06, 12 refer to a particular policy series. These are not policy names and should not be used in marketing or advertising materials.

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# Section 1

## General Information

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# General Underwriting Information

## Contact Information

For customer service questions or concerns, please contact our staff toll-free at 1-800-272-2216, Press 3 for Disability, between the hours of 8 a.m. and 8 p.m. Eastern Standard Time. One of our experienced Customer Service Representatives will be glad to assist you.

## General Information

The purpose of disability income insurance is to ease the severe financial hardship that often results from a loss of earned income due to a lengthy disability. This manual will provide information to assist producers in the disability income insurance sales and underwriting processes.

## Submission of a Complete Application Package and Completing the Application

### Complete Application Package

The Complete Application Package is the most effective way to get DI cases issued quickly and to ease the requirement-gathering process during underwriting. Producers that submit complete applications generally have policies approved at a considerably faster rate than producers with applications that are missing requirements. A Complete Application Package includes the following:

- Correct application for product and state
- Signed by the applicant
- All questions answered, including non-medical questions
- Appropriate financial information (see pages [3-9](#) and [3-10](#) for requirements)
- Blood (draw) ticket\*
- IPM (Initial Premium Management) transmittal form, regardless of prepayment
- DI illustration
- Validated GIN/BIN form (for Multi-Life or Buy-Sell)
- HIV consent form (where required)
- Complete Part II paramedical examination\*

*continued*

- Cover letter
- APS ordered\*
- HIPAA FORMS

\* See **DI1053** for appropriate Age and Amount Requirements and for when to order APS prior to submission

Complete applications lead to quicker underwriter decisions, faster commission check, and a faster delivery of the policy to the applicant. Tips to completing the application:

- Answer all questions accurately and completely
- Provide full details of any questions that require explanation
- Ensure that the applicant initials all “cross outs” so as to avoid amendments
- Report precise earned and unearned income
- List existing coverage from all sources including individual, group, association, and salary continuation
- Details should include elimination and benefit periods, and whether or not any coverage is offset by, or integrated with, Social Security benefits

## Occupation

The applicant’s occupation plays a much more important role in the underwriting of disability insurance than it does in the underwriting of life insurance. When classifying a client into an occupation class, we consider the following:

- Type of duties performed (sedentary vs. manual labor)
- Variety of duties performed (and percent of time devoted to each)
- Stability of earnings and employment
- Number of years in occupation

See also the Occupation Section beginning on page **2-1** for more information on analyzing occupations.



## DI Masters Underwriting Program

The DI Masters Underwriting Program provides distinctive services to an elite group of leading MassMutual DI producers who have met pre-defined qualification criteria. Producers who focus on the **individual/small-business** market or the **multi-life** (20+ lives) market are eligible. Certain levels of prior-year premium, in-force premium, persistency and morbidity in each market, are all necessary to become a DI Master.

### **Masters Program benefits include:**

- Dedicated Home Office unit of experienced underwriters, billing, contract change and other service professionals, teamed up for one-stop service
- Exclusive access to all other services from pre-sales support to claims
- 24-hour or less turn around time on final requirements review
- Streamlined underwriting which significantly reduces business requirements for DI Masters' new business

For more information on the DI Masters Underwriting Program, please contact David DiCesare via telephone at 1-800-272-2216 ext. 43612, or via e-mail at [DDiCesare@massmutual.com](mailto:DDiCesare@massmutual.com).

## Starting Professional Program Guidelines

Certain applicants in their final stages of training, or in the first year of professional practice, may be eligible for special issue limits based on anticipated income. The base monthly amounts listed below can be applied for as all-basic coverage.

### Starting Professional Limits

Specialty	Base Amount	CAT Rider	RetireGuard Rider
<b>Doctor</b>			
M.D., D.O.			
First 2 years in practice	\$7,000	\$6,000	\$1,000
2nd through last year resident	\$5,000	\$3,400	\$1,000
First year resident	\$4,000	\$2,500	\$750
Interns	\$3,000	\$1,800	\$500
3rd & 4th year medical student	\$2,500	\$1,500	\$250
<b>Dentist</b>			
DDS, first 2 years in specialty	\$6,000	\$4,800	\$1,000
DDS, first 2 years in general	\$4,000	\$2,500	\$750
Dental resident/intern	\$3,500	\$2,300	\$500
Dental Student (final year)	\$2,500	\$1,500	\$250
<b>Attorney</b>			
First 2 years in private practice	\$4,000	\$2,500	\$750
Senior Year Law Students	\$2,500	\$1,500	\$250
<b>CPA</b>			
First 2 years in private practice	\$3,500	\$2,300	\$750
<b>Optometrist</b>			
First 2 years in private practice	\$4,000	\$2,500	\$750
<b>Veterinarian</b>			
First 2 years in private practice	\$4,000	\$2,500	\$750
Senior veterinary students	\$3,000	\$1,800	\$500
<b>Engineer</b>			
Starting in private practice	\$4,000	\$2,500	\$750
<b>Architect</b>			
Starting in private practice	\$4,000	\$2,500	\$750
<b>Nurse Practitioner</b>			
	\$4,000	\$2,500	\$750
<b>Physician's Assistant</b>			
	\$4,000	\$2,500	\$750
<b>Pharmacist</b>			
Pharmacist	\$3,000	\$1,800	\$500
Senior pharmacy student	\$2,000	\$1,250	\$250
<b>Psychologist (PHD)</b>			
	\$3,000	\$1,800	\$500
<b>CRNA</b>			
	\$3,000	\$1,800	\$500
<b>Senior MBA</b>			
	\$2,000	\$1,250	\$250

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All limits will be offset by any existing coverage in-force or applied for.

Starting medical professionals will be classified in the 3P occupation class, unless a “specialty” is declared that would classify them in a different occupation class. Please refer to the “Occupation Classification” listing later in this guide for the specialty listing.

See page **5-50** for BOE Starting Professional Guidelines.

## Discounts

Available discounts for fully-underwritten policies (non-Guaranteed Standard Issue)

- 5% First-Year Life/DI Cross-Sell (not available in NJ)
- 10% Spouse Discount (not available in MD)
- 10% Association Discount (3+ lives)
- 15% Multi-Life Discount (3-20 lives, Employer Pay or Endorsed – not available in CA, FL, NY)
- 25% Multi-Life Discount (3-20 lives in CA, FL and NY **ONLY**)

See page **4-2** for more information on employer-pay and employer-endorsed Multi-Life discounts.

### First-Year Life/DI Cross-Sell Discount

The first-year life/DI discount provides a 5% reduction off the insured’s first-year annual DI premium when he/she purchases MassMutual life insurance and Radius® concurrently, or if life insurance was purchased within the six months prior to the quote date of Radius®. The discount is only allowed at time of the DI policy issue, and is not available in combination with the association, multi-life or large case discounts. (Not available in NJ)

See individual product specification charts for specific discount information.

### Spouse Discount

A 10% Spousal Discount (not available in MD) is available if an applicant purchases or has in-force, a Radius®, BOE or Buy-Sell policy. The spouse may purchase a Radius® Individual policy.

Features:

- 10% permanent discount for original applicant and spouse IF policies are applied for concurrently, and no other discount exists (applies to sex-distinct rates)

- 10% permanent discount for spouse on a fully-underwritten policy (applies to sex-distinct rates)
- 10% first-year commission reduction

### Discount:

- Individual Sale** – 10% permanent discount to both spouses  
Applies when individual and spouse policy are sold concurrently – concurrent meaning that Part I of each application must be signed within 45 days of the other
- Individual Sale** – 10% permanent discount to spouse  
Applies when spouse policy is sold outside of guidelines above; 10% discount available to the second to apply
- Multi-Life/Association Sale then Individual policy to spouse** – 10% permanent discount to spouse  
A 10% discount is available to the individual not initially offered a discount; only one discount per person will apply

### Concurrent Life And Disability Income Applications

When life and disability income (including Business Overhead Expense) are applied for concurrently, medical underwriting requirements for the life part of the application will prevail unless the disability sections necessitate more extensive requirements. Financial requirements are necessary for all disability applications unless applying under the Young Professional Limits.

### Travel and Residence Guidelines

**Foreign Travel** – U.S. citizens planning brief foreign trips (not to exceed 60 continuous days or 120 days total within a one-year period) for business or pleasure will be considered for coverage. *Any individual with foreign travel exceeding 60 continuous days, or who travels to areas deemed unsettled or dangerous, will not be offered coverage.*

**Foreign Residence** – U.S. citizens planning to reside outside the U.S. for greater than 60 days will not be considered for coverage.

**Non-U.S. Citizens Living in the U.S.** – Clients who are not U.S. citizens, but are living full-time in the U.S., will be considered if they meet the following criteria:

- Occupational Classes: 5A, 5P, 4A, 4P, 3A and 3P
- Residing in the U.S. for at least 3 years
- Owns personal assets in U.S.
- Family members residing in U.S. (even more favorable if U.S. Citizen)
- Has established healthcare provider in U.S.
- Plans to remain in U.S.
- No frequent foreign travel

A Non-Citizen, and/or Foreign Travel and Residence Supplement, form **F6290** can be obtained from FieldNet or WarehouseXpress.

## Overinsurance Guidelines

Disability Income Coverage is offered to clients based on a percent of their current earned income. That percent is ordinarily between 60% and 80%, and varies, depending upon whether the benefits will be taxable or non-taxable and whether Group LTD coverage is in-force. Coverage is offered at this replacement ratio percent so that the insured has incentive to return to work.

Clients who currently have coverage that exceeds our Issue and Participation Limits based on income (i.e., do not financially qualify for additional coverage) are not eligible to apply for additional coverage or products. However, we will issue the following riders and amounts to those clients **NOT** overinsured based on income, but whose coverage does exceed our maximum I & P occupation class limits:

**RetireGuard® (RG) Rider or Stand Alone** – up to \$3,000 over our current maximum I & P occupation class limits

**Catastrophic Disability Benefits Rider** – up to \$12,000 over our current maximum I & P occupation class limits

### Example

- 38 year-old, **3P** (dentist) occupation class, income = \$500,000 and IDI in-force = **\$15,500**, annual retirement contribution = **\$40,000 (\$3,333/mo)**

The client does financially qualify for amount of coverage in-force, however, he/she as a 3P occupation class, is subject to a Maximum Issue Limit of \$15,000. While additional disability income coverage to protect income cannot be offered, RetireGuard® can be offered as follows:

- Total Maximum Occupation Class Issue Limit = \$15,000 plus \$3,000 allowed for RG = \$18,000
- Maximum RG allowed = \$18,000 – \$15,500 (DI in-force) or \$2,500

## Policy Placement

Wastage comprises all policies submitted to the Home Office but later declined, not-placed, or postponed (underwriting was not completed). Improving the ratio of policies issued and placed is important because compensation, time service, agency and product costs, and customer satisfaction are positively impacted. Our goal is to place at least 75% of the fully-underwritten policies submitted on an annual basis – that is, no more than 25% should be declined, not-placed, or postponed.

When a policy is not placed, producers lose money because their time was spent working on business for which they will receive no commission. Also, when DI New Business underwriters spend time working on a case that is not placed, their overall time service is slowed on other cases that have a greater chance of being issued and paid for.

### What can you do to improve policy placement?

- Submit complete application packages (see page **1-1** for definition)
  - Answer all questions
  - Provide complete medical and financial information
  - Fulfill state requirements®
- Call DI Pre-Sale Support (1-800-272-2216, press 3 for DI) to ask medical or financial underwriting questions
- Avoid submitting applications to more than one carrier
- Order APSs up front (Refer to the Disability Income New Business Underwriting Requirements Guide, **DI1053** for age, amount and causal APSs)
- Submit a survey form as recommended by the Disability Income New Business Underwriting Requirements Guide when a potential client has unusual medical/financial problems

## Avocations

The underwriting of individuals engaged in hazardous sports and avocations varies based on case dynamics. Generally an individual, whose income is derived wholly or partially from participation in a hazardous sport or avocation, will not be issued any coverage. Other situations that may prevent issuance include individuals participating in several hazardous sports and avocations, or an individual who works in an occupation that may be associated with a hobby, if that person derives income or financial benefit from the combination of activities. Examples include an automobile mechanic who also races stock cars, or a scuba diver that also engages in salvage activities. It is important that full details of the proposed insured's interest or participation be furnished. A preliminary inquiry should be made if there is any question as to whether or not the proposed insured will qualify.

An **avocation supplement**, form **A3320-8900**, can be obtained from FieldNet or WarehouseXpress. Form **A3320-8900** must be completed whenever the applicant participates in: underwater diving; automobile, motorcycle, motorboat, or snowmobile racing; hang gliding; para-sailing; para-kiting; parachuting; sky diving; mountain climbing; mountain biking; or any other forms of hazardous activities.

*continued*

## Exclusion and Benefit Limitation Riders

Many of the above avocations can be handled by use of an exclusion or limited condition rider. The rider must apply to the entire contract.

### List of Avocations by State

The following activities may be excluded in the states indicated.

#### **(All states EXCEPT Michigan and New York):**

Aviation	Water skiing
Hang gliding	Mountain climbing
Sky diving or parachute jumping	Cave exploring
Automobile or motorcycle racing	Hunting
Powerboat racing	Boxing
Skin or scuba diving	Wrestling
Rodeo performing	Surfing
Skiing or ski jumping	

#### **(In Michigan):**

Aviation	Powerboat racing
Sky diving or parachute jumping	Skin or scuba diving
Automobile or motorcycle racing	Rodeo performing
Hunting	

#### **(In New York):**

Aviation	Hang gliding
Sky diving or parachute jumping	

In New York, exclusion riders and extra premiums are permitted only for the activities listed. For other activities, neither a rider nor an extra premium is allowed. The policy must be issued standard or the application is denied. Therefore, complete information regarding the type and the extent of the activity is critical.



## Medical Underwriting

There are major differences between life and disability income underwriting:

- Disability Income underwriting usually requires a more extensive medical information base
- The frequency and probability of disability claims are under the control and management of the insured to a much greater degree than life claims

In life insurance, mortality is the major concern (i.e., how long will the applicant live). In disability income, the main consideration is morbidity (i.e., whether or not the insured will become disabled).

**Field Underwriting plays a major role in the underwriting process. Providing detail and complete financial, medical, and avocation information with the application is the key to a timely decision.** Even if a paramedical examination is scheduled to be completed, the non-medical part 2 should be completed at time of application. This will prevent delays, by allowing the underwriter to start medically evaluating the case by ordering any necessary requirements, such as an Attending Physicians Statement, while also alerting the producer to potential health issues that may result in a substandard policy. Knowing this information up front, the producer can pre-sell the case by preparing the client ahead of time for a possible substandard decision.

### Modified Risks

Certain classes of risks, not eligible for coverage at standard rates, may be considered subject to an extra premium, reduced benefit amount, and/or shorter benefit periods. Many impairments have a more serious effect on the cost of disability insurance than on life insurance. For example, some cases of psychological/emotional disorders may qualify for standard life insurance, but may be ineligible for disability or overhead expense coverage on any basis; or favorable cases of diabetes eligible for life insurance with a moderate rating would require a relatively higher rating for disability coverage. Musculoskeletal problems, such as back history, are not significant for life insurance, but are a concern for disability insurance. Due to this differentiation, Attending Physicians Statements are more frequently requested for disability applications.

Please refer to the Disability Income Insurance New Business Underwriting Requirements Guide, **D11053**, for those conditions that would necessitate an Attending Physician's Statement (APS) at time of underwriting.

## Build

Significant degrees of obesity may be considered for coverage, provided there are no related impairments and the family history is favorable. The following Build Chart is for both men and women. If the client is within 10 lbs. of the ratable limit, a paramed exam will be required. Underwriting action will be driven by where the applicant falls within the chart, and the coverage amount and policy design applied for. Offers may range from a small rating, to a reduced benefit period and large rating. Applicants who fall outside of the Build Chart may not be eligible for coverage, and a survey application is recommended.

### Build Chart

Height Feet/Inches	Maximum Standard Weight	Uninsurable Weight
4-10	143	201
4-11	148	208
5-0	153	215
5-1	158	222
5-2	164	229
5-3	169	237
5-4	174	244
5-5	180	252
5-6	186	260
5-7	191	268
5-8	197	276
5-9	203	284
5-10	209	292
5-11	215	301
6-0	221	309
6-1	227	318
6-2	233	326
6-3	240	335
6-4	246	344
6-5	250	355
6-6	255	360

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## Survey Applications

Survey applications should be submitted when a medical history is significant enough where an offer may not be possible. A survey application is only underwritten medically. Survey applications help manage costs, as well as avoid agency wastage.

Examples of situations where a survey application should be submitted include:

- Psychological/emotional disorders
- Diabetes
- Cardiac history
- Build that falls off our chart
- History of alcohol and drug use
- Cancer

A survey application, form **A3050-9000**, can be obtained through FieldNet or WarehouseXpress. Please consult with your Underwriter if you are unsure if a formal application should be taken.

Most histories of psychological and emotional disorders may not qualify for coverage, particularly if rated for life insurance.

Some alcohol/substance abuse problem cases may be considered, however, the maximum benefit period will be limited. Generally, a period of five years of recovery supported by job and lifestyle stability are necessary before any type of disability income insurance can be offered. Certain alcohol/substance abuse problem cases (particularly those involving a history of severe excesses or institutional or medical treatment) will not qualify on any basis, even if the history is sufficiently in the past to permit standard life insurance.

If there is any information indicating the possibility of a rating for life insurance, disability income should not be proposed without consulting DI New Business preliminarily for an opinion. Policies will usually be issued on a rated basis at ages 18 to 64.

## Attending Physician Statements

Medical records may be required in order to develop details surrounding medical treatment received by the proposed insured. Records may be needed due a recent physical examination and/or due to cause (certain medical conditions and/or multiple co-morbid conditions).

Any questions regarding use of this section can be directed to any DI Underwriter or Relationship Manager.

## Guidelines for requesting APS'

Producers/agency staff or Underwriters may order APS' from EMSI or directly from the Medical Facility. Ordering an APS before the application is submitted to underwriting can save significant time.

Before ordering an APS, the following factors should be considered:

- Age, amount applied for, and recentness of last physical
- When there is complicated medical history with several physicians treating the proposed insured, an underwriter should be contacted to determine which records to order.
- The complete name and address of all physicians and medical facilities should be included with the application in order to expedite APS ordering.
- If the proposed insured has been rated or declined by another company or if there is any doubt regarding insurability, no APS should be order. In those situations a Survey Application should be submitted.

The below information should be used as a guideline for determining when an APS may be needed. Each individual application and the specifics of the case will determine the underwriting action. The producer should use judgment with respect to conditions not addressed. If there is doubt, an Underwriter should be consulted.

**Physical Examinations** – APS for routine physical exams or check-ups may be required in accordance with the following monthly benefit amount being applied for as well as overall case factors:

### Physical Examinations

<b>Age</b>	<b>Time Since Physical</b>	<b>Monthly Benefit Amount</b>
18-45	Within 90 days	Greater than \$7,500
46-64	Within 90 days	Greater than \$5,000
65-70	Within 12 months	Greater than \$1,000

**Medical Conditions-** APS may be required due to cause. Examples of cause but not limited to:

### Medical Conditions

<b>Medical Condition</b>	<b>APS recommended if currently being treated or was diagnosed within the past number of years</b>
Alcohol/Drug Abuse	APS in all cases
Arthritis (Rheumatoid/Osteoarthritis/Psoriatic)	5 years
Blood disorders (ITP, hypercoagulable state, anemia over the age of 50)	10 years
Cancer, Tumor or Polyps	APS in all cases
Cardiac/circulatory disorders (to include but not limited to Palpitations, Chest pain, Angina)	10 years
Diabetes	APS in all cases
Disorder of the Digestive system (to include but not limited to Crohn's disease, Ulcerative Colitis, Ulcerative Proctitis, Barrett's esophagus)	5 years
Epilepsy, Seizures, Tremors, Vertigo, Stroke or any Impairment of the nervous system	10 years

## Medical Conditions (continued)

<b>Medical Condition</b>	<b>APS recommended if currently being treated or was diagnosed within the past number of years</b>
Fibromyalgia/Chronic Fatigue Syndrome	APS in all cases
Glaucoma	5 years
Kidney Disorder (other than stones)	5 years
Hypertension	10 years
Liver disorder	5 years
Lung Disorder (to include but not limited to COPD, Emphysema, Tuberculosis)	APS in all cases
Meniere's Disease	5 years
Mental/Nervous or Cognitive disorders (other than situational)	10 years
Optic Neuritis/Uveitis/Iritis	APS in all cases
Sleep Apnea	5 years

### Exclusion Riders

Certain risks, where physical findings or medical histories indicate a more than normal possibility of disability, may be insured with an exclusion rider. An exclusion rider excludes MassMutual's liability for disabilities caused or contributed to by the particular impairment excluded. Examples are back disorders, arthritis, and joint disorders (knees, etc.). Other impairments, such as existing kidney stones, can require an exclusion rider because surgery may be elected and could result in a claim under the policy. In some situations, an exclusion rider will be used to extend the elimination period or limit the benefit period on a specific impairment. This allows a shorter policy elimination period and longer benefit period on everything else.

In some cases, in addition to an exclusion rider, an extra premium will be required because the rider itself does not exclude all extra hazards arising from the specific physical finding or medical history. An exclusion rider can also be used to exclude disabilities resulting from a specific activity or activities. (See Avocations on page [1-9](#) and Modified Risks on page [1-11](#).)

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Any exclusion rider must be dated and signed by the insured and returned to the Home Office for a valid contract to be in-force.

### **Limited Condition Riders**

These riders are a more liberal alternative to full exclusion riders. Specifically, if disability is due to the impairment or avocation described in the benefit limitation condition rider, a limited benefit will be paid for that disability. As in any other situation, income payments will stop if the insured is no longer disabled. The limitation does not apply to the waiver of premium benefit. Waiver will be allowed as if the rider did not exist.

Whether or not a limited condition rider will be offered in any particular case is at the discretion of DI New Business Underwriter. As is the case with total exclusion riders, any limited condition rider must be dated and signed by the insured and returned to the Home Office for a valid contract to be in-force.

### **Rated Cases**

An extra premium classification (rating) is occasionally necessary due to either medical or non-medical (example, poor driving record) factors. The rating is expressed as a percentage increase in either the sickness portion and/or the injury portion of the standard premium. If a policy is rated, some riders are not available. See the underwriting approval message for details as to the rating.

Dividends, if applicable, are not paid on the rating.

If there are any riders attached to the policy, the additional premium must be calculated for each of them.

### **Reconsideration of Modified Risks**

Policies modified and issued other than applied for, i.e., an exclusion rider and/or rating, can potentially be re-evaluated at some time in the future if new medical information is available for our review. If the underwriter determines that there is a reduction in the risk, the modification may be removed or reduced. See the underwriting approval message for details regarding reconsideration period.

# Policy Administration

## Replacements

In some situations, the MassMutual applicant has decided to replace coverage in-force with another company. This should be decided only after fully discussing and considering the advantages and disadvantages of that particular replacement. When replacement is elected, the terminating policy amount and carrier must be listed in the Part 1 replacement question. This same information, plus the date to which premiums on the terminating policy are paid, must be listed in the replacement section of the application. When qualification for MassMutual DI is contingent on replacement of existing coverage, completion of our application should be deferred until two or three months prior to the premium due date on the existing policy/policies. To avoid making the applicant pay for duplicate coverage, we can date our policy ahead as much as 90 days to coincide with the premium due date of the expiring policy.

The premium should not be collected prior to the effective date of the MassMutual policy. Delivery will be subject to an unmodified insurability statement.

See the Special State Requirements section on page [1-19](#) for further information on replacement requirements.

## Policy Dating

The Part 1 of the application can be dated ahead up to 90 days in advance, and can be backdated up to 60 days into the past. Premium is not accepted more than 10 days prior to the policy date.

## Policy Delivery Guidelines

Before a policy can be receipted by MassMutual and commissions paid, all delivery requirements must be submitted and returned to MassMutual's Home Office. These requirements include:

- PAC forms
- Signed & Dated Amendment Forms (when necessary)
- Signed & Dated Exclusion Forms (when necessary)



## Special State Requirements

### Applications

In California the following, state-specific applications should be used as follows:

- For fully underwritten disability income coverage **F26.1-06(CA)**
- Business Overhead coverage **F26.1-06(CA)**
- Guaranteed Standard Issue coverage\* **F4875-06(CA)**

Additionally, for coverage that is medically underwritten, HIPAA forms must be signed by the applicant and submitted with the application so that we can obtain medical records. Ensure that both of the following forms are completed and signed:

**F8186** - Authorization for Release of Personal Health Information

**F8187** - Authorization for Release of Personal Psychotherapy notes

\* If the applicant is also applying for amounts above the GSI, complete the **F26.1-06(CA) ONLY** and obtain appropriate age and amount requirements.

### Outlines of Coverage

Certain states have enacted laws or regulations that mandate the use of Outlines of Coverage. California DOES require a state-specific outline of coverage form (Form OXLS-06(CA)) to be completed at time of application. If the policy is not issued as applied for, a new outline will be required.

### Radius Application Forms for California ONLY

<b>F26A-11(CA)</b>	Disability Income Application
<b>A50CA 197</b>	Non-medical Part 2
<b>F26-11A</b>	DI Agent's Certificate
<b>N148-9000</b>	Notice to Applicant
<b>RDIS-9700</b>	Conditional Receipt

### Miscellaneous Application Forms for California ONLY

<b>PK394</b>	Policy Change Supplemental Application
<b>F306b</b>	Internal Replacement Form
<b>F4875-99 (CA)</b>	Short Form Disability Income Application
<b>F601H</b>	Application for Additional Disability Benefits (F10)
<b>F26S</b>	Supplemental Application for HIV Rider Benefits
<b>A3320-8900</b>	Avocation
<b>REIN-CA-97(DI)</b>	Reinstatement Application

## Risk Located States

Risk located states require agents to be licensed in the state of the insured's residence, in addition to the state where the Part 1 will be signed, if different. The following jurisdictions adhere to this rule:

### Risk Located States

AK – Alaska

AZ – Arizona

CO – Colorado

ID – Idaho

KS – Kansas

LA – Louisiana

ME – Maine

NM – New Mexico

PR – Puerto Rico

WV – West Virginia

# Contract Changes

After the initial premium is reported any changes to the contract are handled by MassMutual's DI Customer Service Department.

The DI Customer Service Department can prepare quotes to determine the cost of a change, advise on requirements, process approved changes to the contract, apply appropriate commission adjustments and difference in premium adjustments (costs/refunds), and process lost policy agreements.

To initiate a request for a quote to reinstate or change the contract:

- Call DI Service Center at 1-800-272-2216
- E-mail the form **DI6312** to [ContractChange@massmutual.com](mailto:ContractChange@massmutual.com)
- Or fax the Disability Income In-Force Illustration Request form, **DI6312**, to the In-Force Illustration Unit at 1-860-562-6130.

The form **DI6312** is a fillable form and can be located on FieldNet.

## Requirements for DI Contract Changes

- Underwriting has the option to request additional financial and/or medical requirements after initial review
- Approval of any requested change is subject to the rules in effect at the time of the request
- State versions of some forms are required
- Please call the DI Service Center at 1-800-272-2216 for the availability of riders, elimination/benefit periods, and state requirements

**Re-dates of Paid Cases** – Cases in which the initial premium has been reported.

Re-dates are only processed when there was an issue error. Otherwise, we do not allow the re-dating of paid-for contracts.

## Right to Apply for Additional Benefits (All Contracts Except Radius '06 and Radius 12)

MassMutual's disability income policies include the right to apply for additional benefits. A new application and proof of insurability is required. Current published underwriting guidelines will apply. The maximum amount of additional benefits that can be purchased is subject to the issue and participation limits at the time additional benefits are applied for. Not all riders are available under this provision.

The Right to Apply provides the insured with the ability to increase coverage under the base policy without purchasing an additional policy.

### **Right to Apply for Additional Benefits (Radius '06 and Radius 12)**

You may apply for additional benefits anytime while this Policy is In Force and You are not Disabled. We will require a new application and Proof of Insurability. Premiums will be based on Your Attained Age, current rates and Our Published Underwriting Limits in effect at the time of application for additional benefits. We will provide a new policy based on the current product being offered in the Insured's contract state at the time of application for additional benefits. The Insured must qualify for the minimum benefit amount under Our current product offering at the time of application. The maximum additional benefits You can buy are based on Our current Published Underwriting Limits in effect at the time You apply for additional benefits.

**After-issue Rider Attachments** – Available on current product offering only.

These additions will require full medical and financial underwriting unless it is the exercise of a guaranteed option, such as FIO. Please refer to the underwriting guidelines for the application-eligible attachments and the requirements that are needed. Subject to state availability.

## Reinstatement

The guidelines have been streamlined and now apply to **ALL** DI policies serviced by MassMutual (NY and CA policies may have different requirements).

- Policies lapsed less than 63 days – **No underwriting is required**, policy is reinstated by paying the back premium. Grace period applies to only the first 31 days for coverage
- Policies lapsed between 63 and 180 days – Complete the required form, **REIN-CA-97 (DI)** and back premium is due. The underwriter will determine if additional requirements are needed due to cause
- Policies lapsed between 181 and 365 days – Complete the required form **REIN-CA-97 (DI)**, back premium is due and follow the age/amount-underwriting chart for the appropriate medical and financial requirements (refer to the Disability Income New Business Underwriting Requirements Guide, **DI1053**)

**We do not reinstate policies that have been lapsed for over one year.**

The form **REIN-CA-97 (DI)** can be located on FieldNet.

## Types of Policy Changes

Please note, availability may be limited based on contract series. The form **PK394** is required for the following:

**Rider Additions** – adding additional riders or options to a policy after issuance of the contract. These changes represent additional risk and will require full underwriting.

**Reductions in Coverage** – lowering the monthly benefit or removing riders after a contract has been paid for. These changes do not represent additional risk; therefore, no underwriting is required.

**Occupational Class Changes** – a change in occupation/duties that results in a more favorable occupation class designation. This change will require underwriter review and approval.

**Benefit Period Changes** – increases or decreases the length of the benefit period of the policy and/or riders. Decreases will not require underwriting while increases, which present additional risk, will.

**Elimination Period Changes** – increasing or decreasing the length of the elimination period of the policy and/or riders. An increase in the elimination period will not require underwriting while a decrease, which presents additional risk, will.

**Rating Adjustments/Removals** – removal or favorable adjustment of a substandard premium. This change will require underwriter review and approval.

**Exclusion Rider Adjustments/Removals** – certain risks, where physical findings or medical histories indicate a more than normal possibility of disability, may be insured with an exclusion rider. These riders can be adjusted to extend the elimination or benefit period on a specific impairment, or removed based on current medical information.

**Change in Smoker Status** – if an insured has not used nicotine in any form within the last 12 months and is in as good health as when originally underwritten, subject to underwriter review, the policy may be changed to reflect non-smoker premiums. A current urine specimen will be required.

**Future Insurability Option (FIO)** – the FIO allows the insured to increase his/her monthly disability benefits during a specific “Option Period”. This option requires the form **F601H** and financial underwriting requirements will apply as noted in the underwriting guide. Medical underwriting will be required if the benefit amount applied for exceeds the purchase option amount or if the request for the option is not during the “Option Period.”

## Contract Changes Form Numbers and Names

Function	Form Number	Product See Legend	Medical Requirements	Financial Requirements	State Specific
Right to Apply	F26	XL	X	X	Y
FIO	F601H	CM, XL		X	Y
DIPR	A3010	MM		X	Y
AIB Renewal	F601H	XL		X	Y
AIR Renewal	A3010	MM		X	Y
Occ Class Change	PK394	All Contracts		X	Y
Change to Non-Tobacco Use	PK394	All Contracts	Specimen		Y
Elimination Period Change	PK394	Current Products Only	Decrease		Y
Benefit Period Change	PK394	Current Products Only	Increase		Y
Rating/Exclusion Rider Removal	PK394	All Contracts	X		Y
Rider Reduction or Cancellation	PK394	All Contracts			Y
Rider Attachment	PK394	Current Products Only	X	X	Y
Decrease in Benefit Amount	PK394	All Contracts			Y
Reinstatement	Rein-CA-97 (DI)	All Contracts	6 mo. +	6 mo. +	Y
BOE Conversion	F26	All Contracts		X	Y
GSR Conversion	PK394	XL		X	Y
Conversion of AIR/CMR/ARDI	A3010	MM		X	Y

\* Amendment to existing contract. This form should be requested through the DI Service Center 800#.

## Contract Changes Form Numbers and Names (continued)

Function	Form Number	Product See Legend	Medical Requirements	Financial Requirements	State Specific
CRDIP Renewal	A1923	MM		X	Y
Extending Beyond Age 65	A3010	MM		X	Y
	A1923	MM		X	Y
	*	CM, XL			N
Disability Policy Cancellation Request	F6365	All			N
Duplicate Policy Request	F5307	All			N
Revocable Dividend Order	F5338	MM			N
Agency Transfer, Dividend Option Change, Dividend Withdrawal	F5341	All			N
Name Change, Mode Change, Address Change	F6070	All			N
Ownership Change	F5248	All			N
Collateral Assignment	F6068	All			N
Collateral Assignment (BOE)	F6257	All			N
Release of Assignment	F5143	All			N
Pre-authorized Check Service	F6445	All			N
HIPAA Authorization	F8186/ F8187	All			N
Foreign Travel Form	F6290	All			N

All forms listed can be found on FieldNet.  
The **F100** form contains Financial Information only.

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## Contract Changes Form Numbers and Names

### Product Legend

#### Policy Number Range

<b>2, 3, 4 &amp; 6 million</b>	<b>9 &amp; 12 million</b>	<b>80, 81 &amp; 83 million</b>
MPR	OPM	XL
Adjustable Benefit (AB) – 79, 83, 84	DI 6500, 7200, 7400, 7800, 8100, 8400, 8700, 8800, 9000, 9200 and 9500	Radius® XL'88/89, XL'91, XL'92, XLS'92, XL'95
Non-Cancelable (NC) – 79, 83, 84	BOE – 9000 and 9200	Buy-Sell
Small Business Overhead Expense (SBOE)		Business Overhead Expense (BOE'06)
Prior to Series 79: Modified Premium Plan 65, Guaranteed Continuable Overhead Expense		

### When to use a Resident vs. Contract State application for Contract Change functions:

Right to Apply – Increase to Benefit – Rider Attachment	XL (8 mil)	Resident State
Medically Underwritten Changes	All Products	Resident State
Decrease in Coverage	All Products	Resident State
FIO	XL and MPR	Resident State
DIPR	OPM	Resident State
Reinstatements	All Products	Resident State

## Extending Coverage Beyond Age 65

<b>Original Contract</b>	<b>New Contract</b>	<b>Policy Continuation Status</b>
Radius® (98, '06, 12)	Radius Transition Select	Cannot be disabled, renewable for life or until employment decreases below 30 hours
Radius® (98), (FL, NJ, MN)	9500 Conditional Renewable Disability Income Protection	Cannot be disabled, renewable for life or until employment decreases below 30 hours
Radius® (98, '06, 12), NY	9200 Conditional Renewable Disability Income Protection – subject to financial underwriting	Cannot be disabled, renewable for life or until employment decreases below 30 hours
XL 88/89; XL 91; XL 92; XLS 92 and XL 95	Radius Transition Select	Cannot be disabled, renewable for life or until employment decreases below 30 hours
NY XL 88/89; XL 91; XL 92; XLS 92 and XL 95	9200 Conditional Renewable Disability Income Protection – subject to financial underwriting	Cannot be disabled, renewable until age 99 or until employment decreases below 30 hours
FL, NJ, MN, XL 88/89; XL 91; XL 92; XLS 92 and XL 95	9500 Conditionally Renewable Disability Income Protection – subject to financial underwriting	Cannot be disabled, renewable until age 99 or until employment decreases below 30 hours
Business Overhead Expense	Renew	Cannot be disabled, renewable until age 75 on a yearly basis or until employment decreases below 30 hours
Connecticut Mutual (CM) BOE/CM Small Business Overhead Expense (SBOE)	Renew	Cannot be disabled, renewable for life or until employment decreases below 30 hours

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## Extending Coverage Beyond Age 65 (continued)

<b>Original Contract</b>	<b>New Contract</b>	<b>Policy Continuation Status</b>
Axis®	Renew	Cannot be disabled, renewable until age 75 on a yearly basis or until employment decreases below 30 hours
Prior to Series 79: Modified Premium Plan 65 (MOD); Guaranteed Continuable; and Overhead Expense	Renew	Cannot be disabled, renewable one time for a five year period
Non-Cancelable (NC) 79; Adjustable Benefit (AB) 79; Guaranteed Continuable 79; and Overhead Expense (OE) 79	Renew	Cannot be disabled, renewable until age 72 on a yearly basis
AB 83; NC 83; OE 83; AB 84; NC 84; and BOE 85	Renew	Cannot be disabled, renewable until age 72 on a yearly basis
61+ Contract	Renew	Cannot be disabled, renewable until employment decreases below 30 hours
9000* & 9200 BOE	Disability Income product available at time of expiration, subject to financial underwriting	Cannot be disabled, renewable until employment decreases below 30 hours
8100*; 8400*; 8700*; 8800*; 9000*; 9200; and 9500	Radius Transition Select	Cannot be disabled, renewable until age 99 or until employment decreases below 30 hours
FL, NJ, MN 8100*; 8400*; 8700*; 8800*; 9000*; 9200; and 9500	9500 Conditionally Renewable Disability Income Protection – subject to financial underwriting	Cannot be disabled, renewable until age 99 or until employment decreases below 30 hours
NY 8100*; 8400*; 8700*; 8800*; 9000*; 9200; and 9500	9500 Conditionally Renewable Disability Income Protection – subject to financial underwriting	Cannot be disabled, renewable until age 99 or until employment decreases below 30 hours

\* BOE policies prior to 9000 cannot be converted.

# Instructions on Extending a Policy Beyond Age 65 by Product

## 1. Notification letter for all products:

A letter will be sent to the client approximately 45-60 days prior to his/her policy anniversary date coinciding with or following his/her 65th birthday. This letter advises the client that he/she may be eligible to extend coverage beyond age 65. The letter also advises him/her to contact his/her agent or call the DI Service Center at 1-800-272-2216 for additional information.

### 1a. Notification letter (continued) for the following products:

#### **Radius® (98, 06 and 12)**

An “Amendment to Pending Application” form is sent to the policyowner under different cover shortly following the expiry letter. The form may be completed by the policyowner and returned to Account Services, H066. If a premium quote is needed, the letter advises to contact the DI Service Center at 1-800-272-2216.

### 1b. Notification letter (continued) for the following products:

#### **Mod 65 (Prior to 79 series), Guaranteed Continuable, Guaranteed Continuable 79, OHD, Non-Cancelable 79 (NC), NC 84, NC 84, OE 79, OE 83, AB 79, AB83, AB 84, Business Overhead Expense 85**

Attached to the letter is a tear-off form to be signed and returned by the client if he/she would like additional information on extending the coverage beyond age 65. This form may be returned to the agent or DI Account Services (1295 State Street, H066, Springfield, MA 01111-0001). The agent will also receive a copy of this letter.

## 2. When to apply:

Thirty days prior to the policy anniversary date and until 30 days after that date, coinciding with or next following the insured’s 65th birthday.

## 3. Effective date of extension:

Expiration date of original policy. Premiums will need to be paid by the client from that date to extend coverage.

#### 4. To apply, for the following products:

The agent/client should contact DI Customer Service Center at 1-800-272-2216 or fax 1-860-987-2208 to receive the following information listed below each product category.

**4a. Mod 65 (Prior to 79 series), Guaranteed Continuable, Guaranteed Continuable 79, OHD, Non-Cancelable 79 (NC), NC 84, NC 84, OE 79, OE 83, AB 79, AB83, AB 84, Business Overhead Expense 85**

- “Proposal to Extend Beyond Age 65” form (cost memo); and
- “Amendment to Pending Application” form

If the client wishes to continue coverage, a signature and completed amendment form must be returned to DI Customer Service, H066.

**4b. XL89, XL91, XL92, XLS92, XL95, Radius® (98,01), Axis®, CM BOE, SBOE and BOE99**

- New premium amount for 61+ contract
- “Amendment to Pending Application Beyond Age 65” form
- Radius® (XL98) will receive the “Amendment to Pending Application Beyond Age 65” form shortly after the expiry letter is sent

If the client wishes to continue coverage, a signature and completed amendment form must be returned to DI Account Services, H066.

**4c. 8100, 8400, 8700, 8800, 9000, 9200 and 9500**

- New premium amount for 61+ contract
- A completed state specific **F26** form and financial information.  
The agent/new business coordinator must Application Data Entry (ADE) a new policy number for the 61+ contract

**4d. FL, NJ, NY, MN**

**8100, 8400, 8700, 8800, 9000, 9200 and 9500**

- A completed state specific A3DIS 9500 and financial information must be submitted by the client to DI New Business, H280
- The agent/new business coordinator must Application Data Entry (ADE) a new policy number for the CRDIP

## 5. Additional requirements:

The agent should advise the client that he/she must be working full-time (at least 30 hours a week) and cannot be disabled at time of application to be eligible. MassMutual may require proof of client's employment.

## 6. Coverage for the following products:

- 6a. Mod 65 (Prior to 79 series), Guaranteed Continuable, Guaranteed Continuable 79, OHD, Non-Cancelable 79 (NC), NC 84, NC 84, OE 79, OE 83, AB 79, AB83, AB 84, Business Overhead Expense 85**

**XL89, XL91, XL92, XLS92, XL95, Radius® (98,01), Axis®, CM BOE, SBOE and BOE99**

All riders from original policy will be removed and only the base benefit amount will remain on the extended policy. There will be a two-year benefit period for sickness and injury, and a one-year benefit period for business overhead expense policies (upon claim approval). The elimination period will remain the same as on original policy. A 365-day elimination period will be changed to 180 days.

- 6b. 8100, 8400, 8700, 8800, 9000, 9200 and 9500**

**FL, NJ, NY, MN**

**8100, 8400, 8700, 8800, 9000, 9200 and 9500**

The total amount to be converted is the combination of base benefit, Annual Increase Rider (AIR), Additional Monthly Income Rider (ARMI), Annually Renewable Disability Income Rider (ARDI), Contingent Monthly Income Rider (CMR), Deferred Monthly Income Rider (DIR) and the Supplemental Monthly Income Rider (SIR) that was in-force at time of conversion, subject to the current issue and participation limits for occupational class and age. (120 day elimination period for 9500 CRDIP)

## 7. Premiums for the following products:

- 7a. Mod 65 (Prior to 79 series), Guaranteed Continuable, Guaranteed Continuable 79, OHD, Non-Cancelable 79 (NC), NC 84, NC 84, OE 79, OE 83, AB 79, AB83, AB 84, Business Overhead Expense 85**

New premiums are based on attained-age rates.

- 7b. XL89, XL91, XL92, XLS92, XL95, Radius® (98,01), CM BOE, SBOE and BOE99**

**8100, 8400, 8700, 8800, 9000, 9200 and 9500**

**FL, NJ, NY, MN**

**8100, 8400, 8700, 8800, 9000, 9200 and 9500**

New premiums are based on attained age rates and policy series.

## 8. Policy pages for following products:

- 8a. Mod 65 (prior to 79 series), Guaranteed Continuable, Guaranteed Continuable 79, OHD, Non-Cancelable 79 (NC), NC 84, NC 84, OE 79, OE 83, AB 79, AB83, AB 84, Business Overhead Expense 85**

New policy pages will not be sent to client. Endorsement pages and premium notices are sent to client when extension is complete.

- 8b. 8100, 8400, 8700, 8800, 9000, 9200 and 9500**

**FL, NJ, NY, MN**

**8100, 8400, 8700, 8800, 9000, 9200 and 9500**

**XL89, XL91, XL92, XLS92, XL95, Radius® (XLS98), CM BOE, SBOE and BOE99**

A new policy is sent to client along with premium notices when extension is complete.

## Renewing an Existing Conditionally Renewable DI Policy (CRDIP)

DI Customer Service will send a renewal application to the client approximately 45-60 days prior to the annual renewal date. The renewal is subject to financial underwriting. The client must be actively employed on a full-time basis (at least 30 hours a week) and not be disabled at time of application to qualify for renewal.

# Claim Information

## Claims Processing

As soon as information of an insured's disability is received, full details, including the date of disability, cause of disability and confirmation of the insured's mailing address, should be furnished to MassMutual by calling the DI Service Center at 1-800-272-2216.

All written communications or any other information concerning the claim, received at any time, should be forwarded to MassMutual's Home Office immediately.

**MassMutual  
DI Benefits Department M125  
1295 State Street  
Springfield, MA 01111-0001**

Cooperation in furnishing as much information as possible with respect to the insured's disability will enable us to provide better service to your clients. The company's decision on each claim will be conveyed to the claimant as soon as all the facts are received and evaluated. In the meantime, no comment should be made as to the company's probable action on any claim.

## Claim Forms

Claim forms will be furnished directly to the claimant from the DI Service Center. The claim forms include a claimant's statement, occupation description form, attending physician's statement, authorization to obtain information and, if applicable, a form to report BOE information, along with a cover letter with detailed instructions on completing the forms.

After We receive notification of the Insured's Disability, We will send a claim form. If such form is not furnished within 15 days after We receive notice of claim, You can comply with this request by providing us with written proof covering the occurrence, character and extent of loss for which a claim is being made.



## **Proof of Disability Requirements**

In order for Us to pay benefits, We must receive within 90 days after each Monthly Benefit claimed, proof of Disability, and proof of any Loss of Income, if applicable, and any other proof required to substantiate the claim.

If it is not possible to send it within 90 days, send it as soon as reasonably possible. Your claim will not be reduced because of the delay, but We will not accept proof of loss later than 1 year after it was due. We will make an exception if You were not then competent to make the claim.

Proof of continuing Disability must be furnished monthly or at intervals as We may require.

If necessary to determine eligibility for benefits, We may also require satisfactory proof of the Insured's Income before and during the Disability. This proof may include, but is not limited to, copies of the Insured's W-2 form(s) and/or income tax returns.

If necessary to determine eligibility for benefits, We may require the submission of financial records of the Insured relating to the documentation of Pre-Disability Income, Income, Current Income and Loss of Income. If the Insured owns any portion of any profession or business, including any corporation, and it is necessary to determine eligibility for benefits, We may also require the submission of financial records of that profession, business or corporation. This will be required as often as is reasonably necessary during the Disability.

At reasonable intervals, We may require the Insured to be examined by Doctors We choose. We will pay for any examination We may require. If the Insured unreasonably fails to submit to such examination, We will stop paying benefits.

## **Claim Decisions**

Upon approval or denial of a claim, the company will write directly to the policyholder or his/her legal representative. Notification of the claim decision will be sent to the producer. The benefit payments will be forwarded directly to the payee. The first benefit payment is payable 30 days after the end of the elimination period, assuming all of the necessary information has been received, reviewed by the Home Office, and the claim is approved.

## Additional Claim Resources

Comprehensive information regarding claim services, the claim process, testimonials and other claim related topics can be found on [www.massmutual.com](http://www.massmutual.com) and FieldNet.

## Claim FAQ's

**1. If the insured calls the producer to report a possible claim, what should be done?**

The producer should ascertain the cause and date of the disability and verify the insured's current mailing address, telephone number, and policy number(s). This information should be immediately provided to the DI Service Center at (800) 272-2216 (access DI via prompt 3).

**2. Should the producer review all policy provisions with the insured? What should or should not be said?**

The producer should explain the policy provisions if asked by the insured. However, under no circumstances should any guarantees or promises be made to the insured regarding the validity of a claim, how quickly a claim will be paid, whether or when a claim will be approved, or how much of a benefit will be paid.

**3. How will the producer be kept informed on the status of a claim? Will the producer be copied on all correspondence to the insured?**

The producer will be notified, customarily by e-mail if available, when a claim decision is made. Respect for our claimants' privacy limits the amount of information that MassMutual can share regarding a claim matter. A producer may check the status of a claim by calling the claim examiner via our service line: 1-800-272-2216 (access DI via prompt 3).

**4. What should the producer's relationship to the client's doctor be in the claims process?**

Any direct contact with the insured's medical providers will be handled by the Disability Benefits Department.

**5. What should the producer do if the insured is represented by an attorney?**

The Disability Benefits Department should be notified immediately of any representation by legal counsel, along with the name and address of the attorney. If the producer is contacted directly by the insured's attorney, the attorney should be referred to the Disability Benefits Department.

**6. How often are financial records required? If asked why financial records are needed, what should the producer say?**

The Disability Benefits Department will request financial documentation, usually in the form of tax returns, to establish pre-disability earnings, to validate employment prior to disability, and to verify continued loss of earned income on an annual basis. If the insured is working on a reduced or part-time basis, monthly substantiation of earnings would also be required.

**7. What is the producer's role in the claim process?**

The producer should exhibit compassion and understanding. The producer should encourage the insured to contact the Disability Benefits Department directly with any questions relative to the claim or benefits that might be payable. During the course of the claim, the producer should contact the Disability Benefits Department to relay any concerns so that they may be addressed directly. The producer should also provide any pertinent information relevant to the claim.

**8. Should the producer assist the insured in completing the claim forms?**

The producer may assist the insured in completing the claim forms. However, the Disability Benefits Department would prefer to provide such assistance through initial telephone contact with the insured early in the claims process.

**9. The insured has several disability policies with MassMutual and the former Connecticut Mutual. How will a claim be adjudicated?**

The various proof of loss requirements for all of the insured's policies will be identified and taken into consideration during the claim adjudication. Depending on the definition of disability in the various contracts, the insured might qualify for benefits under one contract but not another. A detailed explanation relating to the specific coverage for each policy will be provided for all claim decisions.

**10. What should the producer say if asked whether the insured's MassMutual coverage offsets for other benefit programs?**

If the policy contains an offset for benefits from social or legislative programs, MassMutual will offset for the receipt of these benefits. This offset is not coordinated with any other insurance carrier.

**11. Which of the insured's physicians should complete the Attending Physician's Statement?**

The licensed physician who has been treating the insured for the claimed disabling condition, and can certify to the restrictions and limitations of the condition, should complete the Attending Physician's Statement. The treatment provided by the physician must be appropriate under normal and customary medical practices, consistent with the claimed disabling condition.

**12. When should the insured submit claim forms?**

When claim forms are sent to the insured by the Disability Benefits Department, the insured is instructed to complete and return the forms as soon as possible. This will allow the Disability Benefits Department to begin evaluating the claim. In the case of an ongoing claim, the insured will be instructed as to when to return the claim forms, along with any additional information deemed necessary to determine continued benefit eligibility.

**13. Can the insured expect to receive a personal visit from a MassMutual representative?**

Yes. The Disability Benefits Department has field representatives located throughout the country. A personal visit can take place at any time during the claims process, and usually involves fact gathering, answering questions, and explaining policy provisions.

**14. Are there any time constraints contained in the policies that may affect disability income insurance benefits?**

Yes. Most policies have provisions regarding the prompt notification of disability and filing of proof of loss. Both provisions place limitations on benefits that might have otherwise been available to the insured if the requirements in the policy had been complied with in a timely manner. The producer should remind the insured of these requirements at the time the policy is delivered and also at the time notification of claim is received.

**15. At the time of disability, the insured's occupation is different than when the policy was issued. How will the claim be handled? Which occupation will be used in evaluating the claim?**

The claim will be evaluated based on the insured's income-producing work activities for the period immediately prior to the date that disability begins.

## Benefit Taxation – Disability Income, RetireGuard® and Business Overhead Expense

### Disability Income Benefits:

Benefits paid under disability income policies are treated in one of two ways: (1) as an employer-pay plan, and (2) as a non-employer-pay plan.

To determine whether a case is employer-pay, it is necessary to know who has paid the premium prior to disability, what type of business entity the premium payer is, and what percentage of interest the insured owns of that business. The following table may be used to assist in that determination.

Benefit Taxation		
Entity	Premium Payor	Benefits
Employee, non-owner	Business	Taxable
Employee, non-owner	Individual	Non-Taxable
Sole Proprietor	Business or Individual	Non-Taxable
Partnership	Business or Individual	Non-Taxable
S-Corp	*Business or Individual	Non-Taxable
Corporation	Business	Taxable
Corporation	Business or Individual with premium included on EE's W-2	Non-Taxable

\* Applies to 2% and greater owners. Otherwise, considered an Employee, non-owner.

If a benefit is determined to be employer-pay (i.e., taxable), FICA taxes will be withheld from any benefit that applies to a period during the first six, full calendar months of total disability, inclusive of the elimination period. After six months of disability has elapsed, FICA taxes will not be withheld, unless the insured continues to work to any degree for the employer. If this occurs then FICA withholding will continue for as long as the insured works for the employer and collects disability benefits from the policy.

Benefits provided under employer-pay plans in which FICA is withheld will be reported to the employer, via letter, to be included on the insured's W-2. Benefits provided under employer-pay plans in which no FICA is withheld will be reported annually to the recipient of benefits via a 1099.

If the employer-pay portion of a disability policy is less than 100%, then the taxation of these benefits will be in direct proportion to the percentage of employer-pay. For example if the employer pays 50% of the premium and the insured/employee pays 50% of the premium, then 50% of the disability benefits are subject to taxation.

**Note:** If an employer collects premium from the employee/ insured (payroll deduction) then pays the premium with a company check, this is not considered to be employer-pay for tax purposes. In this situation, the insured has paid the policy premiums through the employer. The employer did not provide company funds to pay the premiums.

### **RetireGuard® Benefits:**

The taxation of RetireGuard® benefits is similar to that described above for other disability income policies. However, FICA taxes are generally not withheld because the longer elimination periods exempt the RetireGuard® benefits from these taxes. Benefits provided under employer-pay plans in which no FICA is withheld will be reported annually to the recipient of benefits via a 1099.

### **Business Overhead Expense (BOE) Benefits:**

All benefits provided under BOE policies are taxable and will be reported via a form 1099 to the person/business entity that is the owner of the policy at the start of the disability. It is strongly suggested that the business own the policy. In this respect, benefits provided under the BOE policy will be paid to, and reported to, the business, not the insured. The business, presumably, will have business expenses to offset the payments made under the BOE policy.

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# Section 2

## Occupational Underwriting

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# Occupational Underwriting/ Classifications

This guide contains a listing of common occupations with their appropriate classifications for disability income insurance. It is important that proposed insureds be classified accurately based on this listing, since occupational class determines the premium rate and the maximum amount of coverage available. Occupational classes are assigned based on requirements of an applicant's occupation, and the risks which that occupation poses to an applicant's health. Occupational classifications can also be based on industry claims experience.

Some specific occupations may not be shown here. In these cases, refer to the general guidelines discussed below. For more information, check with your DI Underwriting Key Contact. Remember that these listings are guides only. DI New Business reserves the right to judge each case on its own merits, and will make a final decision on the basis of all information received.

## Completing the Application

Please be specific when describing an applicant's occupation, exact daily duties, and the nature of the business. A job title alone is not sufficient. Occupational classes are determined by the actual duties performed, not by the title, background, or training of the applicant. Include a percentage breakdown of each duty to ensure that the underwriter has a clear understanding of the occupation. Additional information may be provided in the "Remarks" section or in a cover letter.

## Occupational Schedule

- **Class 5A** – Consists of those professional and executive occupations with the most favorable experience, where all work is performed in an office setting with minimal travel, and no direct supervision of persons with manual duties exists
- **Class 5P** – Includes non-invasive physicians\*
- **Class 4A** – Includes other professional and executive occupations
- **Class 4P** – Includes other medical and dental specialties which have exhibited favorable experience
- **Class 3P** – Includes general dentists and physician occupations whose claim experience does not justify a 4P designation and those who have not declared their specialties.
- **Class 3A** – Encompasses many professional, technical and managerial occupations. In many cases they are “office only” occupations that reflect a high degree of stability and responsibility
- **Class 2A** – Contains people who are supervisors of various occupations and certain skilled clerical and technical workers. Also in the 2A category are some occupations whose claim experience does not justify a 3A designation
- **Class A** – Includes skilled workers who have no unusual accident hazard. Also included are clerical workers and sales persons with relatively limited skills\*

## Description of Terms

**N/A** – Coverage for this occupation is not available.

**Individual Consideration (IC)** – Check with DI Underwriting Key Contact before taking an application. Most IC occupations are available for coverage only under special circumstances.

For assistance in determining an occupational classification, consult with a DI New Business Underwriter. **Business owners will be classified by specific industry and duties performed.**

## Classification Factors

Factors considered in determining the appropriate occupational classification include:

\* Available with Radius 12 and RetireGuard Standalone 12

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- The nature of the business and exact daily duties
- Hazards inherent to the occupation
- Usual working conditions
- Stability of the occupation
- Years in the same or similar occupation
- Education, training and experience
- Number of employees
- Age
- The company's and the industry's experience with the occupation
- Part-time employment (working less than 30 hours per week)
- Seasonal occupations
- Hazardous occupations which are uninsurable
- Unemployment or livelihoods which are not dependent on earned income
- Occupations performed in the home or on residential property

**Office Duties or Office Traveling Only** – Refers to individuals whose duties are confined to office responsibilities and business management only, and do not include any retail sales. Duties may, in addition, include outside solicitation or business trips.

**Superintending or Supervising Only** – Refers to an applicant who is not strictly confined to an office.

Although the person is not engaged in the actual work, managerial duties involve the supervision and/or inspection of manufacturing, construction or other physical operations.

**Skilled Workers** – Craft, manual and technical occupations require knowledge of the process involved and a high level of coordination.

- Skilled workers generally are responsible for valuable products or equipment and exercise some degree of judgment
- Such people usually become qualified by serving apprenticeships, or by completing specific technical training programs

**Unskilled Labor** – Job duties require little or no knowledge of the processes involved.

- These jobs require minimal training or past experience
- They usually involve some degree of physical labor

**Part-time Employees** – In all cases, 30 hours per week constitutes a full workweek. Individuals working less than this are not eligible for disability income insurance. When an individual has a part-time job in addition to a full-time job, the duties, income and potential risk factors of both occupations are taken into consideration when determining the occupational classification. The lower occupational classification prevails and will be assigned to the entire contract.

## Public Employee Guidelines

### California Teachers

MassMutual may offer coverage to teachers. Offsets will be made for those without dependent children as well as those with one or two dependent children. If the teacher has more than two children who are dependents, MM will NOT offer any coverage due to the rich benefits provided to teachers with multiple dependents. In all situations, we must verify this status through the submission of Form 1040 at application time.

Use the following guidelines for those *without dependent children*:

#### Guidelines:

- 365 day elimination period
- No Short Term rider available
- Offset for 50% of current compensation, taxable
- We will discount offset for taxes by 25% (.75 multiplier)
- Subtract this amount from the non-taxable individual issue limit
- Half wrap GSR available

#### Example:

3A earning \$60,000, no dependents

$\$60,000/12 \times 50\% \times .75 = \$1,875$  offset

Non-taxable issue limit is \$3,450

$\$3,450$  minus  $\$1,875 = \$1,575$  base monthly benefit

GSR is \$938 (one-half of the \$1,875 offset)

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Use the following guidelines for those *with one or two dependent children*:

**Guidelines:**

- 365 day elimination period
- No Short Term rider available
- Offset for 55% of current compensation if one child, taxable
- Offset for 60% of current compensation if two children, taxable
- We will discount offset for taxes by 25% (.75 multiplier)
- Subtract this amount from the non-taxable individual issue limit
- Half wrap GSR available

**Example:**

3A earning \$60,000, 1 dependent

$\$60,000/12 \times 55\% \times .75 = \$2,063$  offset

Non-taxable issue limit is \$3,450

$\$3,450$  minus  $\$2,063 = \$1,387$  base monthly benefit

GSR is \$1,032 (one-half of the \$2,063 offset)

3A earning \$60,000, 2 dependents

$\$60,000/12 \times 60\% \times .75 = \$2,250$  offset

Non-taxable issue limit is \$3,450

$\$3,450$  minus  $\$2,250 = \$1,200$  base monthly benefit

GSR is \$1,125 (one-half of the \$2,250 offset)

**California Public Employees Retirement System (PERS)**

These guidelines are used for ALL public employees in California. If an employer offers a true LTD program, we can use our regular Issue and Participation limits and program accordingly. If no LTD program is in place, use the following to offset.

**Guidelines:**

- 365 day elimination period
- No Short Term rider available
- Offset for 50% of current compensation.
- No GSR available

## California Federal Employees Retirement System (FERS)

These guidelines are used for ALL Federal employees in California. All federal employees have disability benefits that are tied to their retirement benefits. Individuals over age 55 are not eligible for any MassMutual benefits.

### Guidelines:

- 365 day elimination period
- To determine base = (I&P) minus (40% of salary x .75)
- To determine STR = (I&P) minus (60% of salary x .75)
- GSR available
  - 100% GSR A with a 90 day wait
  - 50% GSR B with a 365 day wait

## Working from Home Disability Income Insurance Underwriting Guidelines

### Self Employed

Description	Self employed for at least one year and must be in similar occupation as previous work
Requirements	1 year of complete tax returns required – both personal and business Personal History Interview (PHI) Refer to <b>DI1053</b> for published underwriting requirements
Coverage Available	No restrictions

### Telecommuters

Description	This occupation generally refers to those who are currently W-2 employees and would be performing the same duties in an office setting with a supervisor/ employee relationship remains intact.
Requirements	Minimum 30 hours per workweek Require W-2 or current paystub with year to date figure Refer to <b>DI1053</b> for published underwriting requirements
Coverage Available	No restrictions

# Business Owner Upgrade Program

Business owners, whether or not they are listed in the Occupational Underwriting Section, will be eligible for an upgrade provided they work full-time year round and have at least 20% ownership in the business.

The following occupations are not eligible for this program:

- Medical Professions
- Dental Professions
- Individuals working from home
- Individuals engaged in a new business or profession

## Business Owner Upgrade Program

<b>Initial Class</b>	<b>Up Grade Class</b>	<b>Requirements</b>	<b>Yrs. Owning Business/Income</b>
A 2A	2A 3A	<ul style="list-style-type: none"><li>• 5 or more full-time employees</li><li>• &lt;20% manual labor</li></ul>	5+ yrs./\$25k or more for last 2 yrs.
3A	4A	<ul style="list-style-type: none"><li>• 5 or more full-time employees</li><li>• &lt;10% manual labor</li></ul>	5+ yrs./\$50k or more for last 2 yrs.
4A	5A	<ul style="list-style-type: none"><li>• 10 or more full-time employees</li><li>• Office and consulting duties only</li></ul>	5+ yrs./\$75k or more for last 2 yrs.

## Special Occupations

The following occupations will be addressed with special underwriting guidelines due to past and potential future instability. Please consult with your underwriter on potential cases for further clarification.

### Entertainment Industry\*

We will consider self-employed, independent and freelance persons who can demonstrate that they are employed year round, show career stability and income progression.

#### Requirements

- Must be an acceptable occupation noted under the Entertainment Industry Category
- Self-employed for at least 3 years (if less than 3 years, individual consideration may be given to those individuals in the same occupation and self-employed for at least one year)
- Demonstrates a long, verifiable, steady income stream – minimum two years of complete tax returns will be required
- List of past credits must be included with a cover letter when submitting the application
- Current employment contract must be in-force; if short-term, less than one year, then proof of future contracts will be required

#### Available Offer

- A minimum 180-day elimination and a maximum 10-year benefit period will be considered
- 50% Replacement Ratio not to exceed a cap of \$5,000 per month

**Example** – annual income of \$200,000

- Monthly income = \$16,666
- 50% Replacement Ratio = \$8,333
- Available base coverage allowed = \$5,000 per month (cap)

\*Freelance persons not eligible



## Independent Contractors/Consultants

Types of cases – **based on length of time in business**

A) Independent contractor out on his/her own for **more than two years**; good history of earnings; has a number of employment contracts or on-going long-term (one year+) contract(s):

### Requirements

- Prior years' business tax returns
- Current year profit and loss statement
- Current year contract(s)

### Available Offer

- Offer will not be restricted or modified based on independent contractor status (we reserve the right to modify for other reasons)
- See occupation guide for consultant occupation classes
- Without current profit and loss, we will consider gross receipts from all contracts and expenses from prior year, and average net incomes if increase is more than 15%

B) Independent contractor on his/her own **less than two years** (left employer, was laid off or started his/her own business within the past two years). **These cases are higher-risk in nature** and accordingly, we have developed the following requirements and offer guidelines:

### Requirements

- Must be actively at work during the past 90 days
- Client must be working under long-term contract (one year+)
  - if contract has less than 90 days remaining, obtain renewal contract
  - if contract does not meet above criteria, no offer can be made at this time
- Verification of prior years' income must be submitted – this will verify what client earned as an employee and, if second year on his/her own, will also verify first year income in new venture
- Provide detail of any severance package received from previous employer
- Verify not working from home; if client is working from home, those guidelines will also apply

### Available Offer

- For benefit amount determination use **lesser** of:
  - average of prior year earned income + 75% of current year contract amount **OR**
  - 75% of current year contract amount
- A minimum 180-day elimination and a maximum 5-year benefit period will be considered
- Refer to occupation class section for consultant occupation classes

### Real Estate Developers

When calculating earned income for real estate developers, we will consider all business source income (earned and unearned) that would no longer be received if the insured were to become disabled. Two examples of business unearned income are **net business rental income** and **net capital gains from sale of property** that is developed and sold (consistently) in connection with the applicant's normal business practices. In order to verify such amounts, the following must be obtained and calculated:

#### Requirements

- Two years of complete business and personal tax returns
- For income, we will consider all **business** wages, interest, capital gains, and non-passive and passive partnership and S-Corporation interests related to real estate development

#### Available Offer

- Subject to our maximum published Issue and Participation Limits

### Financial Professionals

There are a variety of financial professionals that are eligible for individual disability coverage. Occupations such as investment bankers, stockbrokers and portfolio managers are usually offered coverage without limitation, unless high net worth or excessive unearned income exists that would otherwise reduce or eliminate the need for coverage. When considering other investment professionals such as **hedge fund managers** or **venture capitalists**, contact your underwriter to inquire about additional requirements and offer parameters. Some of the factors that are considered are stage of venture (start-up versus operating), ownership interest, personal net worth and unearned income. Financial pre-approval is strongly recommended for these occupations.

# Occupation Classes

Occupation Title Occ Class

## ACCOUNTANT

Certified Public Accountant . . . . .	.5A
Auditor . . . . .	.4A
Other Accountant . . . . .	.4A
Bookkeeper . . . . .	.3A
Payroll clerk . . . . .	.3A
Statistician . . . . .	.5A

## ACTOR and ACTRESS (see ENTERTAINMENT INDUSTRY)

## ACTUARY

FCAS . . . . .	.5A
FSA . . . . .	.5A
MAAA . . . . .	.5A

## ACUPUNCTURIST

MD . . . . .	.3P
Ph.D. (min. 5 yrs. experience, \$75,000 net income). . . . .	.3A
Other licensed . . . . .	.3A

## ADJUSTER

Insurance (see INSURANCE)	
Others . . . . .	.2A

## ADVERTISING

Account executive . . . . .	.5A
Art director . . . . .	.3A
Graphic artist . . . . .	.3A
Copywriter . . . . .	.3A
Manager . . . . .	.3A
Sales . . . . .	.3A
Freelance . . . . .	.N/A

## AEROBICS INSTRUCTOR . . . . .N/A

## AGENT (see ENTERTAINMENT or INSURANCE)

# Occupation Title

# Occ Class

## AGRICULTURE

(farm, dairy, ranch, orchard)(no manual labor, min. 5 yrs.)

Manager	2A
Owner	2A
Superintendent	2A
Office and general duties (incidental manual labor, min. 3 yrs.)	A
Hired hands, seasonal	N/A
Owner, manager doing manual labor	N/A

## AIR CONDITIONING (see CONSTRUCTION)

## AIRLINE INDUSTRY

Ticket reservations (office only)	3A
Administrative personnel (office only)	3A
Air Traffic Controller	N/A
Baggage handler, porter	N/A
Flight attendant	N/A
Ground crew	N/A
Pilot	N/A

## AMBULANCE DRIVER . . . . .N/A

## ANESTHESIOLOGIST (see MEDICAL SERVICES)

## ANTIQUE DEALER

Incidental sales duties, (min. of \$40,000 net income)	3A
No direct sales duties (min. 5 yrs. exp. and \$75,000 net income).	4A
Some sales duties, no manual labor	2A

## APPRAISER/INSURANCE (see specific industry)

Real estate	2A
Jewelry (no manual labor)	3A
Includes jewelry repair	2A

## ARCHAEOLOGIST

Office and consulting only	5A
Supervision on site	3A
Others	2A

## ARCHITECT

Bachelor's degree, office and consulting only	5A
Draftsman	4A
Landscape (office only).	3A
Other landscape (no manual duties)	2A

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Occupation Title	Occ Class
<b>ARMED FORCES PERSONNEL</b> .....	.N/A
<b>ARMORED CAR PERSONNEL</b> .....	.N/A
<b>ART RESTORER</b> .....	.N/A
<b>ARTIST</b> (not self-employed, working full-time away from residence only, and not freelance)	
Commercial artist .....	.3A
Graphic artist .....	.3A
Cartoonist .....	.2A
Illustrator .....	.2A
Self-employed .....	.N/A
<b>ATHLETICS</b>	
Athletic director .....	.3A
Club professional (golf, tennis) (see GOLF CLUB)	
All other professionals .....	.N/A
Business Agent .....	.N/A
Coach (full-time) .....	.N/A
Dance instructor .....	.N/A
Professional athlete .....	.N/A
Ticket Agent .....	.N/A
Trainer .....	.N/A
Referee .....	.N/A
Umpire .....	.N/A
<b>ATOMIC ENERGY/NUCLEAR POWER</b>	
Manager (office duties only) .....	.3A
Supervisor (office duties only) .....	.3A
Engineer (degree in engineering, office duties only) .....	.3A
All others .....	.N/A
<b>ATTORNEY</b> (see LEGAL)	
<b>AUCTIONEER</b> (No manual labor) .....	.2A
<b>AUDIOLOGIST</b> (see MEDICAL SERVICES)	
<b>AUDITOR</b> (see ACCOUNTANT)	
<b>AUTHOR</b> (see WRITER)	

# Occupation Title

# Occ Class

## **AUTOMOBILE INDUSTRY**

Auto dealership, sales/service:

New:

Owner (executive duties only) . . . . .	.3A
Manager (office duties only, min. of \$50,000 last 3 yrs.) . . . . .	.3A
Finance manager (other) . . . . .	.3A
Service manager (other) . . . . .	.3A
Sales manager (other) . . . . .	.3A
Sales person . . . . .	.2A

Used:

Owner (executive duties only) . . . . .	.2A
Manager (min. of \$50,000 inc. last 3 yrs.) . . . . .	.2A
Service manager . . . . .	.A
Sales manager . . . . .	.A
Sales person . . . . .	.A

Automotive supplies:

Store or franchise:

Sales duties only . . . . .	.3A
Other . . . . .	.2A
Cashier . . . . .	.A

Garage/service station:

Owner . . . . .	.A
Attendant . . . . .	.A
Mechanic . . . . .	.A
Auto-body repairman . . . . .	.A
Parking attendant . . . . .	N/A
Washer . . . . .	N/A
Other . . . . .	N/A
Cashier . . . . .	N/A

**BACTERIOLOGIST** (see SCIENTIST)

**BAGGAGE HANDLER** (see AIRLINE INDUSTRY)

**BAILBONDS PERSON**

Office duties only . . . . .	.2A
Other . . . . .	N/A

# Occupation Title

# Occ Class

## **BAKERY**

Owner, office only . . . . .	.2A
Counter worker . . . . .	.A
Cashier . . . . .	.A
Baker . . . . .	.A
Other shop worker . . . . .	.A
Delivery . . . . .	.N/A

## **BANKING**

Examiner . . . . .	.4A
Executive . . . . .	.5A
Officer . . . . .	.5A
Teller . . . . .	.2A
Clerk . . . . .	.2A
Bookkeeper . . . . .	.3A
Guard . . . . .	.N/A
Mortgage Underwriter . . . . .	.4A

## **BARBER and BEAUTY PARLOR**

Barber . . . . .	.N/A
Beautician . . . . .	.N/A
Hairdresser . . . . .	.N/A
Cosmetologist . . . . .	.N/A
Electrologist . . . . .	.N/A
Manicurist . . . . .	.N/A

## **BARTENDER** (see RESTAURANT/BAR)

## **BEAUTY PARLOR** (see BARBER and BEAUTY PARLOR)

## **BIOCHEMIST** (see SCIENTIST)

## **BIOLOGIST** (see SCIENTIST)

## **BLACKSMITH** . . . . .N/A

## **BOND BROKER** (see BROKER)

## **BOOKING AGENT** (see ENTERTAINMENT)

## **BOTANIST** (see SCIENTIST)

## **BOWLING ALLEY**

Owner (office and supervisory duties) . . . . .	.3A
Manager (office and supervisory duties). . . . .	.3A
Attendant . . . . .	.A

# Occupation Title

# Occ Class

## **BREWERY** (see LIQUOR)

### **BROKER**

Stock/bond/commodity broker or trader, investment or mortgage broker	
Not floor trader, min. \$150,000 income for 3 yrs., min. 5 yrs. in the business, not managing own account . . . . .	4A
Not floor trader, min. \$75,000 income for 2 yrs., min. 3 yrs. in the business, not managing own account . . . . .	3A
All others . . . . .	2A
Floor Traders . . . . .	N/A

### **BUILDING MAINTENANCE**

Supervisor, Superintendent . . . . .	2A
Inspector . . . . .	2A
Stationary engineer . . . . .	N/A
Doorman . . . . .	N/A
Housekeeper . . . . .	N/A
Janitor . . . . .	N/A
Custodian . . . . .	N/A
Watchman . . . . .	N/A
Elevator repair . . . . .	N/A
Window cleaner . . . . .	N/A

### **BUILDING WRECKING**

Foreman . . . . .	N/A
Other . . . . .	N/A

### **BULLDOZER OPERATOR** . . . . . N/A

### **BUS DRIVER** (see DRIVER)

### **BUSINESS AGENT** (see ATHLETICS or ENTERTAINMENT)

### **BUSINESS EXECUTIVE** (see specific industry or special section)

### **BUTCHER**

Office only (no traveling):	
Wholesale merchant . . . . .	A
Dealer . . . . .	A
Butcher in store . . . . .	A
Slaughtering or slaughter . . . . .	N/A

### **BUYER**

Merchandising (office duties, no produce) . . . . .	4A
Produce . . . . .	2A

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# Occupation Title

# Occ Class

**CAMERAMAN** (see ENTERTAINMENT INDUSTRY)

**CARDIOLOGIST** (see MEDICAL SERVICES)

**CARPENTER or CABINETMAKER** .....A

## **CARPET and RUG**

Cleaner .....N/A

Dyer .....N/A

Mender .....N/A

Weaver .....N/A

Installer .....N/A

**CARTOGRAPHER** .....3A

**CARTOONIST** (see ARTIST)

**CASHIER** (see specific industry)

Gas station, convenience..... N/A

## **CASINO**

Manager (no floor duties) .....2A

Other .....N/A

## **CATERER**

Chef .....2A

Cook .....2A

Manager .....2A

Proprietor .....2A

Bus boy .....N/A

Dishwasher .....N/A

Waiter/waitress .....N/A

## **CEMETERIES**

Caretaker .....A

Clerk, office duties only .....2A

Superintendent (no manual labor).....A

Other .....N/A

**CHAUFFEUR** (see DRIVER)

**CHEF** (see RESTAURANT/BAR or CATERER)

# Occupation Title

# Occ Class

## CHEMICAL INDUSTRY

No alkalis, acids, explosives, or carcinogens:

Chemist (office only) . . . . .	.5A
Other chemist . . . . .	.3A
Lab technician . . . . .	.3A
Machine operator . . . . .	.A
Skilled worker . . . . .	.A
Tester . . . . .	.A

Alkali, acids, explosive or carcinogens:

Chemist (office only) . . . . .	N/A
Lab technician . . . . .	N/A
Laborer . . . . .	N/A
Machine operator . . . . .	N/A
Other chemist . . . . .	N/A
Skilled worker . . . . .	N/A
Tester . . . . .	N/A
Unskilled worker . . . . .	N/A

**CHIMNEY SWEEP** . . . . . .A

**CHIROPRACTOR** . . . . . .N/A

**CLAIMS ADJUSTER** (see INSURANCE)

**CLEANERS** (see DRY CLEANING, LAUNDRY, DYEING)

## CLERGY

Ministers, Rabbis and Cantors . . . . .	.3A
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**CLOCK or WATCH REPAIR** . . . . . .2A

**COACH** (see ATHLETICS)

**COMMERCIAL ARTIST** (see ARTIST)

**COMPROLLER** . . . . . .5A

## COMPUTER INDUSTRY

Administrators . . . . .	.4A
Capacity Management Specialists . . . . .	.4A
Consultant (full-time, office). . . . .	.4A
Consultant (others) . . . . .	.3A
Data entry . . . . .	.A
DP manager . . . . .	.4A

# Occupation Title

# Occ Class

## COMPUTER INDUSTRY ( continued):

Installer . . . . .	.2A
Programmer . . . . .	.5A
Repairman . . . . .	.2A
Retail Sales . . . . .	.2A
Security Specialist . . . . .	.4A
Systems Analyst . . . . .	.4A
Technical Analyst . . . . .	.4A
Technical Writer . . . . .	.4A
Web Developer/Engineer/Architect/Designer . . . . .	.5A*
Wholesale sales: (min. 5 yrs. experience, \$75,000 last 2 yrs., no delivery, no lifting) . . . . .	.4A
Others . . . . .	.3A

\* Classification is contingent upon holding a degree in computer science or demonstrating a minimum of 5 years' experience.

## CONSTRUCTION INDUSTRY

### Office and supervising only – no manual labor:

Contractor . . . . .	.3A
Estimator . . . . .	.2A
Foreman . . . . .	.2A
Inspector . . . . .	.2A
Superintendent . . . . .	.2A

### Construction – manual labor:

Cabinetmaker . . . . .	.A
Carpenter . . . . .	.A
Contractor . . . . .	.A
Drywall . . . . .	.A
Electrician . . . . .	.A
Glazier . . . . .	.A
Heating and air-conditioning . . . . .	.A
Insulation installer . . . . .	.A
Marble, mosaic or tile setter . . . . .	.A
Painter (interior) . . . . .	.A
Paper hanger . . . . .	.A
Pipe fitter . . . . .	.A
Plaster or stucco worker . . . . .	.A

# Occupation Title

# Occ Class

## CONSTRUCTION – MANUAL LABOR (continued):

Plasterer	.A
Plumber	.A
Sheet metal worker	.A
Sprinkler installer	.A
Steam fitter	.A
Surveyor	.A
Tinsmith	.A
Air hammer operator	.N/A
Blaster or explosives handler	.N/A
Bricklayer/mason/stone	.N/A
Cable or structural-site	.N/A
Cement or concrete work	.N/A
Construction-equipment	.N/A
Elevator installation	.N/A
Ironworker	.N/A
Painter (exterior)	.N/A
Roofer	.N/A
Sander	.N/A
Spray painter	.N/A
Steeplejack	.N/A
Varnisher	.N/A
Welder	.N/A

## CONSULTANT

Computer Consultant (see COMPUTER INDUSTRY)

Financial Consultant (see BROKER or INSURANCE)

Other (not on commission, not working in home\*,

min. 5 yrs. experience, \$50,000 for last 2 yrs.) .4A

Others .3A

Management Consultant .3A

**COOK** (see CATERER or RESTAURANT/BAR)

**COPYWRITER** (see PRINTING and PUBLISHING)

**CORPORATE EXECUTIVE** (see specific industry)

**COUNSELOR** (see Therapist under MEDICAL SERVICES)

\* Refer to Working From Home Guidelines on page 2-6

Occupation Title	Occ Class
<b>COURT REPORTER</b> .....	N/A
<b>CREDIT INVESTIGATOR</b>	
Office only .....	.3A
Others .....	.2A
<b>CURATOR</b>	
Museum or art gallery .....	.4A
<b>CUSTOMER SERVICE REP</b>	
With college degree .....	.3A
Others .....	.2A
<b>CUSTODIAN</b> (see BUILDING MAINTENANCE)	
<b>DAIRY INDUSTRY</b>	
Inspector .....	.2A
Proprietor (office and general duties) .....	.3A
Skilled worker .....	.2A
Superintendent .....	.2A
Tester .....	.2A
<b>DANCE INSTRUCTOR</b> (see ATHLETICS)	
<b>DAY CARE OPERATOR</b>	
In home .....	N/A
Not in home, not on property .....	.2A
<b>DEAN</b> .....	.5A
<b>DECORATOR</b>	
Interior:	
Consulting only .....	.3A
Other .....	.2A
Window .....	A
Cake (see CATERER)	
<b>DELIVERY PERSON</b> (see DRIVER)	
<b>DENTAL LAB TECHNICIAN</b> (see DENTISTRY)	
<b>DENTISTRY</b>	
Dental Assistant .....	.2A
Dentist, general .....	.3P
Dental Hygienist .....	N/A
Dentist Specialty .....	.4P

# Occupation Title

# Occ Class

## DENTISTRY (continued):

Lab Technician	3A
Oral & Maxillofacial Surgeons	4P
Orthodontist	4P
Pediatric Dentist	4P
Periodontist	4P
Prosthodontist	4P

## DERMATOLOGIST (see MEDICAL SERVICES)

**DETECTIVE** . . . . .N/A

## DIAMOND CUTTER (see JEWELER)

## DIETITIAN (see MEDICAL SERVICES)

## DISPATCHER (see specific industry)

## DOCK WORKER (see MARINE INDUSTRY)

**DOMESTIC SERVANT** . . . . . N/A

## DRAFTSMAN (see ARCHITECT)

## DRESSMAKER (see TAILORING)

## DRIVER

Ambulance	N/A
Bus	N/A
Chauffeur (corporate employee)	N/A
Construction Vehicles	N/A
Explosives, test driver	N/A
Funeral hearse	N/A
Gas or oil delivery	N/A
Heavy-duty trucking (more than 3 tons)	N/A
Light delivery truck	N/A
Long haul (interstate or not self-employed taxi)	N/A
Others	N/A
Racer	N/A
Taxi	N/A
Test driver	N/A
Tractor	N/A

## DRUG STORE

Clerk	2A
Pharmacist (registered, no retail sales)	3A

# Occupation Title

# Occ Class

## **DRY CLEANING, LAUNDRY, DYEING**

Cashier . . . . .	A
Counter Duty . . . . .	A
Manager (office or supervisory) . . . . .	.3A
Owner (office or supervisory). . . . .	.3A
Skilled worker . . . . .	A
Supervisor . . . . .	.2A
Unskilled worker . . . . .	N/A

## **ECONOMIST**

Masters or PhD (at least 90% office duties) . . . . .	.5A
Others . . . . .	.4A

## **EDITOR** (see PRINTING and PUBLISHING)

## **ELECTRICAL INDUSTRY and CABLE TV**

Electrician . . . . .	A
Electroplater . . . . .	A
Meter installer . . . . .	A
Meter reader . . . . .	A
Repairman . . . . .	A
Skilled worker . . . . .	A
Cable splicer . . . . .	N/A
Conduit worker . . . . .	N/A
Contractor (field or plant) . . . . .	N/A
Lineman . . . . .	N/A
Maintenance worker . . . . .	N/A
Switchboard attendant . . . . .	N/A
Welder . . . . .	N/A

## **ELEVATOR**

Inspector . . . . .	A
Builder . . . . .	N/A
Installer . . . . .	N/A
Operator . . . . .	N/A
Repairman . . . . .	N/A

## **EMBALMERS** (see FUNERAL DIRECTORS)

## **ENGINEER**

Registered professional (RPE, office duties only) . . . . .	.5A
Engineer (office and consulting only). . . . .	.5A
Inspecting or supervising in the field . . . . .	.3A

# Occupation Title

# Occ Class

## ENTERTAINMENT INDUSTRY

Movies/television/radio/theater (not self-employed, independent or freelance)\*

Cameraman	.2A
Carpenter	.A
Director	.4A
Disc Jockey	.2A
Electrician	.A
Film Editor	.3A
Painter	.A
Producer	.4A
Projectionist	.2A
Reporter (studio only)	.3A
Reporter (in field)	.2A
Sound engineer	.3A
Stage Manager	.A
Theater Manager	.A
Writer (TV or film)	.3A
Actor	N/A
Actress	N/A
Announcer†	.2A
Booking agent†	.2A
Dancer	N/A
Entertainer	N/A
Production personnel	N/A
Singer	N/A
Makeup and wardrobe personnel	N/A
Property person	N/A
Stagehand	N/A
Self-employed, independent or freelance	IC*

## ENTOMOLOGIST

Office only	.5A
Field	.3A

## ESTIMATOR (see CONSTRUCTION)

## EXECUTIVE (see specific industry)

\* Benefits may be limited. Refer to Special Occupation Guidelines page [2-8](#)

† W-2 Employees only

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Occupation Title	Occ Class
<b>EXERCISE INSTRUCTOR</b> .....	N/A
<b>EXERCISE PSYCHOLOGIST</b> .....	.2A
<b>EXPLOSIVE HANDLING</b> .....	N/A
<b>EXTERMINATOR</b> .....	N/A
<b>FARMER</b> (see AGRICULTURE)	
<b>FEDERAL GOVERNMENT EMPLOYEE</b> (Refer to FERS Guidelines on page 2-6) .....	IC
<b>FILM PROCESSING</b>	
Developer .....	.2A
Processor .....	.2A
<b>FINANCIAL PLANNER</b> (must have designation)	
5+ yrs., \$75,000 last 2 yrs. ....	.4A
3+ yrs., \$30,000 last 2 yrs. ....	.3A
<b>FIREFIGHTER</b> .....	N/A
<b>FISHING INDUSTRY</b> (Coming ashore daily)	
Fisherman (boats of 85 feet or more):	
Licensed engineer (engineering duties only) .....	.A
Licensed master (running boat only) .....	.A
Licensed mate (navigating duties only) .....	.A
All other boats .....	N/A
Fisherman (boats under 85 feet) .....	N/A
Packing, processing or hatchery:	
Foreman .....	.2A
Supervisor .....	.2A
Superintendent .....	.2A
Skilled worker .....	N/A
Unskilled worker .....	N/A
<b>FLIGHT ATTENDANT</b> (see AIRLINE)	
<b>FLOOR FINISHER/SANDER</b> .....	N/A
<b>FLORIST or NURSERYMAN</b>	
Clerk .....	.2A
Delivery duties .....	.A
Field worker (full-time, year-round) .....	.A
Greenhouse duties .....	.A
Manager .....	.2A

# Occupation Title

# Occ Class

## FLORIST OR NURSERYMAN (continued):

Owner	.2A
Sales person	.2A

## FUMIGATOR (see EXTERMINATOR)

## FUNERAL DIRECTOR, MORTICIAN, UNDERTAKER

Embalmer	.A
Other (skilled worker)	.A
Proprietor, no embalming	.3A

## FURNITURE MOVER . . . . .N/A

## FURNITURE REFINISHING (Not out of home) . . . . .A

## FURRIER

Office	.3A
Sales	.3A

## GARBAGE COLLECTOR (see SANITATION and SEWAGE DISPOSAL)

## GARDENER, LANDSCAPER (full-time, year-round):

Owner (no manual labor)	.A
Other	.N/A
Using heavy equipment	.N/A

## GAS STATION/GARAGE (see AUTOMOTIVE)

## GEOLOGIST (see SCIENTIST)

## GOLF CLUB

Club professional, golf or tennis (full-time only, year-round)	.A
Supervision of min. 2 employees, admin. of pro shop, no instruction, no touring	.2A
No more than 15% of time instructing, supervise 2 employees, admin. of pro-shop, no touring	.A
Greenskeeper	.A
Groundskeeper	.A
Instructor	.N/A
Manager	.2A
Proprietor	.2A
Attendant	.N/A
Maintenance	.N/A

## GOVERNMENT EMPLOYEE . . . . .IC

(refer to guidelines on page 2-6)

# Occupation Title

# Occ Class

## **GRAPHIC ARTIST** (see ARTIST)

### **GROCERY STORE, SUPERMARKET**

Cashier . . . . .	A
Manager (office duties only) . . . . .	3A
Manager . . . . .	3A
Proprietor . . . . .	3A
Proprietor (office duties) . . . . .	3A
Stock Clerk . . . . .	A

### **GUARD** . . . . . N/A

### **GUIDANCE COUNSELOR**

College . . . . .	5A
High School . . . . .	4A

### **GUNSMITH** . . . . . 2A

### **HAIRDRESSER** (see BARBER and BEAUTY PARLOR)

### **HEALTH CLUB MANAGER**

Office duties only . . . . .	2A
Other . . . . .	N/A

### **HEDGE FUND MANAGER** . . . . . IC

### **HOSPITAL** (see MEDICAL SERVICES)

### **HOTEL, MOTEL, INN**

AAA recommended, office only, 25 or more employees:

Cashier . . . . .	2A
Clerk . . . . .	2A
Maintenance (skilled worker) . . . . .	A
Manager (office only) . . . . .	3A
Other managers . . . . .	2A
Proprietor (office only) . . . . .	3A
Other proprietors . . . . .	2A
Bellboy . . . . .	N/A
Bartender . . . . .	N/A
Chambermaid . . . . .	N/A
Elevator operator . . . . .	N/A
House detective . . . . .	N/A
Porter . . . . .	N/A
Waiter . . . . .	N/A

Occupation Title	Occ Class
<b>HUMAN RESOURCE MANAGER</b> .....	.4A
<b>ILLUSTRATOR</b> (see ARTIST)	
<b>IMPORTER</b> (no manual duties) .....	.2A
<b>INCINERATION PLANT</b> .....	N/A
<b>INDEPENDENT CONTRACTORS</b> .....	IC*
* Benefits may be limited. Refer to Special Occupation Guidelines page 2-9.	
<b>INSPECTOR</b>	
Building .....	.2A
Credit .....	.2A
Elevator .....	.2A
Food .....	.2A
Insurance .....	.2A
Manufacturing .....	.2A
Real estate .....	.2A
Livestock .....	N/A
Lumber .....	N/A
Railroad .....	N/A
Trucks .....	N/A
<b>INSURANCE INDUSTRY</b>	
Agent (less than 5 yrs. experience) .....	.3A
Agent (5 or more yrs. experience) .....	.4A
Broker (5 or more yrs. experience, \$35,000 first-year commission) ..	.3A
Broker (other) .....	.2A
Claims Examiner and Underwriter (Home Office only) .....	.4A
Clerk .....	.2A
General agent .....	.5A
Office manager (Over \$50,000 and 5 years experience) .....	.4A
Office manager (Over \$30,000 and 3 years experience) .....	.3A
Office manager (other) .....	.2A
<b>INTERIOR DECORATOR</b> (see DECORATOR)	
<b>INTERPRETER</b> .....	.3A
<b>INVESTMENT BROKER</b> (see BROKER)	
<b>JANITOR</b> .....	N/A

Occupation Title	Occ Class
<b>JEWELER</b>	
Cutting .....	.2A
Merchant (see also RETAIL SALES).....	.3A
Polishing .....	.2A
Repairing .....	.2A
Setting .....	.2A
<b>JOCKEY</b> .....	.N/A
<b>JOURNALIST</b> (see WRITER)	
<b>JUNK DEALER</b>	
Proprietor (office duties) .....	.2A
Proprietor (supervising only, no manual labor) .....	.A
Other .....	.N/A
<b>KENNEL</b>	
Proprietor (office duties) .....	.2A
Groom .....	.N/A
Trainer .....	.N/A
Other .....	.N/A
<b>KEY MAKER</b> (see LOCKSMITH)	
<b>LABOR UNIONS</b>	
Business agent .....	.2A
Union official, office duties only .....	.3A
Organizer .....	.N/A
<b>LABORATORY TECHNICIAN</b> (see MEDICAL SERVICES)	
<b>LABORER</b> (not otherwise classified)	
Skilled .....	.N/A
Unskilled .....	.N/A
<b>LANDSCAPE ARCHITECT</b> (see ARCHITECT)	
<b>LANDSCAPER</b> (see GARDENER)	
<b>LAWYER</b> (see LEGAL)	
<b>LAUNDRY</b> (see DRY CLEANING, LAUNDRY, DYEING)	
<b>LEASING COMPANIES</b>	
Executive .....	.3A
Supervision .....	.A
<b>LECTURERS</b> .....	.IC

# Occupation Title

# Occ Class

## LEGAL

Attorney	5A
Court Reporter	N/A
Legal Assistant	
Certified	3A
Other	2A
Legal Secretary	3A
Legal Transcriber (not at home)	2A
Paralegal	3A
Title Abstractor/Searcher	3A

## LENS

Grinder	2A
Polisher	2A
Cutter	N/A

## LIBRARIAN . . . . . 4A

## LIQUOR INDUSTRY (also see RESTAURANT/BAR)

### Brewery, distillery, winery:

Foreman	2A
Inspector	2A

### Liquor store sales (none consumed on premises):

Manager (office duties only)	3A
Manager (supervisory duties only)	2A
Proprietor (office duties only)	3A
Proprietor (supervisory duties only)	2A
Sales person	2A
Shipping clerk	A

## LITERARY AGENT . . . . . 3A

## LITHOGRAPHER (see PRINTING)

## LIVESTOCK

Broker (not handling stock)	3A
Buyer (not handling stock)	3A
Farmer or rancher (see AGRICULTURE)	
Inspector	N/A
Stockyard worker	N/A
Weigher	N/A

## LOBBYIST . . . . . 3A

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Occupation Title	Occ Class
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**LOCKSMITH** ..... 2A

**LUMBER INDUSTRY** Logging (not in forest, office duties only):

Proprietor .....	IC
Clerk .....	IC
Contractor .....	IC
Grader .....	N/A
Inspector .....	N/A
Logger .....	N/A
Lumber worker .....	N/A
Mill foreman .....	N/A
Other mill worker .....	N/A
Sawyer .....	N/A
Skilled machine operator .....	N/A
Timber cruiser .....	N/A
Forester (teaching only) .....	IC

**MAGAZINES** (see PRINTING and PUBLISHING)

**MANAGEMENT CONSULTANT** (see CONSULTANT)

**MANICURIST** (see BARBER and BEAUTY PARLOR)

**MANUFACTURING** (see also CHEMICAL INDUSTRY)

Assembler .....	A
Bench worker (not using machines) .....	A
Designer (office and consulting only) .....	3A
Diemaker .....	A
Draftsman (office and consulting only) .....	3A
Electrician .....	A
Foreman (working) .....	A
Foreman .....	2A
Inspector .....	2A
Installer .....	A
Lab technician .....	2A
Machine operator .....	A
Machinist .....	A
Mechanic .....	A
Millwright .....	A
Other skilled worker .....	2A
Pattern maker .....	A

# Occupation Title

# Occ Class

## MANUFACTURING (continued):

Receiving clerk	.2A
Shipping clerk	.2A
Superintendent	.2A
Tester	.A
Toolmaker	.A
Craneman	.N/A
Fireman	.N/A
Grinder	.N/A
Kiln operator	.N/A
Other unskilled worker	.N/A
Warehouse worker	.N/A
Welder	.N/A
Yardman	.N/A

## **MANUFACTURER'S REPRESENTATIVE**

(see specific industry or SALES PERSON)

## **MARINE INDUSTRY** (also see specific industry)

Harbor master	.2A
Harbor pilot	.A

### Marina:

Manager	.2A
Owner	.2A
Skilled worker	.A
Unskilled worker	.N/A
Dock worker	.N/A
Longshoreman	.N/A
Passenger liner, freighter, tanker	.N/A

## **MARKET RESEARCH ANALYST** . . . . .3A

## **MASSAGE THERAPIST** (see MEDICAL SERVICES)

## **MASSEUR** (health club only) . . . . .A

## **MEDICAL SERVICES**

Chiropractor	.N/A
Homeopath	.3A



# Occupation Title

# Occ Class

## MEDICAL SERVICES (continued):

### Hospital:

Administrator/executive . . . . .	5A
All others (other administrators) . . . . .	3A
Cook . . . . .	A
Dietitians (no cooking) . . . . .	3A
Managers . . . . .	3A
Nutritionist . . . . .	3A
Other office workers (see OFFICE WORKER)	

### All other nonprofessional employees:

Housekeeping . . . . .	N/A
Kitchen . . . . .	N/A
Laundry workers . . . . .	N/A
Maintenance personnel . . . . .	N/A
Security . . . . .	N/A
EMT (Emergency Medical Technician) . . . . .	N/A
Medical Assistant . . . . .	3A

### Midwife:

Registered nurses (with advanced midwifery specialization working in a hospital/clinic/ doctor's office setting only) . . . . .	3A
Other registered nurses practicing midwifery in hospital/clinic/doctor's office only . . . . .	2A
Others, or in rural areas making "house calls" as visiting nurses . . .	N/A
Naprapath . . . . .	2A
Naturopath/homeopath . . . . .	2A

### Nurses (not psychiatric):

Licensed Practical Nurses (LPN) in hospital (not psychiatric), clinic, . . (including nursing home only), doctor's office . . . . .	2A
Nurses aides . . . . .	N/A
Nurse anesthetist . . . . .	3A
Nurse practitioner . . . . .	3A
Nursing supervisor (admin. duties only) . . . . .	2A
Private duty nurse (outside hospital) . . . . .	N/A
Registered Nurses (RN) in hospital (not psychiatric), clinic, (including nursing homes only), doctor's office . . . . .	2A
Visiting nurses (all levels) . . . . .	IC
Nurses in psychiatric hospitals . . . . .	N/A
Nurses in restricted psychiatric wards in hospitals . . . . .	N/A

# Occupation Title

# Occ Class

## MEDICAL SERVICES (continued):

Orderly . . . . .	N/A
Orthotist . . . . .	3A
Ophthalmologist . . . . .	3P
Optometrist . . . . .	5P
Optician . . . . .	3A
Paramedical examiners:	
In paramed facility or clinic exclusively . . . . .	2A
Others . . . . .	N/A
Perfusionist . . . . .	3A
Periodontist . . . . .	4P
Prosthetist . . . . .	3A
Physicians/ Medical Specialist:*	
Acupuncturist, MD . . . . .	3P
Allergist . . . . .	5P
Anesthesiologist . . . . .	3P
Cardiologist, invasive/interventional . . . . .	3P
Cardiologist, non-invasive . . . . .	5P
Cardiovascular Surgeon . . . . .	3P
Dermatologist, invasive . . . . .	4P
Dermatologist, non-invasive . . . . .	5P
Embryologist . . . . .	4P
Emergency Room . . . . .	3P
Endocrinologist . . . . .	5P
Endodontist . . . . .	4P
ENT . . . . .	4P
Family Practice Physician . . . . .	5P
Gastroenterologist . . . . .	5P
General Surgeon . . . . .	3P
Geneticist . . . . .	4P
Geriatrician . . . . .	5P
Gynecologist . . . . .	3P
Hematologist . . . . .	5P
Hospitalist . . . . .	5P
Immunologist . . . . .	5P
Infertility Specialist . . . . .	4P
Internal Medicine . . . . .	5P
Medical Resident*** . . . . .	3P

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# Occupation Title

# Occ Class

## MEDICAL SERVICES (continued):

Medical Student***	3P
Neonatologist, invasive	5P
Neonatologist, non-invasive	5P
Nephrologist	5P
Neurological Surgery	3P
Neurologist	5P
Obstetrician	3P
Obstetrician/Gynecologist	4P
Occupational Medicine Specialist	4P
Oncologist	5P
Oncologist, surgical	3P
Ophthalmologist	3P
Optometrist	5P
Oral & Maxillofacial Surgeons	4P
Orthodontist	4P
Orthopedic Surgeon	3P
Osteopath, invasive	4P
Osteopath, non-invasive	4P
Pain Management Specialist	3P
Pathologist	5P
Pediatric Dentist	4P
Pediatrician	5P
Physiatrist	5P
Periodontists	4P
Podiatrist	4P
Prosthodontists	4P
Psychiatrist	4P
Psychologist (PhD)	5P
Pulmonologists	5P
Radiologist, invasive	4P
Radiologist, non-invasive	5P
Rheumatologist	5P
Thoracic Surgeon	3P
Toxicologist	3P
Urologist	4P

\*Best occ class for Invasive Physicians will be 3P

\*\*\*If Specialty chosen, then use appropriate occ class

# Occupation Title

# Occ Class

## MEDICAL SERVICES (continued):

Physician's Assistant . . . . .3A

### Technicians:

(in hospital, clinic or doctor's office only)

Dialysis . . . . .3A

ECG . . . . .3A

Laboratory . . . . .3A

Medical . . . . .3A

Ultrasound . . . . .3A

X-ray . . . . .3A

### Therapists (in hospital, clinic or doctor's office):

Audiologist . . . . .3A

Exercise physiologist . . . . .2A

### Massage:

Certified . . . . .A

Licensed . . . . .A

Others . . . . .N/A

Occupational . . . . .3A

Physical . . . . .3A

Psychiatrist . . . . .4P

Psychologist (PHD) . . . . .5P

Psychotherapist . . . . .4A

Radiation therapist . . . . .2A

Respiratory . . . . .2A

Speech therapist/pathologist . . . . .3A

Others . . . . .N/A

**MEETING PLANNER** . . . . .3A

**MERCHANT** (see RETAIL SALES)

**METALLURGIST** (see SCIENTIST)

**MILITARY PERSONNEL** . . . . .N/A

### **MINING** (office duties only)

Chemist . . . . .3A

Manager . . . . .3A

Owner . . . . .3A

Mining engineer (surface work only, 20% of time) . . . . .3A

Chemist . . . . .2A

Manager . . . . .2A

Occupation Title	Occ Class
MINING (continued):	
Mining engineer . . . . .	.2A
Others . . . . .	N/A
<b>MINISTER, RABBI and CANTOR</b> . . . . .	.3A
<b>MODEL</b> . . . . .	N/A
<b>MONUMENT INDUSTRY</b>	
Dealer (office only) . . . . .	.3A
Other dealer (supervisory only) . . . . .	.2A
Proprietor (office only) . . . . .	.3A
Other proprietor (supervisory only) . . . . .	.2A
Delivery person . . . . .	N/A
Engraver . . . . .	N/A
<b>MORTGAGE BROKER</b> (see BROKER)	
<b>MOTEL</b> (see HOTEL, MOTEL, INNS)	
<b>MOTION PICTURE and THEATER</b> (see ENTERTAINMENT INDUSTRY)	
<b>MOVING and STORAGE</b>	
Dispatcher . . . . .	.A
Estimator . . . . .	.A
Foreman . . . . .	.A
Manager (office only) . . . . .	.2A
Proprietor (office only) . . . . .	.2A
Sales Person (not handling freight) . . . . .	.A
Checker . . . . .	N/A
Driver . . . . .	N/A
Freight Handler . . . . .	N/A
Watchman . . . . .	N/A
<b>MUSICIAN</b>	
Concert (working full-time) . . . . .	.2A
Music teacher (classroom only) . . . . .	.4A
Other music teacher (not in home) . . . . .	.3A
Symphony (working full-time) . . . . .	.2A
Others . . . . .	N/A
<b>NATURAL GAS INDUSTRY</b> (see OIL and NATURAL GAS)	
<b>NEWSPAPER INDUSTRY</b> (see also PRINTING and PUBLISHING)	
Correspondent . . . . .	.2A
Photographer . . . . .	.2A

# Occupation Title

# Occ Class

## NEWSPAPER INDUSTRY (continued):

Reporter (in field) . . . . .	.2A
Deliverer . . . . .	N/A

## **NURSES** (see MEDICAL SERVICES)

## **NURSERYMAN** (see FLORIST or GARDENER)

## **OCCUPATIONAL THERAPIST** (see MEDICAL SERVICES)

## **OFFICE WORKER**

Administrator . . . . .	.3A
Administrative Assistant:	
Over \$50,000 and 5 yrs. experience . . . . .	.4A
Over \$30,000 and 3yrs experience . . . . .	.3A
Others . . . . .	.2A
Office clerk:	
Min. 3 yrs. of exp., income >\$30,000 . . . . .	.3A
Others . . . . .	.2A
Office manager:	
Over \$50,000 and 5yrs experience . . . . .	.4A
Over \$30,000 and 3 yrs experience . . . . .	.3A
Others . . . . .	.2A
Secretary . . . . .	.2A
Stenographer . . . . .	.2A
Stenotyper . . . . .	.2A
Typist . . . . .	.2A

## **OFFICE EQUIPMENT**

Repairing . . . . .	.2A
Sales . . . . .	.3A
Delivery . . . . .	N/A

## **OIL AND NATURAL GAS**

### On shore drilling and certain platform occupations:

Foreman . . . . .	.A
Manager (no manual duties) . . . . .	.2A
Off-shore worker, Stationary Engineer . . . . .	.A
Superintendent (no manual duties) . . . . .	.2A
Blacksmith . . . . .	N/A
Crane Operator . . . . .	N/A
Driller . . . . .	N/A

# Occupation Title

# Occ Class

## OIL AND NATURAL GAS (continued):

Firefighter . . . . .	N/A
Off-shore worker, Pumpman . . . . .	N/A
Pipeline:	
Foreman . . . . .	A
Inspector . . . . .	N/A
Pumper . . . . .	N/A
Repairman . . . . .	N/A
Trench machine operator . . . . .	N/A
Welder . . . . .	N/A
Refinery (see also MANUFACTURING) . . . . .	N/A

## **OPTICIAN**

Grinding and shop work . . . . .	2A
Selling and fitting only . . . . .	3A

## **OPTOMETRIST** (see MEDICAL SERVICES)

## **ORTHOTIST** (see MEDICAL SERVICES)

## **PACKING and SLAUGHTERHOUSE**

All occupations . . . . .	N/A
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## **PAINTER**

Interior . . . . .	A
Sign (in shop) . . . . .	A
Bridge . . . . .	N/A
Exterior (house or sign) . . . . .	N/A
Spire . . . . .	N/A
Structural steel . . . . .	N/A

## **PAPERHANGER** . . . . .

. . . . .	A
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## **PARALEGAL** (see LEGAL)

## **PARKING ATTENDANT** . . . . .

. . . . .	N/A
-----------	-----

## **PASTRY CHEF** (see RESTAURANT/BAR)

## **PAWNBROKER** . . . . .

. . . . .	N/A
-----------	-----

## **PAYROLL CLERK** . . . . .

. . . . .	3A
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## **PERIODONTIST** (see DENTISTRY)

## **PERSONNEL AGENCY**

Manager . . . . .	3A
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# Occupation Title

# Occ Class

## PERSONNEL AGENCY (continued)

Proprietor (owner) . . . . .	4A
Recruiter . . . . .	3A
Other (see OFFICE WORKER)	

## PHARMACIST

Clinical Pharmacist . . . . .	4A
Hospital Pharmacy Doctor . . . . .	4A
Registered/Retail . . . . .	4A

## PHOTOGRAPHER

Commercial . . . . .	2A
Motion picture . . . . .	2A
Newspaper . . . . .	2A
Studio (portrait only, not in home) . . . . .	2A
Aerial . . . . .	N/A
Underwater . . . . .	N/A

## PHYSICAL THERAPIST (see MEDICAL SERVICES)

## PHYSICIST (see SCIENTIST)

## PIANO

Repairer . . . . .	A
Tuner . . . . .	2A

## PILOT (Commercial Aircraft) . . . . . N/A

## PODIATRIST (see MEDICAL SERVICES)

## POLICE OFFICER . . . . . N/A

## PORTFOLIO MANAGER . . . . . 4A

## POSTAL EMPLOYEES

Inspector (office duties only) . . . . .	3A
Letter Carriers . . . . .	N/A
Postmaster General . . . . .	3A

## PRINTING and PUBLISHING (see also NEWSPAPER)

Bookbinder . . . . .	2A
Compositor . . . . .	A
Copywriter (office duties only) . . . . .	2A
Correspondent . . . . .	2A
Editor . . . . .	4A
Electrotyper . . . . .	A
Engraver . . . . .	2A

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# Occupation Title

# Occ Class

## PRINTING and PUBLISHING (continued):

Executive	5A
Foreman	2A
Linotype Operator	A
Lithographer	A
Lithographic artist	3A
Machine operator	A
Mechanic	A
Other skilled worker	A
Photographer	2A
Pressman	A
Proofreader	2A
Proprietor	4A
Publisher	4A
Reporter (in field)	2A
Typesetter	A

## PROFESSOR (College/University)

Masters level instructor	5A
Ph.D. (not government or municipal employee, classroom duties only)	5A

## PUBLIC RELATIONS AGENT 3A

## PROSTHETIST (see MEDICAL SERVICES)

## PURCHASING AGENT (Office duties only) 3A

## PYROTECHNIST N/A

## QUARRY WORKERS

Compressor engineers	A
Foreman	A
Skilled workers	A
Explosive handlers	N/A

## RADIO (see ENTERTAINMENT INDUSTRY)

## RAILROAD or SUBWAY (see TRANSPORTATION)

## REAL ESTATE

Appraiser	2A
Building Superintendent	2A
Commercial sales only	3A
Inspector	2A
Owner (min. \$75,000 for 3 years)	3A

# Occupation Title

# Occ Class

REAL ESTATE (continued)

Owner (less than \$75,000) .....2A

Residential sales:

Minimum 3 yrs. in business, \$50,000 income for 2 yrs. ....3A

Others .....2A

**REAL ESTATE DEVELOPERS** ..... IC\*

\* Benefits if available will be limited.

**RECRUITER** .....3A

**REDUCING SALON** All occupations .....3A

**REPAIRMAN** (see specific industry)

Not otherwise classified .....A

**REPORTER** (see also NEWSPAPER INDUSTRY)

Court .....N/A

Newspaper (in field) .....2A

**RESPIRATORY THERAPIST** (see MEDICAL SERVICES)

**RESTAURANT/BAR** (see also CATERER)

AAA recommended establishment:

Cashier .....2A

Chef .....3A

Cook .....2A

Hostess .....2A

Manager .....2A

Proprietor .....2A

Bartender .....N/A

Busboy .....N/A

Checkroom attendant .....N/A

Dishwasher .....N/A

Waiter .....N/A

Waitress .....N/A

Nightclubs (all occupations) .....N/A

Other establishments (diner, drive-in, fast-food):

Manager (office duties only) .....2A

Proprietor (office duties only) .....2A

Bartender .....N/A

Busboy .....N/A

# Occupation Title

# Occ Class

## RESTAURANT/BAR (continued):

Cashier	N/A
Chef	N/A
Cook	N/A
Counterman	N/A
Dishwasher	N/A
Other employee	N/A
Waiter	N/A
Waitress	N/A

## RETAIL SALES (see also specific industry)

Manager	3A
Proprietor (office duties only)	4A
Receiving clerk	2A
Sales clerk (no delivering)	2A
Shipping clerk (light items)	2A
Stock clerk (heavy items)	A
Canvassing	N/A
Convenience stores (all occupations)	N/A
Delivering	N/A
Repairing	N/A

## RUG CLEANER

## SALES PERSON (see specific industry if not otherwise classified)

Industrial products	4A
In-home sales (cosmetics, dinnerware)	N/A
Inside sales clerk	2A
Manufacturer's representative (soliciting orders, no delivery, dealing with business only, minimum \$75,000 net income in each of last 2 yrs.)	4A
Manufacturer's representative (other)	3A
Pharmaceutical sales representative	4A
Route sales person (delivery by truck or van)	N/A
Sales manager (salaried, executive duties, incidental travel only, 3 yrs. experience, \$50,000 income)	4A
Sales manager (other)	3A
Sales person (no canvassing, delivering or repairing)	3A
Sales person (door-to-door delivery or repairing)	N/A

# Occupation Title

# Occ Class

## **SANITATION and SEWAGE DISPOSAL**

Foreman .....	A
Collector .....	N/A
Equipment operator .....	N/A
Government employee .....	N/A
Inspector .....	N/A
Maintenance worker .....	N/A
Mechanic .....	N/A
Trucker .....	N/A

## **SCIENTIST** (also see specific industry)

Office or laboratory only:

Archeologist .....	5A
Bacteriologist .....	5A
Biochemist .....	5A
Biologist .....	5A
Botanist .....	5A
Chemist (see CHEMICAL INDUSTRY)	
Geologist .....	5A
Office and consulting only .....	5A
On-shore field work .....	3A
Off-shore field work .....	N/A
Metallurgist .....	5A
Meteorologist .....	5A
Physicist .....	5A
Scientist .....	5A
Zoologist .....	5A

## **SEAMSTRESS** (see TAILOR)

## **SECRETARY** (see OFFICE WORKER)

## **SERVANT or DOMESTIC** .....

N/A

## **SERVICE STATION** (see AUTOMOBILE)

## **SHIPBUILDING** (see MANUFACTURING)

## **SHOE REPAIR** .....

A

# Occupation Title

# Occ Class

## **SIGN and BILLBOARD INDUSTRY**

Designer .....	3A
Draftsman .....	3A
Other skilled production .....	A
Painter (in shop only) .....	A
Erector .....	N/A
Maintenance worker .....	N/A
Outside painter .....	N/A

**SKATING RINK** All occupations ..... N/A

**SLAUGHTERHOUSE** (see PACKING and SLAUGHTERHOUSE)

## **SOCIAL SERVICE WORKER**

LCSW (office only).....	4A
MSW (office only) .....	4A
Other .....	3A

**SPEAKERS** ..... IC

**SPEECH THERAPIST** (see MEDICAL SERVICES)

**SPORTS** (see ATHLETICS)

**STABLE** All occupations ..... N/A

**STATISTICIAN** ..... 5A

**STENOGRAPHER, STENOTYPER** (see OFFICE WORKER)

**STOCK BROKER** (see BROKER)

**STEWARDESS** (see AIRLINE)

**STUDENT** (see also Starting Professional Limits page 1-4) ..... N/A

## **SURVEYOR**

Field work .....	2A
Supervisory only .....	3A

## **TAILORING**

Dressmaker (not in home or factory) .....	2A
Seamstress .....	2A
Tailor .....	2A

**TAXICAB DRIVER** (see DRIVER)

**TAXIDERMIST** ..... 2A

# Occupation Title

# Occ Class

## **TEACHERS** (see also PROFESSOR) (See page 2-6 for the PERS Guidelines.)

Principal/Superintendent of Schools . . . . .	4A
Not government or municipal employee, full-time in classroom:	
Academic (min. 5 yrs. experience and/or Master's degree) . . . . .	4A
Academic (min. \$25,000 income for past 2 yrs.) Otherwise 2A. . . . .	3A
Home economics. . . . .	3A
Physical education . . . . .	2A
Shop . . . . .	2A
Aide . . . . .	IC
Dance instructor . . . . .	IC
Fitness facility . . . . .	N/A
Judo . . . . .	N/A
Karate . . . . .	N/A
Martial arts . . . . .	N/A
Music (see MUSICIAN)	

## **TELEPHONE INDUSTRY**

Executive. . . . .	5A
Foreman . . . . .	2A
Inspector . . . . .	2A
Installer (inside) . . . . .	2A
Manager (office only) . . . . .	3A
Supervisor . . . . .	2A
Switchboard maintenance . . . . .	2A
Switchboard operator . . . . .	2A
Cable splicer . . . . .	N/A
Inspector . . . . .	N/A
Lineman . . . . .	N/A
Meter installer . . . . .	N/A
Outside foreman . . . . .	N/A

## **TELEVISION and RADIO BROADCASTING**

(see also ENTERTAINMENT INDUSTRY)

Repairman . . . . .	2A
Sales and service:	
Dealer, proprietor (no repairing) . . . . .	3A
Antenna erector . . . . .	N/A

## **TENNIS CLUB** (see ATHLETICS or GOLF CLUB)

# Occupation Title

# Occ Class

**TEXTILE INDUSTRY** (see MANUFACTURING)

**THEATER** (see ENTERTAINMENT)

**THERAPIST** (see MEDICAL SERVICES)

**TOOLMAKER, DIEMAKER** (see MANUFACTURING)

**TOPOGRAPHER** .....3A

**TRAINER** (see specific industry)

**TRAINING AND DEVELOPMENT SPECIALIST**

Min. 5 yrs. of experience, income >\$50,000 .....4A

Other .....3A

**TRANSPORTATION INDUSTRY** (BUS or RAIL)

(Not government employee)

Dispatcher .....2A

Executive .....3A

Manager (office only) .....3A

Telegrapher .....2A

Ticket agent .....2A

Baggage handler .....N/A

Baggage agent .....N/A

Brakeman .....N/A

Conductor .....N/A

Engineer .....N/A

Fireman .....N/A

Foreman .....N/A

Freight agent .....N/A

Guard Inspector .....N/A

Maintenance worker .....N/A

Mechanic .....N/A

Serviceman .....N/A

Signalman .....N/A

Watchman in tow .....N/A

Yard worker .....N/A

**TRAVEL**

Agent .....3A

Tour Director (not seasonal) .....N/A

# Occupation Title

# Occ Class

## TREE SERVICES

Tree Sprayer	N/A
Tree Surgeon	A
Trimmer	N/A

**TRUCK DRIVER** . . . . . N/A

**ULTRASOUND TECHNICIAN** (see MEDICAL SERVICES)

**UNDERTAKER** (see FUNERAL DIRECTOR)

**UNION OFFICIAL** (see LABOR UNION)

**UPHOLSTERER** . . . . . A

**VENDING MACHINES** All occupations . . . . . N/A

**VENTURE CAPITALIST** . . . . . IC

## VETERINARIAN

Large Animals	3A
Small Animals	4A
Technician	2A

**WAITER or WAITRESS** (see RESTAURANT/BAR)

## WAREHOUSE

Manager (office duties only)	2A
Proprietor (office duties only)	2A
Manager (general duties)	N/A
Proprietor (general duties)	N/A
Other workers	N/A
Watchman	N/A

**WATCHMAN** (see GUARD)

## WATER PROCESSING

Filterman	A
Foreman	2A
Inspector	2A
Meter installer	A
Other skilled worker	A
Outside superintendent	A
Pumpman	A
Tester	2A
Well driller	N/A

**WINDOW CLEANER** . . . . . N/A



# Occupation Title

# Occ Class

## WRITER

On staff of newspaper, magazine (inside only, min. \$45,000 income) . . .	3A
All others on staff . . . . .	2A
Reporter (in field) . . . . .	2A
Technical writer . . . . .	3A
Freelance . . . . .	N/A
Other . . . . .	N/A
TV or Film (see ENTERTAINMENT INDUSTRY)	

## X-RAY (see MEDICAL SERVICES)

## ZOOLOGIST (see SCIENTIST)

## ZOO

Attendant . . . . .	N/A
Feeder . . . . .	N/A
Zookeeper . . . . .	N/A

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## Section 3

### Financial Underwriting

- 3-1 | Financial Underwriting
- 3-3 | Net Worth
- 3-4 | New Businesses, Insuring
- 3-4 | Depreciation Expense
- 3-5 | Business Owner Benefit Increase Program
- 3-5 | Federal Income Tax Guidelines
- 3-6 | State Cash Sickness Benefits
- 3-8 | Qualified Sick Pay Plans
- 3-9 | Financial Requirements
- 3-11 | Business Owners – How to Calculate Earned Income
- 3-12 | Tax Consequences – DI
- 3-13 | Tax Consequences – BOE
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- 3-15 | MassMutual Issue and Participation Limits
- 3-20 | Non-Taxable Issue Limit Chart No-Group LTD
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- 3-29 | Non-Taxable Issue and Participation Limit Chart with Group LTD Only
- 3-33 | Taxable Issue and Participation Limit Chart with Group LTD Only
- 3-35 | Examples of Group LTD with Individual Coverage Plan Formulas
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# Financial Underwriting

Disability Income Coverage is offered to clients based on a percent of their current earned income. Ideally, total in-force coverage is large enough to provide income for necessities during a disability, but small enough to retain the motivation to return to work and accustomed income. That percent is ordinarily between 60% and 80% and varies based on whether the benefits will be taxable or non-taxable and whether Group LTD coverage is in-force. Coverage is offered at this replacement ratio percent so that the insured has incentive to return to work. For this reason, financial underwriting is extremely important.

Clients who currently have coverage that exceeds our Issue and Participation Limits (page 3-15) based on income (i.e., do not financially qualify for additional coverage) are **not** eligible to apply for additional coverage **or products**. For more information and examples, see page 1-7.

## Total Earned Income

For MassMutual underwriting purposes total earned income is defined as income after business expenses and as reported for federal tax purposes. Included are wages, salary, commissions, regular bonuses, and the applicant's share of profits or losses in any entity in which the applicant has an ownership share, including any corporation. For business owners MassMutual will also include employer contributions made to a retirement plan on the owner's behalf that were deducted as a business expense.

## Unearned Income and Net Worth

Because disability income insurance is a need-based product, coverage may be reduced for sizeable unearned income and/or net worth. Unearned income less than 15% of earned income per year and/or net worth less than \$10,000,000 will usually be ignored. Applicants with substantial amounts of unearned income and/or net worth may be declined for coverage.

## Unearned Income Offset

- We will **disregard** unearned income only if it is equal to or less than 15% of total earned income. Unearned income may include interest, tax-exempt interest, dividends, capital gains/losses, rental income, and passive partnership and S-Corporation interests
- If an amount of unearned income **in excess of 15% of earned income** exists, it will be halved and then divided by 12 to determine the reduction in total monthly coverage (Subtract from I & P Limit)
- Military pensions and other pensions currently being distributed will be used to offset coverage on a dollar for dollar basis. If non-taxable coverage is being applied for, the taxable monthly pension distributions can be converted to a non-taxable benefit by multiplying by .75 (Subtract from I & P Limit)
- Alimony Offset – Short-term alimony agreements 1-3 years will be ignored. Long-term agreements require that we offset dollar for dollar. If non-taxable coverage is being applied for, the taxable monthly alimony payments can be converted to a non-taxable benefit by multiplying by .75 (Subtract from I & P Limit)
- Child support payments are not treated as earned income or unearned income. There will be no offset to the Issue and Participation limits

### Example

#### **A potential insured has the following:**

- Earned income – \$250,000 (W-2)
- Unearned income – \$60,000 (Comprised of tax-exempt interest, dividends, rental income)

#### **What dollar amount of unearned income should be ignored?**

\$37,500 should be ignored ( $\$250,000 \times .15 = \$37,500$ ); we ignore 15% of earned income

#### **How should the excess amount (of unearned income) be treated?**

The excess of \$22,500 ( $\$60,000 - \$37,500$ ) should be divided by 2, then 12 to determine the monthly offset amount to coverage

## **Net Worth**

Net worth less than \$10,000,000 will usually be ignored. Individual consideration will be given to those whose net worth is \$10,000,000 or more.

A statement of net worth (**DI1961n**) to be completed by your client maybe requested at the underwriter's discretion. The form is available on Field Net or by contacting your underwriter.

## **Financial Documentation**

Financial documentation is required for all cases. See charts on pages **3-9** and **3-10** for financial documentation required based on coverage, in-force and applied for.

## **Determining Income for Business Owners**

The chart on page **3-11** describes the tax forms required for business owners as well as how and where to find earned income used to underwrite disability income coverage.

## New Businesses

New businesses may take several forms. The most common are:

- Existing business being purchased
- Individual starting his/her own business

### Types of documentation to request:

- Prior income earned (in same/similar occupation)
- Tax returns of prior business owner
- Current documentation of receipts and expenses
  - **Accountant-prepared** profit and loss statement (P & L)
  - Receipts: contracts
  - Expenses: if a P & L is not available, we may consider only 50 to 75% of receipts

When considering **new businesses** where only a P & L is available, *submit to your underwriter* so that a financial offer can be developed prior to taking an application. In some instances, we may require six to twelve months of documented earnings prior to making an offer.

## Depreciation Expense

We will add back up to \$25,000 of depreciation expense in consideration of total earned income for purposes of our Issue and Participation Limits.

While it is understood that depreciation expense is not an actual cash expense, also consider that the income statement is not a statement of cash flows. For example, the principal portion of loan payments on depreciable assets will not flow to the income statement but does represent an outflow of cash.

Our contract language also supports this treatment, as depreciation expense is an IRS deductible expense.

## Rental Expense as Income?

**(this addresses situations where a business owner pays rent to him/herself)**

Rent expense is a true expense and must be treated as such. Accordingly, if an applicant is applying for DI and would like us to “add back” rent as earned income, which he/she has paid to him/herself, we cannot. Instead, we recommend offering a BOE policy to insure the rent expense.

Also note that we will exclude the “net rental income” from unearned income for purposes of our 15% rule (see page [3-2](#)).

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## **Business Owner Benefit Increase Program**

We recognize that earned income may not accurately reflect the amount of income a business owner needs to protect. If an applicant is at least a 20% active working owner, we can offer the Business Owner Benefit Increase Program. This program provides an additional monthly benefit increase of up to \$2,500. The additional monthly benefit amount is determined by increasing the business owner's earned income by 20%.\*

Example: Business Owner earns \$85,000

- $\$85,000 \times 20\% = \$17,000$
- $\$85,000 + \$17,000 = \$102,000$

Insurable income used to determine monthly benefit amount is \$102,000.

\*not to exceed maximum published limits; not available to medical/dental markets

## **Federal Income Tax Guidelines**

Disability income insurance premiums and benefits are subject to varying tax laws depending upon policy ownership, who pays the premium, and who receives the benefit payments. These guidelines are for producer information only.

### **Individuals and Disability Insurance**

Many disability income policies are set up with the insured as the owner, premium payer, and recipient of benefits. Under these circumstances, premiums are not deductible, and benefits are received tax-free.

### **Businesses and Disability Insurance**

Businesses may also purchase disability policies for their employees or endorse the sale of disability policies, which are paid for by the employees. Within a business, disability insurance should be offered within a qualified sick pay plan (see below).

Under a traditional employer-pay-all plan, benefits are taxable to the insured. To offset this taxation, higher issue limits are available. Under a "bonus plan," often referred to as a "section 162 bonus plan," premiums are included in the taxable income of the insured on an annual basis and benefits are received tax-free.

If a proposed insured has an ownership interest in a partnership, S-Corporation or Limited Liability Partnership and participates in a plan provided by that business, deducted premium payments must be included in each partner's or shareholder's income. Accordingly, benefits are tax-free. Note that sole proprietors cannot deduct disability insurance premiums; therefore, any benefits they receive will be tax-free.

Small business owners may purchase Business Overhead Insurance (BOE) to reimburse them for overhead expenses while disabled. Also, small businesses with at least two active owners may use MassMutual's Buy-Sell product to fund disability Buy-Sell agreements.

The federal income tax effects on all of these uses are shown in the Tax Guide Table on pages 3-12 through 3-14.

## State Cash Sickness Benefits

Certain states provide residents benefits as a state-funded program. State Cash Sickness States include: Rhode Island, New York, New Jersey, Hawaii, Puerto Rico and California. These states provide a benefit to its residents for at least six months. The existence of these benefits requires programming around any state benefits when considering the issue amount for DI. How this is done depends on whether there is existing Group LTD and when the individual DI benefits will begin.

### Policies for Residents of California

California procedures to offset for cash state sickness benefits differ from other states because:

- CA state benefit is payable up to 1 year – twice as long as most other states

### General Information:

- California State Disability Insurance (SDI) is a partial wage-replacement insurance plan for California workers, which is state mandated, and funded through employee payroll deductions.
- All employees in California must participate unless employed by an exempt organization (i.e most government employees, some employees of non-profit agencies, employees who claim religious exemptions, railroad employees) or if voluntarily covered by an insured or self-insured plan through an employer.

- Benefit amount offset currently used is up to \$1,960 taxable, or approximately 55% of earnings. MassMutual will offset for taxes when the client is applying for a non-taxable benefit, therefore, \$1,470 ( $\$1,960 \times .75$ ).
- Benefit period is a maximum of 52 weeks, elimination period 7 days.
- Owners of sole proprietorships, and general partnerships do not have State Cash Sickness benefits.
- Owners of an S-Corporation or C-Corporation may participate if they choose. Information regarding participation is found on their W-2. If they choose to opt out of participating, they must file an Exclusion Form with the State.

**A) If no Group LTD** is in-force, the following adjustments should be made:

- 2A or A occupation classes must purchase SIR which offsets for State Benefits
- Only 3A/3P, 4A/4P and 5A/5P occupation classes with a 180-day wait need to use the **Short Term Rider 1** offset by the State Cash Benefit

**B) Group LTD** plans already offset for state benefits. A policy with the same or longer waiting period as the Group LTD needs no adjustment. When the waiting period on the individual coverage is shorter than the waiting period on the Group LTD, the following adjustment will be made:

- 2A and A occupation classes with a 60- or 90-day wait need to offset for the State Cash Benefit by using the **Short Term Rider 1**
- 3A/3P, 4A/4P or 5A/5P occupation classes with a 60-day wait need to offset for the State Cash Benefit by using the **Short Term Rider 1**

\* We will offset for taxes when the client is applying for a non-taxable benefit; therefore, \$1,470 ( $\$1,960 \times .75$ ) should be subtracted

## Qualified Sick Pay Plans

A Qualified Sick Pay Plan is an agreement that sets company policy before a disability occurs. It establishes who to pay, how much to pay, when payments begin and how long they will be paid. The plan must be instituted before an employee becomes disabled and employees must be aware of the terms of the plan. It must also be in writing and the board of directors must have a resolution adopting the plan.

Where no formal plan exists, the “wages” paid to a disabled employee may not qualify as a business expense, are not tax-deductible nor are the associated payroll taxes.

When a formal plan is in place the employer may deduct premiums paid from company funds. These premiums are considered ordinary and necessary business expenses and are tax-deductible. Employer-paid premiums are not included in the employee’s income.

Establishing a plan solves the tax problem. However, unless the plan is properly funded, the employer is still at risk for paying disability benefits out of company assets. By funding the plan with a MassMutual disability income policy issued on each employee, that risk is transferred. MassMutual will determine eligibility for benefit payments, process the claims and provide all insured benefits. The employer enjoys a fixed premium expense that is tax-deductible.

## Financial Requirements For

### Disability Income Coverage – Radius<sup>®\*</sup> and Radius Transition Select

#### Employee, Non-owner

#### California

- (a) Applied for and in force Coverage under \$3000 and under
- (b) Applied for and in force Coverage \$3001 and under \$10,000
- (c) Applied for and in-force coverage \$1000-\$14,999
- (d) Applied for and in-force Coverage \$15,000 and over

No financial documentation required

W-2 or current paystub with year to date figure

Submit the **two** most recent W-2's or W-2 & Current paystub with year to date figure

Submit the **two** most recent Forms 1040, with all schedules and attachments including W-2's

\* Business owners applying for Radius must submit business tax returns; for employees applying for amounts above the GSI, additional financial information may also be requested.

## Financial Requirements (continued)

## Disability Income Coverage – Radius® and Radius Transition Select

BUSINESS OWNER** ENTITY	Sole Proprietor (Schedule C)	Partner in a Partnership (Form 1065)	Corporation Shareholder (Form 1120)	S-Corporation Shareholder (Form 1120S)
(a) Applied for and in-force coverage under \$10,000**	Schedule C Submit the most recent:	K-1 or form 1040, pages 1&2, Sch E, and W-2 if LLC	Form 1120, pages 1 & 2 (include Form 1125E for returns 2011 and later)	Form 1120S, page 1 & K-1 and W-2 or forms 1040, Sche E's and W-2's
(b) Applied for and in-force Coverage \$10,000-\$14,999**	Schedule C's and forms 1040 pages 1 & 2 Submit the two most recent:	K-1's and forms 1040, pages 1 & 2. Sch E's and W-2's if LLC	Forms 1120, pages 1 & 2 (include Form 1125E for returns 2011 and later) and forms 1040 pages 1 & 2	Forms 1120S, page 1 & K-1's and forms 1040, pages 1 & 2. Sch E's and W-2's
(c) Applied for and in-force Coverage \$15,000 and over**	Forms 1040, with all schedules and attachments Submit the two most recent:	Forms 1065 with all schedules and attachments and forms 1040 with all schedules and attachments, and W-2's if LLC	Forms 1120 with all schedules and attachments and forms 1040 with all schedules and attachments	Forms 1120S with all schedules and attachments and forms 1040 with all schedules and attachments including W-2's

\* When applicant's net worth exceeds 10M – submit a statement of net worth, form **DI1961n**. Tax forms will be requested as needed.

\*\*In the following situations, documentation required in row (c) should be obtained): When applicant's unearned income exceeds 15% of earned.

+ For Limited Liability Companies (LLC) – request business tax return filed with IRS.

## Business Owners

### How to Calculate Earned Income

<b>Business Entity</b>	<b>IRS Form Filed</b>	<b>What Constitutes Earned Income</b>	<b>Where To Find Earned Income*</b>	<b>What To Submit</b>
<b>Corporation</b>	1120	Salary plus profit plus pension	Share of 1120 taxable income (page 1, line 28) plus salary (page 2 (include Form 1125E for returns 2011 and later), Schedule E) plus pension contributions	Form 1120
<b>S-Corporation</b>	1120S	Salary plus profit plus pension	Share of 1120S ordinary income (Schedule K-1, line 1) plus salary (W-2) plus pension contributions	Form 1120S <b>and</b> W-2
<b>Partnership</b>	1065	Ordinary income plus guaranteed payment	Share of partnership ordinary income (Schedule K-1, line 1) plus guaranteed payment (Schedule K-1, line 4)	Form 1065
<b>Sole Proprietor</b>	Schedule C (included in form 1040)	Net profit	Net profit (Schedule C, line 31)	For 1040 including Schedule C
<b>Limited Liability Company</b>	Varies	Dependent on IRS Form Filed	Determine how LLC is filing for tax purposes and then obtain tax information indicated above	Dependent on IRS Form Filed

\*This table provides basic calculations that may differ from MassMutual's interpretation of earned income in some instances.

## Disability Income Insurance\* – Tax Consequences

### Tax Consequences

Business Entity	Premium Payor	Premium	Benefit Payments	I & P Limits
<b>Non-owner, Individual</b>	Individual	Not tax-deductible IRC §213	Tax-free IRC §104(a)(3)	Non-Taxable
<b>Non-owner, Individual</b>	Business	Tax-deductible IRC §162(a)	Taxable to employee IRC §105(a)	Taxable
<b>Sole Proprietor (Schedule C)</b>	Individual/Owner	Not tax-deductible IRC §213	Tax-free IRC §104(a)(3)	Non-Taxable
<b>Corporation Shareholder (Form 1120)</b>	Business	Tax-deductible IRC §162(a)	Taxable to owner/employee IRC §105(a)	Taxable
	Shareholder/Employee	Not tax-deductible IRC §213	Tax-free IRC §104(a)(3)	Non-Taxable
<b>S-Corporation Shareholder (Form 1120S)</b>	Individual or Business	Tax-deductible as wages (IRC §162(a)) and includible income to shareholder (revenue ruling 91-26)	Tax-free IRC §104(a)(3)	Non-Taxable
<b>Partner in a Partnership (Form 1065)</b>	Individual or Business	Tax-deductible as guaranteed payment (IRC §162(a)) and includible income to partner (revenue ruling 91-26)	Tax-free IRC §104(a)(3)	Non-Taxable

\* **Note:** A formal sick pay plan should be in place if an employer wishes to deduct disability premium payments paid for employees.



# Business Overhead Expense Coverage – Tax Consequences

## Tax Consequences

<b>Business Entity</b>	<b>Premium Payor</b>	<b>Premium</b>	<b>Benefit Payments</b>
<b>Sole Proprietor (Schedule C)</b>	Individual/Business	Deductible business expense IRC §162(a)	Taxable Revenue Ruling 55-264
<b>Corporation (Form 1120)</b>	Business	Deductible business expense IRC §162(a)	Taxable Revenue Ruling 55-264
<b>S-Corporation (Form 1120S)</b>	Business	Deductible business expense IRC §162(a)	Taxable Revenue Ruling 55-264
<b>Partnership (Form 1065)</b>	Business	Deductible business expense IRC §162(a)	Taxable Revenue Ruling 55-264

## Disability Buy-Sell Coverage – Tax Consequences

### Tax Consequences

<b>Business Entity</b>	<b>Premium Payor</b>	<b>Premium</b>	<b>Benefit Payments</b>
<b>Corporation (Form 1120)</b>	Individual or Business	Not tax-deductible IRC §265	Tax-free IRC §104(a)(3)
<b>S-Corporation (Form 1120S)</b>	Individual or Business	Not tax-deductible IRC §265	Tax-free IRC §104(a)(3)
<b>Partnership (Form 1065)</b>	Individual or Business	Not tax-deductible IRC §265	Tax-free IRC §104(a)(3)

# MassMutual Issue and Participation Limits

## Use No-Group LTD Issue Limits for:

- Cases with no Group LTD in-force – individual and multi-life

## Use Participating with Group LTD Issue and Participation Limits for:

### Non-Taxable with Group LTD

Radius	Up to and including \$70,000
Radius (GSI)	Up to and including \$100,000

### Taxable with Group LTD

Radius	Up to and including \$100,000
Radius (GSI)	Up to and including \$100,000

## Maximum MassMutual Issue Limit

- In-force MassMutual coverage in combination with the new MassMutual insurance being applied for cannot exceed MassMutual's Maximum Issue Limit

## Maximum Participation Limit

- In-force coverage (individual, association, or Group LTD) with another company (or companies) in combination with the new MassMutual insurance being applied for cannot exceed MassMutual's Maximum Participation Limit. Additionally, we will never issue more than the Maximum Issue Limit

# Issue and Participation Limit Charts

## California Chart

### Individual, Association and Multi-Life Radius®

Maximum Issue and Participation Limits

Occ Class	CALIFORNIA Maximum MM Issue Limit		CALIFORNIA Maximum Participation (existing GLTD and other DI coverage) Limit	
	Ages		Ages	
	18-60	61+	18-60	61+
5A/5P/4A/4P/3P	\$ 15,000	\$ 10,000	\$ 20,000	\$ 10,000
3A	10,000	10,000	15,000	10,000
2A/A	8,000	5,000	10,000	5,000

## Participation with Group LTD Coverage

Participation with Group LTD limits allows for flat replacement ratios for all cases with Group LTD.

### Radius® – Fully Underwritten

Income Range	Non-Taxable Participation Limit Percent*	Income Range	Taxable Participation Limit Percent*
\$16,000-70,000	Individual Non-taxable Participation Limit	\$16,000-100,000	Individual Taxable Participation Limit
\$70,000+	65%	\$100,000	80%

\* Subject to our maximum published issue and participation limits based on age and occupation class.

### Radius® – Guaranteed Standard Issue (GSI)

Income Range	Non-Taxable Participation Limit Percent*	Taxable Participation Limit Percent*
\$16,000-100,000	Individual Non-taxable Participation Limit	Individual Taxable Participation Limit
\$100,000+	60%	80%

\* Subject to our maximum published issue and participation limits based on age and occupation class.

## Issue and Participation Limits

### **Non-Taxable and Taxable Benefit Tables**

**Earned Income** – salary, wages, commissions, bonus and business income after expenses.

**Base Monthly** – maximum basic monthly benefit.

**Social Insurance Rider Monthly** – maximum Social Insurance monthly benefit.

**Individual Issue Limit** – maximum issue available through MassMutual (deduct in-force individual or association coverage).

## Participation with Group LTD Limit

This is the maximum amount of disability income coverage in which MassMutual will share a risk with Group LTD; however, we will never issue more than the Maximum Issue Limit. (Example: Class 4A, in CA, earning \$500,000 – eligible maximum is \$25,000 – has LTD in-force of \$2,500. While client is eligible for an additional \$22,500 based on our replacement ratio, the most we will issue is \$15,000 as this is our maximum **issue** limit).

### Rules

1. Minimum income of \$16,000 required for all products
2. Employee Pension Contributions may be insured by either RetireGuard (stand alone) or with a DI policy with a RetireGuard Rider
3. Social Insurance Rider cannot be used in LTD/DI Combination plans that offset for Social Security. Use the participation with Group LTD Limits to determine the base benefit
4. The Participation with Group LTD Limits applies to LTD/DI combination plans only – not association or individual DI coverage
5. When insuring bonus income, we will include income based on the following:
  - Current year paid bonus is greater than prior year bonus – average the two years
  - Current year paid bonus is less than prior year bonus – use 100% of the current year bonus
  - Only current year paid bonus provided – use 75% of the current year paid bonus
  - Current year bonus is zero – no bonus will be added to income
6. Discount factor, applied to employer-paid group coverage in-force when considering employee-paid individual coverage, is 25%. This 25% discount actually converts the employer-pay coverage to what the applicant will receive after taxes, allowing us to compare similar coverage.

## Non-Taxable Issue Limit Chart

### No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
16,000	300	650	950
18,000	425	650	1,075
20,000	625	650	1,275
22,000	650	750	1,400
24,000	775	750	1,525
26,000	800	850	1,650
28,000	875	900	1,775
30,000	975	900	1,875
32,000	975	1,000	1,975
34,000	1,075	1,000	2,075
36,000	1,075	1,100	2,175
38,000	1,175	1,100	2,275
40,000	1,300	1,100	2,400
42,000	1,400	1,100	2,500
44,000	1,500	1,100	2,600
46,000	1,525	1,200	2,725
48,000	1,650	1,200	2,850
50,000	1,750	1,200	2,950
52,000	1,850	1,200	3,050
54,000	1,950	1,200	3,150
56,000	2,050	1,200	3,250
58,000	2,050	1,300	3,350
60,000	2,150	1,300	3,450
65,000	2,300	1,350	3,650
70,000	2,500	1,350	3,850
75,000	2,700	1,350	4,050

*continued*

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## Non-Taxable Issue Limit Chart

### No-Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
80,000	2,900	1,350	4,250
85,000	3,100	1,350	4,450
90,000	3,300	1,350	4,650
95,000	3,500	1,350	4,850
<b>100,000</b>	<b>3,700</b>	<b>1,350</b>	<b>5,050</b>
105,000	3,850	1,350	5,200
110,000	3,950	1,350	5,300
115,000	4,100	1,350	5,450
120,000	4,300	1,350	5,650
125,000	4,450	1,350	5,800
130,000	4,700	1,350	6,050
135,000	4,900	1,350	6,250
140,000	5,100	1,350	6,450
145,000	5,300	1,350	6,650
150,000	5,550	1,350	6,900
155,000	5,775	1,350	7,125
160,000	6,000	1,350	7,350
165,000	6,225	1,350	7,575
170,000	6,450	1,350	7,800
175,000	6,675	1,350	8,025
180,000	6,900	1,350	8,250
185,000	7,125	1,350	8,475
190,000	7,350	1,350	8,700
195,000	7,575	1,350	8,925
<b>200,000</b>	<b>7,800</b>	<b>1,350</b>	<b>9,150</b>
210,000	8,300	1,350	9,650

*continued*

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## Non-Taxable Issue Limit Chart

No -Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
220,000	8,750	1,350	10,100
230,000	9,200	1,350	10,550
240,000	9,650	1,350	11,000
250,000	10,100	1,350	11,450
260,000	10,550	1,350	11,900
270,000	10,650	1,350	12,000
280,000	10,900	1,350	12,250
290,000	11,100	1,350	12,450
<b>300,000</b>	<b>11,550</b>	<b>1,350</b>	<b>12,900</b>
310,000	11,950	1,350	13,300
320,000	12,350	1,350	13,700
330,000	12,700	1,350	14,050
340,000	12,900	1,350	14,250
350,000	13,250	1,350	14,600
360,000	13,650	1,350	15,000
370,000	13,800	1,350	15,150
380,000	13,950	1,350	15,300
390,000	14,100	1,350	15,450
<b>400,000</b>	<b>14,250</b>	<b>1,350</b>	<b>15,600</b>
410,000	14,400	1,350	15,750
420,000	14,550	1,350	15,900
430,000	14,700	1,350	16,050
440,000	14,850	1,350	16,200
450,000	15,000	1,350	16,350
460,000	15,150	1,350	16,500
470,000	15,300	1,350	16,650

*continued*

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## Non-Taxable Issue Limit Chart

### No-Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
480,000	15,450	1,350	16,800
490,000	15,600	1,350	16,950
<b>500,000</b>	<b>15,750</b>	<b>1,350</b>	<b>17,100</b>
510,000	15,900	1,350	17,250
520,000	16,050	1,350	17,400
530,000	16,200	1,350	17,550
540,000	16,350	1,350	17,700
550,000	16,500	1,350	17,850
560,000	16,650	1,350	18,000
570,000	16,800	1,350	18,150
580,000	16,950	1,350	18,300
590,000	17,100	1,350	18,450
<b>600,000</b>	<b>17,250</b>	<b>1,350</b>	<b>18,600</b>
610,000	17,400	1,350	18,750
620,000	17,550	1,350	18,900
630,000	17,700	1,350	19,050
640,000	17,850	1,350	19,200
650,000	18,000	1,350	19,350
660,000	18,150	1,350	19,500
670,000	18,300	1,350	19,650
680,000	18,450	1,350	19,800
690,000	18,600	1,350	19,950
693,333	18,650	1,350	20,000

*continued*

### California Rules (no Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

- <sup>1</sup> For class 5A, 5P, 4A/4P and 3A/3P risks, the individual issue limit column may be used to determine the Base Monthly benefit available, provided there is no participation with Group LTD or any other Social Security offset product in-force.
- <sup>2</sup> For class 2A and A, the individual limit column may only be used if SIR is elected, otherwise only the Base Monthly benefit is allowed.
- <sup>3</sup> For class 5A, 5P, 4A/4P and 3A/3P risks, the individual issue limit may be used to determine the base monthly benefit available if the policy has a **180-day elimination period**. For class 5A, 5P, 4A/4P, 3A/3P, risks for policies with less than a 180-day elimination period, short-term rider 1 may be added to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the table issue limit, subject to our maximum published issue and participation limits based on age and occupation class. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.
- <sup>4</sup> For Incomes greater than \$60,000, the maximum amount of the Social Insurance Rider benefit will always be \$1,350.

# Taxable Issue Limit Chart

## No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
16,000	500	650	1,150
18,000	650	650	1,300
20,000	800	650	1,450
22,000	850	750	1,600
24,000	995	750	1,745
26,000	1,025	850	1,875
28,000	1,125	900	2,025
30,000	1,275	900	2,175
32,000	1,325	1,000	2,325
34,000	1,475	1,000	2,475
36,000	1,500	1,100	2,600
38,000	1,650	1,100	2,750
40,000	1,800	1,100	2,900
42,000	1,950	1,100	3,050
44,000	2,100	1,100	3,200
46,000	2,150	1,200	3,350
48,000	2,250	1,200	3,450
50,000	2,400	1,200	3,600
52,000	2,525	1,200	3,725
54,000	2,650	1,200	3,850
56,000	2,800	1,200	4,000
58,000	2,850	1,300	4,150
60,000	3,000	1,300	4,300
65,000	3,300	1,350	4,650
70,000	3,650	1,350	5,000
75,000	4,000	1,350	5,350

*continued*

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3 Financial Underwriting

## Taxable Issue Limit Chart

### No-Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
80,000	4,317	1,350	5,667
85,000	4,583	1,350	5,933
90,000	4,850	1,350	6,200
95,000	5,117	1,350	6,467
<b>100,000</b>	<b>5,383</b>	<b>1,350</b>	<b>6,733</b>
105,000	5,583	1,350	6,933
110,000	5,717	1,350	7,067
115,000	5,917	1,350	7,267
120,000	6,183	1,350	7,533
125,000	6,383	1,350	7,733
130,000	6,717	1,350	8,067
135,000	6,983	1,350	8,333
140,000	7,250	1,350	8,600
145,000	7,517	1,350	8,867
150,000	7,850	1,350	9,200
155,000	8,150	1,350	9,500
160,000	8,450	1,350	9,800
165,000	8,750	1,350	10,100
170,000	9,050	1,350	10,400
175,000	9,350	1,350	10,700
180,000	9,650	1,350	11,000
185,000	9,950	1,350	11,300
190,000	10,250	1,350	11,600
195,000	10,550	1,350	11,900
<b>200,000</b>	<b>10,850</b>	<b>1,350</b>	<b>12,200</b>
210,000	11,517	1,350	12,867

*continued*

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## Taxable Issue Limit Chart

### No-Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
220,000	12,117	1,350	13,467
230,000	12,717	1,350	14,067
240,000	13,317	1,350	14,667
250,000	13,650	1,350	15,000
260,000	13,850	1,350	15,200
270,000	14,050	1,350	15,400
280,000	14,250	1,350	15,600
290,000	14,450	1,350	15,800
<b>300,000</b>	<b>14,650</b>	<b>1,350</b>	<b>16,000</b>
310,000	14,850	1,350	16,200
320,000	15,050	1,350	16,400
330,000	15,250	1,350	16,600
340,000	15,450	1,350	16,800
350,000	15,650	1,350	17,000
360,000	15,850	1,350	17,200
370,000	16,050	1,350	17,400
380,000	16,250	1,350	17,600
390,000	16,450	1,350	17,800
<b>400,000</b>	<b>16,650</b>	<b>1,350</b>	<b>18,000</b>
410,000	16,850	1,350	18,200
420,000	17,050	1,350	18,400
430,000	17,250	1,350	18,600
440,000	17,450	1,350	18,800
450,000	17,650	1,350	19,000
460,000	17,850	1,350	19,200
470,000	18,050	1,350	19,400

*continued*

## Taxable Issue Limit Chart

### No-Group LTD (continued)

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1, 4)
480,000	18,250	1,350	19,600
490,000	18,450	1,350	19,800
<b>500,000</b>	<b>18,650</b>	<b>1,350</b>	<b>20,000</b>

### California Rules (no Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

- <sup>1</sup> For class 5A, 5P, 4A/4P and 3A/3P risks, the individual issue limit column may be used to determine the Base Monthly benefit available, provided there is no participation with Group LTD or any other Social Security offset product in-force.
- <sup>2</sup> For class 2A and A, the individual limit column may only be used if SIR is elected, otherwise only the Base Monthly benefit is allowed.
- <sup>3</sup> For class 5A, 5P, 4A and 3A/3P risks, the individual issue limit may be used to determine the base monthly benefit available if the policy has a **180-day elimination period**. For class 5A, 5P, 4A/4P, 3A/3P, risks for plans with less than a 180-day elimination period, short-term rider 1 may be added to shorten the overall elimination period. Calculate by subtracting \$1,960 of state cash sickness benefits, from the table issue limit, subject to our maximum published issue and participation limits based on age and occupation class. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.
- <sup>4</sup> For Incomes greater than \$60,000, the maximum amount of the Social Insurance Rider benefit will always be \$1,350

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## Non-taxable Issue and Participation Limit Chart With Group LTD Only – Radius Fully Underwritten

Participation Limits provided for incomes up to and including \$70,000 for cases in participation with Group LTD where a replacement ratio in excess of 60% is desired.

### Non-taxable Issue and Participation Limit Chart With Group LTD Only – Radius Fully Underwritten

<b>Earned Income</b>	<b>Individual Issue Limit (2, 3)</b>	<b>Participation with Group LTD (1)</b>
16,000	950	975
18,000	1,075	1,095
20,000	1,275	1,295
22,000	1,400	1,420
24,000	1,525	1,545
26,000	1,650	1,670
28,000	1,775	1,795
30,000	1,875	1,895
32,000	1,975	1,995
34,000	2,075	2,095
36,000	2,175	2,195
38,000	2,275	2,295
40,000	2,400	2,420
42,000	2,500	2,520
44,000	2,600	2,620
46,000	2,725	2,745
48,000	2,850	2,870
50,000	2,950	2,970
52,000	3,050	3,070
54,000	3,150	3,170
56,000	3,250	3,270
58,000	3,350	3,370

*continued*

## Non-taxable Issue and Participation Limit Chart With Group LTD Only – Radius Fully Underwritten

### Non-taxable Issue and Participation Limit Chart With Group LTD Only – Radius Fully Underwritten (continued)

Earned Income	Individual Issue Limit (2, 3)	Participation with Group LTD (1)
60,000	3,450	3,470
65,000	3,650	3,670
70,000	3,850	3,870

### FOR INCOMES ABOVE \$70,000, USE THE 65% REPLACEMENT RATIO WITH RADIUS FULLY UNDERWRITTEN BUSINESS:

**65% monthly income less Group LTD/other coverage = MassMutual issue (subject to max issue/participation limits)**

#### California Rules (incomes up to and including \$70,000 with Group LTD in-force)

<sup>1</sup> For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits does not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

<sup>2</sup> In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

<sup>3</sup> If the individual benefit starts before the Group LTD benefit, short-term rider may be used to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the lesser of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the Individual Issue Limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

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## Non-taxable Issue and Participation Limit Chart with Group LTD Only – Radius Guaranteed Standard Issue (GSI)

Participation Limits provided for incomes up to and including \$100,000 for cases in participation with Group LTD where a replacement ratio in excess of 60% is desired.

### Non-taxable Issue and Participation Limit Chart with Group LTD Only – Radius Guaranteed Standard Issue (GSI)

<b>Earned Income</b>	<b>Individual Issue Limit (2, 3)</b>	<b>Participation with Group LTD (1)</b>
16,000	950	975
18,000	1,075	1,095
20,000	1,275	1,295
22,000	1,400	1,420
24,000	1,525	1,545
26,000	1,650	1,670
28,000	1,775	1,795
30,000	1,875	1,895
32,000	1,975	1,995
34,000	2,075	2,095
36,000	2,175	2,195
38,000	2,275	2,295
40,000	2,400	2,420
42,000	2,500	2,520
44,000	2,600	2,620
46,000	2,725	2,745
48,000	2,850	2,870
50,000	2,950	2,970
52,000	3,050	3,070
54,000	3,150	3,170
56,000	3,250	3,270
58,000	3,350	3,370

*continued*

## Non-taxable Issue and Participation Limit Chart With Group LTD Only – Radius Guaranteed Standard Issue (GSI)

### Non-taxable Issue and Participation Limit Chart with Group LTD Only – Radius Guaranteed Standard Issue (GSI)

Earned Income	Individual Issue Limit (2, 3)	Participation with Group LTD (1)
60,000	3,450	3,470
65,000	3,650	3,670
70,000	3,850	3,870
75,000	4,050	4,070
80,000	4,250	4,270
85,000	4,450	4,470
90,000	4,650	4,670
95,000	4,850	4,870
100,000	5,050	5,070

### FOR INCOMES ABOVE \$100,000, USE THE 60% REPLACEMENT RATIO:

**60% monthly income less Group LTD/other coverage = MassMutual issue  
(subject to max issue/participation limits)**

#### California Rules (incomes up to and including \$100,000 with Group LTD in-force)

<sup>1</sup> For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits does not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

<sup>2</sup> In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

<sup>3</sup> If the individual benefit starts before the Group LTD benefit, short-term rider may be used to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the lesser of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the Individual Issue Limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

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## Taxable Issue and Participation Limit Chart With Group LTD Only

Participation Limits provided for incomes up to and including \$100,000 for cases in participation with Group LTD where a replacement ratio in excess of 80% is desired.

### Taxable Issue and Participation Limit Chart with Group LTD Only – Radius Fully Underwritten and Guaranteed Standard Issue

<b>Earned Income</b>	<b>Individual Issue Limit (2, 3)</b>	<b>Participation with Group LTD (1)</b>
16,000	1,150	1,175
18,000	1,300	1,325
20,000	1,450	1,475
22,000	1,600	1,625
24,000	1,745	1,770
26,000	1,875	1,900
28,000	2,025	2,050
30,000	2,175	2,200
32,000	2,325	2,350
34,000	2,475	2,500
36,000	2,600	2,625
38,000	2,750	2,775
40,000	2,900	2,925
42,000	3,050	3,075
44,000	3,200	3,225
46,000	3,350	3,375
48,000	3,450	3,475
50,000	3,600	3,625
52,000	3,725	3,750
54,000	3,850	3,875
56,000	4,000	4,025
58,000	4,150	4,175
60,000	4,300	4,325
65,000	4,650	4,675

## Taxable Issue and Participation Limit Chart With Group LTD Only

Taxable Issue and Participation Limit Chart with Group LTD Only –  
Radius Fully Underwritten and Guaranteed Standard Issue (continued)

Earned Income	Individual Issue Limit (2, 3)	Participation with Group LTD (1)
70,000	5,000	5,025
75,000	5,350	5,375
80,000	5,667	5,692
85,000	5,933	5,958
90,000	6,200	6,225
95,000	6,467	6,492
100,000	6,733	6,758

### FOR INCOMES ABOVE \$100,000, USE THE 80% REPLACEMENT RATIO:

**80% monthly income less Group LTD/other coverage = MassMutual issue  
(subject to max issue/participation limits)**

#### California Rules (incomes up to and including \$100,000 with Group LTD in-force)

<sup>1</sup> For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits does not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

<sup>2</sup> In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

<sup>3</sup> If the individual benefit starts before the Group LTD benefit, short-term rider may be used to shorten the overall elimination period. Calculate by subtracting \$1,960 of state cash sickness benefits, from the lesser of the of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

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# Examples of Group LTD with Individual Coverage Policy Formulas

When determining the replacement benefit percent, the amount of individual coverage may not exceed the Maximum Individual Issue Limit.

## Taxable Group LTD Benefit and Non-Taxable Individual Policy

If the Group LTD plan is employer pay (the employer is paying 50% or more of the premium) and the insured is paying 100% of the individual disability premium, then the employer pay Group LTD can be converted to a non-taxable benefit by multiplying the Group LTD benefit by .75 and using the non-taxable table.

The following is an example of that calculation:

### Example A

	<b>Chart</b>	<b>Formula</b>
Annual Income	\$ 60,000	\$ 150,000
LTD Benefit 50%	\$ 2,500	\$ 6,250
Multiply by .75	x .75	x .75
LTD Benefit to Subtract	\$ 1,875	\$ 4,688
MM Participation Limit	\$ 3,470	\$ 8,125
Minus LTD Benefit of	\$ 1,875	\$ 4,688
Total amount of Coverage We will issue	\$ 1,595	\$ 3,437

## Non-taxable Group LTD Benefit and Non-Taxable Individual Policy

If the Group LTD plan is employee-pay (the employee is paying 50% or more of the premium) and the insured is paying 100% of the individual disability premium, then the Non-Taxable benefit table should be used. The following is an example of that calculation:

### Example B

	<b>Chart</b>	<b>Formula</b>
Annual Income	\$ 60,000	\$ 150,000
LTD Benefit 50%	\$ 2,500	\$ 6,250
LTD Benefit to Subtract	\$ 2,500	\$ 6,250
MM Participation Limit	\$ 3,470	\$ 8,125
Minus LTD benefit of	\$ 2,500	\$ 6,250
Total amount of coverage We will issue	\$ 970	\$ 1,875

## Taxable Group LTD Benefit and Taxable Individual Policy

If the Group LTD plan is employer-pay (the employer is paying 50% or more of the premium) and the individual disability coverage is also employer-pay (the employer is paying 50% or more of the premium), then the Taxable benefit table should be used. The following is an example of that calculation:

### Example C

	<b>Chart</b>	<b>Formula</b>
Annual Income	\$ 75,000	\$ 150,000
LTD Benefit 50%	\$ 3,125	\$ 6,250
LTD Benefit to Subtract	\$ 3,125	\$ 6,250
MM Participation Limit	\$ 5,375	\$ 10,000
Minus LTD benefit of	\$ 3,125	\$ 6,250
Total amount of coverage We will issue	\$ 2,250	\$ 3,750

## Non-Taxable Group LTD Benefit and Taxable Individual Policy

If the Group LTD plan is employee-pay (the employee is paying 50% or more of the premium) and the individual disability is employer-pay (the employer is paying 50% or more of the premium), LTD can be converted to a taxable benefit by dividing the LTD benefit by .75 and using the taxable table. The following is an example of that calculation:

### Example D

	<b>Chart</b>	<b>Formula</b>
Annual Income	\$ 75,000	\$ 150,000
LTD Benefit 50%	\$ 3,125	\$ 6,250
Divide by .75	/.75	/.75
LTD Benefit to Subtract	\$ 4,167	\$ 8,334
MM Participation Limit	\$ 5,375	\$ 10,000
Minus LTD Benefit of	\$ 4,167	\$ 8,334
Total amount of coverage We will issue	\$ 1,208	\$ 1,666

**Note:** the same rationale is used when in-force coverage is individual, instead of Group LTD. However, the Individual Issue Limit would be used for calculations rather than the participation limit.



## BOE Issue and Participation Limits

### Issue and Participation Limits

<b>Occ Class</b>	<b>Maximum Issue and Participation Limit</b>
5A, 4A, 4P, 3A, 3P	\$30,000 w/24 mo BP
	\$40,000 w/18 mo BP
	\$50,000 w/12 mo BP
2A/A	\$10,000

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# Section 4

## Multi-Life Underwriting

- 4-1 | Multi-Life Cases Defined
- 4-3 | Guaranteed Standard Issue (GSI) Guidelines
- 4-9 | Corporate Situs
- 4-9 | Agent Licensing
- 4-10 | Association Guidelines
- 4-11 | 1099 Associates
- 4-12 | ERISA Information

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# Multi-Life Case Guidelines

## Multi-Life Cases Defined

There are three types of multi-life cases MassMutual will consider. They are defined as follows:

### 1. Employer-Pay

- True employer/employee relationship
- Employer pays 100% of premium, **or**
- Employer pays 50% or more of premium

### 2. Employer-Endorsed

- True employer/employee relationship
- Employer endorses MassMutual
- Employer does not pay any of the premium

### 3. Association

- Common professions/occupations in defined target markets
- Local associations versus statewide or national
- Not formed for buying insurance only
- 100-life minimum
- Charter at least five years old
- Published roster of members
- Dues required for membership

## Employer-Pay\* and Employer-Endorsed Multi-life Discounts\* for All Occupation Classes

<b>California</b>	<b>Lives</b>	<b>Discount</b>
Employer-Pay or Endorsed	3-20	25%
Employer-Pay	21-100	25%
Employer-Endorsed	21	25%
Employer-Pay	101	35%

\* An additional 7% employer-paid discount may also be available when a PECL (Pre-Existing Condition Limitation) is included. Please contact your multi-life underwriter for details

All of the above discounts are applied to a unisex rate, are noncancelable and portable in the event the insured leaves the employer through whom the discount was received.

An association discount of 10% with sex-distinct rates for associations with 100 or more eligible lives is also available, with Home Office approval.

### **Applying for a Multi-life Case Discount – Group Identification Number (GIN)**

- Submit a completed Group Billing Form, form **F6748**, to MassMutual’s Home Office along with photocopies of the first page of three applications from the case. Form **F6748** is available in FieldNet
- The Home Office will assign the GIN and inform the producer
- The assigned GIN should be included on each future application submitted for the case

# Multi-Life Case/Guaranteed Standard Issue (GSI) Guidelines

## General Information

The following guidelines provide a general framework for producers in the multi-life market. When the DI Multi-Life New Business area receives complete information about the employer and employees, they will review the offer request to determine if an underwriting offer is available. Guarantee standard issue offers will be considered for employer-pay cases of 10 or more, and voluntary cases of 75 or more eligible employees.

## Multi-Life Business Profile

The following questions represent the information that the producer must gather for the DI Multi-life Underwriter prior to a case being presented to MassMutual and this information should be submitted on the multi-life offer request form:

- What is the nature of the business?
- How long has it been in existence?
- Is the business financially stable?
- How many full-time employees, part-time employees?
- Does the company have a history of layoffs?
- What are the hiring practices?
- Does the company perform physical exams, screening for drugs, moral investigations, etc.?
- Does the company support a fitness program or other wellness/prevention activities for employees?
- Does the company provide alternative work arrangements (working at home, job sharing, etc.)?

Information regarding employee benefit plans is also considered:

- Does the employer have a group medical insurance plan for employees?
- Does the employer provide Group LTD, and who pays the premium, the employer or employee?

*continued*

The DI Multi-Life Underwriter will require Group LTD experience for cases with 1,000 or more eligible lives. The DI Multi-Life Underwriter reserves the right to request Group LTD experience on smaller cases. A Group LTD plan booklet is also required for **all** employer-pay or employer-endorsed cases. This information is used in the risk analysis and assessment process to determine case design.

## **Employer Participation**

When assessing multi-life cases, the DI Multi-Life Underwriter views 100% employer-pay cases differently than voluntary cases endorsed by the employer. Employer premium sharing and payroll deduction plans demonstrate a level of commitment by the employer. We have found that an employer's participation is key to the success of an application period.

## **Job Information**

Accurate job information is important to assign the appropriate occupation class. If the job title requires clarification, we may request additional information to determine specific duties, travel, and length of time in the position.

## **Income Information**

Accurate salary and bonus information is critical to determine our underwriting offer. The employer census with salary and a two-year bonus history, if applicable, should be submitted with the offer request in Excel format.

When insuring bonus income, we will include income based on the following:

- Two years' of bonus income submitted – average and consider 100% (if most recent bonus is less than prior year, we will consider 100% of most recent bonus)
- One year of bonus income submitted – consider 75%



# Case Underwriting

## Eligibility Requirements

All eligible employees must be included on the census provided to MassMutual. In addition, employees must be continuously actively at work on a full-time basis (30 hours or more per week) for 90 days prior to the application date, and employed on a full-time basis for the same employer at the time of policy delivery. Employees must be a U.S. citizen or hold a permanent resident visa. In addition, employees must work and reside in the U.S.

- Employees currently disabled or on claim are ineligible
- Employees that have been disabled by what the multi-life underwriter deems to have been a significant impairment within 90 days prior to application are ineligible
- Newly eligible employees applying for coverage after the initial application period must submit an application within 30 days of becoming eligible, otherwise regular underwriting rules for medical and financial insurability will apply

## Underwriting Offers

### Guaranteed Standard Issue (GSI)

- These applications use simplified/streamlined underwriting. We guarantee to offer everyone in the designated case a policy with a specific maximum monthly benefit amount, elimination period and benefit period at standard rates. We will need full financial underwriting where required by our regular underwriting guidelines, including programming around existing individual and Group LTD coverage
- The policy will not be ridered or rated for medical conditions or avocation activities on the specific monthly benefit amount
- For Radius® 98 contract only, we reserve the right to exclude presumptive type disabilities if an applicant has a pre-existing condition that might qualify as presumptive

### **Modified Guaranteed Issue (MGI)**

- These applications are fully-underwritten. We guarantee to offer everyone in the designated case a policy with a specific maximum monthly benefit amount, elimination period and benefit period. We will need full financial underwriting where required by our regular underwriting guidelines, including programming around existing individual and Group LTD coverage
- The policy may be issued with a rating or with exclusion rider(s), or both, based on the risk profile and/or current medical status of the individual

### **Modified Guaranteed Acceptance (MGA)**

- These applications are fully-underwritten. We guarantee to offer everyone in the designated case a policy with a specific maximum monthly benefit amount but the policy may be issued with a longer elimination period or shorter benefit period, or both. We will need full financial underwriting where required by our regular underwriting guidelines, including when programming around existing individual and Group LTD coverage
- The policy may be issued with a rating or with exclusion rider(s), or both, based on the risk profile and/or current medical status of the individual
- The policy may be issued with a longer elimination period or shorter benefit period, or both

### **Guaranteed Acceptance (GA)**

- These applications are fully-underwritten. We guarantee to offer everyone in the designated case a policy but may modify the monthly benefit amount
- The policy may be issued with a rating or with exclusion rider(s), or both, based on the risk profile and/or current medical status of the individual
- The policy may be issued with a longer elimination period or shorter benefit period, or both

### **Maximum Benefit Period Endorsement**

- Available only on select employer-pay cases of 20+ lives with prior underwriting approval. The cost will be 10% of premium and is available for all classes

## Case Factors

There are many factors that are taken into consideration by the DI Multi-life Underwriter to determine the offer. Consideration is given, but not limited to:

- Quality of the producer's block of business with MassMutual
- MassMutual's morbidity experience on the occupations being insured
- Level of commitment and endorsement from the employer
- Experience of the employer's group long-term disability plan – **required for cases with 1,000+ eligible lives**
- Age groups and male/female ratio on the census data, age and gender demographics
- Financial stability of the employer
- History of layoffs, current or recent merger/acquisition activity

## Other Underwriting Offer Criteria

**Medical Underwriting** – May be required for some cases based on our offer. Requirements may vary from individual case underwriting.

**Financial Underwriting** – Required for all cases. Applications must be completed in full, and additional financials may be requested for amounts in excess of the GSI offer.

**Elimination Periods Available** – Our elimination period should coordinate with the Group LTD elimination period. We typically offer 90-day, 180-day, and longer elimination periods.

**Benefit Periods Available** – Benefit periods up to age 65 and 67 are available. Shorter benefit periods are available and may be appropriate for certain cases or classes of employees.

**Offer Period** – All offers will be made in writing from the Home Office. If the employer does not accept an offer within 90 days, it will automatically be withdrawn. Signature of an authorized representative of the employer is considered acceptance of the offer. When the employer accepts the offer, an application period will be established.

**Application Period** – The application period for coverage will be based on the start date established by the employer and MassMutual, with an end date of 30 days or less from the start date. For offers with a pre-existing condition limitation, employees may be re-solicited under the offer. For offers without a pre-existing condition limitation, any employee currently eligible, who chooses not to apply at this time, will not be eligible in the future for the underwriting guarantees available under the offer. However, we will consider an employee on an individual basis, subject to evidence of full insurability and regular underwriting rules.

New employees will be covered under the offer; however, all must apply within the selected timeframe included in the offer letter. Otherwise, for offers without a pre-existing condition limitation, full evidence of insurability will be required and regular underwriting rules will apply.

**Offer Renewals** – Signed offers are in effect one or two years from the date of the employer signature; offers are subject to underwriting review upon expiration and must be renewed in order to continue to submit GSI applications. The renewal process requires:

- Most offers may be renewed with validation of current multi-life offer request information
- In some cases, an updated electronic census of all eligible employees, including those that accepted and declined the prior offer, as well as newly eligible employees may be required
- Submission of the multi-life offer request form to update parameters of the renewal request and to request changes to the prior offer

The DI Sales Support unit will review the offer, case experience and will communicate the renewal decision to the producer.

# Corporate Situs

Corporate Situs is available to employer-paid multi-life cases with a GSI underwriting offer with prior Home Office approval.

## What is corporate situs?

The corporation is the owner of the DI policy, and the contract state for all employees becomes the state where the corporate headquarters is located.

## Why would a corporate situs arrangement be used?

For consistency and non-discrimination, essentially, when the employer wants all employees to have the same contract.

## Criteria for using Corporate Situs

- The employer must be owner on the application
- The employer must pay all or a majority of the premium
- The policies must be delivered to the corporation
- Transfer of ownership – the employer must agree to transfer ownership to the employee upon termination of employment

## Agent Licensing

Corporate Situs is subject to current state licensing rules; all regular licensing rules apply.

The agent must be licensed where the solicitation takes place (where the corporation is located). The agent must also be licensed in any risk located states.

### Risk Located/Countersignature States

AK – Alaska

KS – Kansas

PR – Puerto Rico

AZ – Arizona

LA – Louisiana

WV – West Virginia

CO – Colorado

ME – Maine

ID – Idaho

NM – New Mexico

The employer must sign a Corporate Situs agreement before any solicitation takes place.

## Association Guidelines

Only associations that meet the following criteria will be considered. Professionals with occupation classes of 5A, 4A and 3A are eligible. Examples of targeted occupations include:

- Accountants
- Advertising Executives
- Architects
- Attorneys
- CPAs
- Computer Programmers, Managers and Executives
- Engineers

**Note:** Physician and Dental cases are not eligible for the Association Discount. Groups not meeting this criteria include chambers of commerce, credit unions and fraternal organizations.

## Association Types

A local association is defined by a single agent's scope of marketing capabilities. We will determine "local" based on the producer's marketing strategy. Experience has shown that national associations cannot be marketed to full potential. Exceptions may be made if the producer intends to market to a local segment of a national association and obtains an endorsement to this effect. Multi-state associations will be evaluated on a case by case basis, and associations will only be approved for states in which the product has been approved.

## Association Case Requirements

- Endorsement letter from the president of the association, on association letterhead, endorsing the producer as well as MassMutual Individual DI exclusively
- Detailed marketing plan from the producer illustrating application strategy for the first 3-6 months of the application process
- Only associations that have been in existence for at least two years will be considered
- Current roster of all association members
- Copy of the association bylaws

## Applying for an Association Discount

- Please see "Multi-Life Discount" guidelines on page [4-2](#).

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## 1099 Associates

1099 associates are independent contractors; they are not employees. We may consider 1099 employees for a multi-life discount and possibly an underwriting offer as noted.

### **A) Employer with “incidental” 1099 Associates –**

Cases where less than 20% of the total population of employees, including 1099 associates, is made up of 1099 associates

- We will consider treating the 1099 associates as employees and assess the overall risk by applying standard underwriting guidelines and practices and they may be included in the underwriting offer

### **B) Employer with “significant” 1099 Associate exposure**

Cases where more than 20% of the total population of employees, including 1099 associates, is made up of 1099 associates

- The risk associated with these associates is significantly different from the risk associated with true employees; therefore, we do not treat as employees for multi-life offers
- The same financial and medical underwriting requirements that are used for fully-underwritten business will apply

### **C) Employer that hires “almost exclusively” captive 1099 Associates**

- If it is the employer’s practice to contract captive 1099 associates, select cases may be considered for underwriting offers. Standard underwriting and risk selection criteria will apply

## ERISA

Many employers are aware that some employee benefit arrangements are covered by the Employee Retirement Income Security Act of 1974 (ERISA). These typically include group benefit plans or retirement plans that employers provide their employees.

ERISA rules can also apply to certain employer-sponsored arrangements that provide for insurance for their employees. Should an employer elect to offer insurance products to their employees, whether on a voluntary or an employer-paid basis, the employer will need to determine if the insurance will be part of an employee benefit plan subject to ERISA.

In connection with any insurance offer that MassMutual makes to an employer, MassMutual will need the employer to identify whether the insurance will be part of a plan subject to ERISA. MassMutual must obtain this information in order to comply with certain requirements under ERISA when it issues insurance products as part of an ERISA plan.

We've prepared an ERISA brochure for employers entitled "Employer FAQ – ERISA and Welfare Benefit Plans" (Form #5257), that provides some general guidance to help employers determine if the MassMutual insurance being considered will be subject to ERISA regulations.



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## Section 5

### Product Information

- 5-1 | General Product Information
- 5-2 | Radius®
- 5-33 | Radius Transition Select
- 5-39 | Business Overhead Expense Policy  
(BOE '06 and SBOE '06)
- 5-52 | RetireGuard®

All product sections include basic policy information, rider information, and medical/financial requirements.



# Product Information

## Choosing Your Target Market

One of MassMutual's strengths is our comprehensive product portfolio that enables producers to provide high quality disability income products to diverse markets. We help individuals meet their unique and changing income protection needs throughout their working years with products and services for wage-earners and business owners alike. While our top-of-the-line products are geared more for the highly skilled, affluent professionals, we also have products suitable for more modest incomes.

All references to 12, '06 and '98 refer to a particular policy series. These are not policy names and should not be used in marketing or advertising materials. This information is being provided in summary form. If there are any discrepancies between this manual and information in relevant policies, the policy documents will govern. For complete details of any policy please refer to the policy form. For complete information about the state availability of a product or rider, please refer to the New Business Checklist or FieldNet.

# Radius® Policy Information

## Radius® 12

**Content provided is for reference purposes only. Titles including “Definition” are actual definitions from the contract; all other materials are not. Please refer to the policy for the complete set of definitions and contract provisions.**

Radius is MassMutual’s flagship product for individual and small multi-life sales. Radius is extremely flexible and can be customized to meet a vast spectrum of customer needs. By using benefit riders, you have the ability to help meet your client’s unique needs, while maintaining the flexibility to align coverage with the amount of premium commitment your client is able to make.

### Radius® 12 Specifications

<b>Issue Age</b>	18-60
<b>Occupation Class</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Elimination Periods</b>	60, 90, 180, and 365 days
<b>Maximum Benefit Periods</b>	<ul style="list-style-type: none"> <li>• 2 years</li> <li>• 5 years</li> <li>• 10 years – Available with Radius 98 – all changes, Radius 06 – Decrease in risk only</li> <li>• to Age 65</li> <li>• to Age 67 – Available with Radius 98, not Radius '06</li> </ul>
<b>Premium</b>	<ul style="list-style-type: none"> <li>• Individual: Sex Distinct</li> <li>• Association: Sex Distinct</li> <li>• Employer-pay/endorsement: Unisex</li> <li>• Rates are level premium or graded premium</li> <li>• California has a premium surcharge               <ul style="list-style-type: none"> <li>– 25% for Individual cases, Class 5A</li> <li>– 30% for all other occupation classes</li> <li>– 30% for Association and multi-life cases, all classes</li> </ul> </li> </ul>
<b>Tobacco Use</b>	35% Surcharge*

\* For nicotine use, a factor of 1.35 is applied. The nicotine surcharge will be included for cigarettes, cigars, pipe smokers, chewing tobacco, the nicotine patch and nicotine gum.

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## Radius® 12 Specifications (continued)

<b>Discounts</b>	<ul style="list-style-type: none"> <li>• 5% First Year Life/DI Cross Sell</li> <li>• 10% Association discount</li> <li>• 25% Multi-life discount 3+ lives</li> <li>• 35% Multi-life discount 101+ lives, employer-paid</li> <li>• Student and Residence: 25%, 35%</li> <li>• Spouse: 10%</li> </ul>
<b>Minimum Annual Income Requirements</b>	<ul style="list-style-type: none"> <li>• Individual/Association all Classes - \$16,000</li> <li>• Multi-life all Classes - \$16,000</li> </ul>
<b>Minimum Policy Size</b>	\$500/Month base or \$300/Month base with \$200 GSR or \$200 SIR

## Policy Description

### **Non-cancelable, Guaranteed Continuable to Age 65**

The policy is non-cancelable, guaranteed continuable to age 65 and convertible to a conditionally renewable policy as long as the insured is working 30 hours per week and is not disabled.

Premiums upon conversion are based on the insured's attained age, occupation and rates in effect at the time of conversion.

### **Definition of Total Disability**

As a result of Sickness or injury, the Insured is not able to perform with reasonable continuity the Substantial and Material Acts necessary to perform his/her Usual Occupation in the usual and customary way and the Insured chooses not to work at any occupation.

### **Definition of Presumptive Total Disability**

The Insured is Presumptively Totally Disabled when Sickness or Injury causes a total loss of:

- speech;
- hearing in both ears;
- sight in both eyes;
- use of both hands;
- use of both feet; or
- use of one hand and one foot.

## **Disability Benefits Total Disability**

Benefits will be paid based on the total disability benefit shown in the policy specifications if the insured is totally disabled.

## **Presumptive Total Disability**

While the policy is in force, if the insured:

- suffers a presumptive disability, and
- is under a doctor's care,

then full total disability benefits will be paid following the earlier of the elimination period or 90 days for total disability. If medical evidence deems the loss to be total and irrecoverable, full total disability benefits will be paid immediately. We will waive the requirement of doctor's care, elimination period and requirement that the insured is not working.

## **Definition of Mental Disorder**

Mental Disorder means any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM), published by the American Psychiatric Association, most current as of the date of Disability. Mental Disorder includes, but is not limited to a mental, emotional, or behavioral disorder, or a disorder related to stress or to substance abuse or dependency, unless such substances were administered under the advice of a physician. If the DSM is discontinued or replaced, Mental Disorder will include those disorders classified in the diagnostic manual then in use by the American Psychiatric Association as of the date of Disability.

## **Mental Disorder Limitation**

The maximum benefit period for each period of disability caused by a mental disorder is 24 months, with no aggregate lifetime limit. However, if the insured remains disabled, and is confined to a hospital for the mental disorder, and under the care of a doctor, additional monthly benefits will be paid up to the elected maximum benefit period.

Note: This limitation can be waived under the Maximum Benefit Period Endorsement, available only on employer-pay cases of 20 or more lives with approval from a multi-life underwriter. There is an additional cost associated with this endorsement.

## Recurring Disability

If a disability is related to an earlier disability and starts less than 12 months after a period of disability ends, and the contract has at least a “To Age 65” maximum benefit period, it is considered a recurring disability and a new elimination period is not required. A recurring disability is also an unrelated disability that begins less than 30 days after the insured returns to work full time in his/her occupation or another occupation, which is consistent with his/her education, training, and experience. Benefits paid for a recurring disability are treated as a continuation of the prior period for which benefits are paid.

Note: For disability benefits with a maximum benefit period less than to age 65, a recurring disability is a related disability which starts less than six months after a period of disability ends. Some states allow only a six-month recurrent period regardless of the maximum benefit period.

## Rehabilitation Benefits

We will reimburse the insured for expenses he/she has actually paid and which are required for a Rehabilitation Program, if:

- We conditionally approve the Rehabilitation Program in writing before the insured begins to participate in it. Our conditional approval will be based on the nature of the Disability and the cost and appropriateness of the Rehabilitation Program;
- Disability benefits are currently being paid; and
- those expenses are not defined as covered expenses by another insurer or not actually paid from another source.

We will periodically review the Insured’s participation in the agreed upon Rehabilitation Program. Our continued financial support will be based on the Insured’s reasonable progress towards completion of the Rehabilitation Program.

Expenses include the cost of physical therapy prescribed by the Insured’s Doctor, tuition, books and use of equipment that are actually paid for by the insured and that are required for the Rehabilitation Program.

## Waiver of Premium

After 90 days of total disability and/or partial disability if a partial disability rider is purchased, we will waive premiums for as long as the insured remains disabled. Any premiums paid during that 90-day period will be refunded.

## Dividends

Dividends may become payable at the end of the fifth policy year (if available). There is only one dividend option available, cash. In California, dividends (if available) are payable at the end of the 6th policy year. Dividends are not guaranteed. We currently do not illustrate dividends on Radius GSI policies.

## Lapse

If an unpaid premium in default is not paid (or waived) by the end of the 31-day grace period, the policy will lapse without value as of the due date of that unpaid premium and the insurance will terminate.

## Reinstatement

The owner may reinstate the policy after it has lapsed up to 12 months by paying the back premiums that are due. We may require an application and proof of insurability to reinstate the policy. The reinstated policy will only cover disabilities caused by injuries that occur after the reinstatement is effective. It will only cover disabilities caused by sickness that first appears (makes itself known) more than 10 days after the date the reinstatement is effective.

## Conversion Privilege at Expiration Date

If the insured is working at least 30 hours per week on the policy's expiration date and is not disabled, conversion may be made to a disability income policy we issue for persons over age 65 at that time. Prior to expiration of Radius, the insured will receive a Conversion Option notification and application for conversion. Converted coverage may be continued for life, as long as the insured is not disabled and is working full time on each renewal date. Renewal beyond age 65 is on a conditionally renewable basis at attained age rates in effect on each renewal date. There is no medical underwriting required.

## Claim Forms

After We receive notification of the Insured's Disability, We will send a claim form. If such form is not furnished within 15 days after We receive notice of claim, You can comply with this request by providing us with written proof covering the occurrence, character and extent of loss for which a claim is being made.



## **Proof of Disability Requirements**

In order for Us to pay benefits, We must receive within 90 days after each Monthly Benefit claimed, proof of Disability, and proof of any Loss of Income, if applicable, and any other proof required to substantiate the claim.

If it is not possible to send it within 90 days, send it as soon as reasonably possible. Your claim will not be reduced because of the delay, but We will not accept proof of loss later than 1 year after it was due. We will make an exception if You were not then competent to make the claim.

Proof of continuing Disability must be furnished monthly or at intervals as We may require.

If necessary to determine eligibility for benefits, We may also require satisfactory proof of the Insured's Income before and during the Disability. This proof may include, but is not limited to, copies of the Insured's W-2 form(s) and/or income tax returns.

If necessary to determine eligibility for benefits, We may require the submission of financial records of the Insured relating to the documentation of Pre-Disability Income, Income, Current Income and Loss of Income. If the Insured owns any portion of any profession or business, including any corporation, and it is necessary to determine eligibility for benefits, We may also require the submission of financial records of that profession, business or corporation. This will be required as often as is reasonably necessary during the Disability.

At reasonable intervals, We may require the Insured to be examined by Doctors We choose. We will pay for any examination We may require. If the Insured unreasonably fails to submit to such examination, We will stop paying benefits.

## **Disabilities Not Covered**

We do not cover Disabilities caused or contributed to by:

- war, whether declared or undeclared;
- caused or significantly contributed to by pregnancy or childbirth; or
- caused or contributed to by an intentionally, self-inflicted injury.

We will not pay Policy benefits for any period the Insured is incarcerated after being convicted of a crime.

## **Right to Suspend Policy**

If the insured enters full time active duty in military service (other than active duty or training lasting three months or less), the owner may suspend a disability income insurance policy. Written request for suspension is required. The policy will be suspended as of the date MassMutual receives the written request.

A pro rata part of any premium paid for a period beyond the date of suspension will be refunded. During suspension the policy will not be in force. No benefits of any kind will be available; no premiums will be required; no dividends will be payable. When military service ends, the owner may place the policy back in force according to the terms of the policy. After the policy has been placed back in force it shall not cover any disability due to injury which occurred, or sickness which first manifested itself, during a period of suspension. It will cover disabilities caused by a sickness that first appears more than 10 days after restoration is effective.

## **Right to Apply for Additional Benefits**

Additional benefits can be applied for at any time while this policy is in force and the insured is not disabled. A new application and proof of medical and financial insurability is required.

Premiums will be based on attained age, current rates and our published underwriting limits in effect at the time of application for additional benefits. We will provide a new policy based on the current product being offered in the insured's contract state at the time of application for additional benefits.

The insured must qualify for the minimum benefit amount under our current product offering at the time of application. The maximum additional benefits the insured can buy are based on our current published underwriting limits in effect at the time the insured applies for additional benefits.

## **Premium Refund at Death**

That part of any premium paid for a period beyond the end of the Policy month in which the insured dies will be refunded. This provision does not apply to any premium that was waived.

## Pre-Existing Condition Limitation

The Insured is not covered for a Disability caused or substantially contributed to by a pre-existing condition or medical or surgical treatment of a pre-existing condition.

The insured has a pre-existing condition if:

The insured suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in the application (i) for which the Insured received a physician's advice or treatment within 2 years before the effective date, or (ii) which caused symptoms within 1 year before the effective date for which a prudent person would usually seek medical advice or treatment; and

The disability caused or substantially contributed to by the condition begins in the first 2 years after the Effective date of coverage under the policy.

## Mandatory Rider

### Extended Partial Disability Benefit Rider (EPR)

The Insured is Partially Disabled if he/she is not Totally Disabled and that while actually working in his/her Usual Occupation or another occupation, as a result of Sickness or Injury he/she is unable to earn more than 85% of his/her Pre-Disability Income.

There is a separate cost associated with this rider.

### EPR Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Elimination Periods</b>	<ul style="list-style-type: none"> <li>• 60, 90, 180, 365 days</li> <li>• Must be same as base policy</li> </ul>
<b>Benefit Periods</b>	<ul style="list-style-type: none"> <li>• 2 years, 5 years, 10 years and To Age 65, To Age 67</li> <li>• Must be same as Base policy</li> </ul>
<b>Benefit Amount</b>	<ul style="list-style-type: none"> <li>• Equals the base coverage + SIR</li> <li>• Includes Recovery Benefit</li> <li>• Increased through FIO</li> </ul>

## Partial Disability Benefits

The insured is eligible for benefits under the EPR if they are partially disabled and, during the elimination period:

- Has been partially disabled and unable to earn 85% of pre-disability income

Additionally, for the first six months of Partial Disability, whether during the Elimination Period or after, the Insured is also Partially Disabled if due to Sickness or Injury he/she is working at his/her Usual Occupation and either:

- 1) Can perform with reasonable continuity one or more, but not all, of the Substantial and Material Acts necessary to perform his/her Usual Occupation just prior to the start of the Disability; or
- 2) Can perform with reasonable continuity all of the Substantial and Material Acts necessary to perform his/her Usual Occupation, but for no more than 85% of the time they were collectively performed consistently just prior to the start of the Disability.

During the first 12 months of partial disability less the elimination period, a minimum 50% of the EPR monthly benefit will be paid if the insured is partially disabled. More than 50% will be paid if the insured's loss of income due to the disability is greater than 50% and 100% of the EPR monthly benefit will be paid if the loss of income due to the disability is greater than 75%.

Starting with the 13th month of partial disability a proportionate EPR monthly benefit will be paid for a 15% to 75% loss of income due to the disability if the insured is partially disabled and 100% of the EPR monthly benefit will be paid if the loss of income due to the disability is greater than 75%.

## Recovery Benefit

After a period of total disability or partial disability payments, a recovery benefit will be paid provided the insured's loss of income is at least 15% of pre-disability income and loss of income is directly related to the current disability. The recovery benefit will be paid through the 6th month following the insured's full recovery and return to work.

We will periodically reevaluate the relationship between the insured's loss of income and the previous disability to determine if a 15% loss of income exists. As long as the loss remains, we will continue to pay a monthly income not to exceed the maximum benefit period for partial disability.

## Optional Riders

Rider attachment is subject to MassMutual's rules and regulations in effect when application is made. The following riders are only available for Radius '12:

1. **CAT** – Catastrophic Disability Benefit Rider
2. **COLA** – Cost Of Living Adjustment Rider 3%
3. **FIO** – Future Insurability Option
4. **GSR** – Group Supplement Disability Benefits Rider
5. **HIV** – HIV Rider
6. **Own Occ** – Own – Occupation Rider
7. **RGR** – Retireguard Rider
8. **SIR** – Social Insurance Rider
9. **STR** – Short Term Disability Benefits Rider

### CAT – Catastrophic Disability Benefit Rider

The Catastrophic Disability Benefit Rider (CAT Rider) provides benefits that cover up to 100% of pre-disability earned income when combined with a base policy. It is a total only disability benefit and terminates when the insured reaches age 65. There is an additional cost for this rider.

#### CAT Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Waiting Periods</b>	60 days, 90 days, 180 days, 365 days Waiting periods: <ul style="list-style-type: none"> <li>• Cannot be less than the waiting period of the base contract. If the policy is issued with the COLA rider then the waiting period of the CAT must match the base waiting period</li> <li>• If the insured qualifies for a benefit based on a complete &amp; irrecoverable presumptive disability, then the waiting period is waived</li> </ul>

*continued*

## CAT Specifications

### Benefit Periods

- 2 years, 5 years, 10 years, To Age 65, To Age 67
- Benefit period can be less than, greater than or equal to the base policy benefit period. Exception: If the policy is issued with the COLA rider (or added after issue), then the benefit period of the CAT must match the base benefit period

### Minimum Rider Amount

\$300/mo.

### Maximum Rider Amount

\$12,000/mo.

### Other

- Available on standard and substandard
- Available on Radius 12, Radius 98
- FIO will not apply to the Catastrophic rider; the insured will not be allowed to use their FIO pool to purchase additional CAT

## Definition of Catastrophic Disability or Catastrophically Disabled

The Insured's condition meets the definition of Presumptive Disability.

(1) The definition of Presumptive Disability, as defined in Your Policy, which includes:

- Loss of speech; or
- Loss of hearing in both ears; or
- Loss of sight in both eyes; or
- Loss of use of both hands, or both feet, or one hand and one foot.

The CAT Rider in California covers Presumptive Disabilities only. It does not cover Total Disability with the inability to perform two Activities of Daily Living or with Severe Cognitive Impairment.

## 1. COLA – Cost of Living Adjustment Rider – 3%

The purpose of the COLA rider is to help benefits keep pace with inflation in the event of a disability lasting longer than 12 months. Increases start to accrue after the insured is disabled for 12 months or the full elimination period, whichever is longer. Increases are compounded at 3 percent and there is no limit to the number of adjustments that may be made under the COLA rider. There is an additional cost for this rider.

### COLA Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Availability</b>	<ul style="list-style-type: none"> <li>• Available on standard and substandard policies</li> <li>• Available on Base policy only</li> <li>• Will increase benefits under Base, Extended Partial Rider, OWN OCC Rider, SIR and CAT</li> </ul>
<b>Increase Amount</b>	3% Compounded – No Cap
<b>Benefit Period</b>	10 years, To Age 65, To Age 67

Upon recovery from a period of disability for which COLA adjustments were made, the insured has the right to purchase the additional monthly benefits created through COLA increases. This coverage can be purchased using current attained age rates (rates in use at the time of purchase of the additional coverage) for the insured's current occupation class applicable at time of purchase of additional coverage. The current occupation class may differ from the occupation class at time of original issue of COLA. Purchase can be made, if the insured:

- Returns to work full time at least 30 hours per week at an occupation consistent with their education, training or experience;
- Has not reached his/her 60th birthday
- Applies within 90 days after the disability ends.

This increase in coverage may be purchased without evidence of medical or financial insurability.

## 2. FIO – Future Insurability Option Rider

This rider allows the insured to increase the amount of monthly disability coverage as his/her income increases before disability. At issue a “pool” amount is chosen which will be available during annual option periods to purchase new disability coverage. Increases to coverage using the FIO rider require financial underwriting only. The insured cannot be disabled. There is an additional cost for this rider.

### FIO Specifications

<b>Issue Ages</b>	18-55
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Maximum Pool Size</b>	<ul style="list-style-type: none"> <li>• Issue Age 18-50 = 2 x (Base + SIR) to a maximum of \$10,000</li> <li>• Issue Age 51-55 = 50% x (Base + SIR) to a maximum of \$10,000</li> </ul>
<b>Minimum Pool Size</b>	\$500
<b>Maximum Exercisable Amount</b>	<ul style="list-style-type: none"> <li>• Through age 50 = 1 x base</li> <li>• After age 50 = one half the initial monthly benefit x Base</li> </ul>
<b>Minimum Exercisable Amount</b>	\$100
<b>Availability</b>	<ul style="list-style-type: none"> <li>• 90 days before each option date up to insured's 60th birthday</li> <li>• Option date may be different than policy anniversary</li> <li>• Available on standard and substandard policies</li> <li>• Issue and Participation limits are guaranteed (at time of option the insured will receive the more favorable of the original I+P limits or the current I+P limits)</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Premium Increases are calculated on an attained age basis</li> <li>• FIO applies to the base policy (total and extended partial benefits),</li> <li>• Cost of Living Adjustment Rider, OWN OCC Rider Short Term Riders, SIR EPR</li> <li>• The rider will terminate if less than \$100 remains in the FIO pool</li> </ul>

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The FIO “pool” amount can be increased, subject to maximum benefit amounts with financial and medical underwriting, during any option period prior to age 55. Current underwriting guidelines will apply and the entire original pool must be depleted before considering.

If the insured is disabled during the option period, he/she may apply for the increased benefits upon recovery if any option periods remain.

An option period occurs each year through age 60. During an option period, the insured may apply to purchase additional benefits. We will require financial documentation to provide evidence of insurability as well as information about other disability income benefits in force or applied for. The insured must not be disabled.

If the insured’s risk class is more favorable at the time of application for additional benefits we will use the more favorable class when issuing the benefits. If the risk class is less favorable at the time of application the insured will retain his/her original class.

### 3. GSR – Group Supplement Rider

This rider provides additional return-to-work benefits enhancing the benefits an insured receives from his/her group LTD plan during a partial disability. The GSR benefit is advantageous for the insured – it provides greater income protection in a return-to-work scenario. It is also advantageous for the employer by providing an incentive for his/her employees to return to work sooner from a disability. There is an additional cost for this rider.

#### GSR Specifications

<b>Issue Ages</b>	<ul style="list-style-type: none"> <li>• 18-60 includes COLA</li> <li>• 18-55 includes FIO</li> <li>• 56-60 does not include FIO</li> </ul>
<b>Occupation Classes</b>	5A, 5P, 4P, 3A, 3P, 2A and A
<b>Elimination Periods</b>	<ul style="list-style-type: none"> <li>• 60, 90, 180 and 365 days</li> <li>• Can differ from Base policy but cannot be less than the Base policy</li> </ul>
<b>Benefit Periods</b>	To Age 65, To Age 67 (LTD Plan must have To Age 65)

*continued*

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## GSR Specifications (continued)

### Additional Features/ Information

- FIO and COLA Riders built into GSR
- Available on standard and substandard policies
- GSR B not allowed on policies with the OWN OCC Rider
- Minimum \$200 of GSR monthly benefit amount
- Half Wrap – Max. monthly benefit amount = 50% Net LTD Benefit
- Full Wrap – Max. monthly benefit amount = 100% Net LTD Benefit **Group LTD Booklet must accompany application when considering Full Wrap.**
- GSR A & B Elimination Period = Base EP on LTD for full wrap only
- GSR A & B Elimination Period = 365 days for half wrap only

## Coverage A

The Insured will be considered Partially Disabled under Coverage A if the Insured is not Totally Disabled and that while actually working in his/her Usual Occupation, as a result of Sickness or Injury he/she is unable to earn more than 80% of his/her Pre-Disability Income.

If the insured is Partially Disabled, we will pay the monthly payment for this coverage if during the elimination period:

- The insured has been partially disabled and is unable to earn at least 80% of pre-disability income; **or**
- The insured has been totally disabled for at least 30 days.

During the first 12 months of disability, any monthly payment will equal 50% of the monthly benefit for this coverage.

However, if we receive proof of loss of income of more than 50% of pre-disability income, the insured may qualify for a larger benefit. The monthly benefit will be determined as follows:

If the loss of income is between 50% and 75%, the monthly payment will be determined as follows:

$$\text{Coverage A: Monthly Benefit } \times \frac{\text{Loss of Income}}{\text{Pre-Disability Income}}$$

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If the loss exceeds 75%, then the monthly benefit will be the amount shown in the policy specification page.

Beginning in the 13th month, if the loss of income is between 20% and 75% of pre-disability income, the monthly benefit will be determined as noted above. If the loss exceeds 75% of pre-disability income, we will pay the full monthly benefit.

## Coverage B

The Insured will be considered Partially Disabled under Coverage B if the Insured is not Totally Disabled and that while actually working in an occupation other than his/her Usual Occupation, as a result of Sickness or Injury he/she is unable to earn more than 80% of his/her Pre-Disability Income.

The monthly benefit is based on the insured's loss of income, based on the following coverage:

$$\text{Coverage B: Monthly Benefit } X \quad \frac{\text{Loss of Income}}{\text{Pre-Disability Income}}$$

## Features Included in GSR

**Future Insurability Option (FIO)** – This benefit is conditionally available based on underwriting and may be issued as part of the Group Supplement Rider as long as the issue age is less than 56. FIO allows the insured to apply during an option period for additional benefits. The insured must not be disabled.

**Cost of Living Adjustment (COLA)** – This benefit is conditionally available based on underwriting and may be issued as part of the Group Supplement Rider up to and including issue age 60. Issue ages greater than 60 will not include COLA. While the insured is disabled, we will make increases to the monthly benefit. No benefits accrue during the first 12 months that the insured is disabled or the full elimination period, whichever is greater. The increase to the GSR will be computed by multiplying the GSR monthly benefit by 5%. After every 12 months of monthly benefit payments, we will increase the monthly benefit payment again computed at 5% compounded.

## 4. HIV – HIV Rider

This rider provides monthly benefits should the insured test positive for HIV. Benefits will be paid whether the insured is working or not, whether he/she is symptomatic or not, and regardless of how the virus was contracted. The HIV rider is designed to provide a transitional benefit while a health care worker makes future career decisions. In order to be eligible for the HIV rider, the applicant must be a health care worker and have patient contact. There is an additional cost for this rider.

### HIV Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Elimination Period</b>	None
<b>Benefit Period</b>	2 years only
<b>Benefit Amount</b>	<ul style="list-style-type: none"> <li>• 2 x (base + SIR + GSR)</li> <li>• \$10,000/Month Maximum</li> <li>• \$2,000/Month Minimum</li> </ul>

The maximum monthly benefit amount available for issue is equal to two times the sum of the base benefit, the SIR and GSR up to a maximum of \$10,000 per month. The minimum amount is \$2,000 per month. The HIV rider is only available if two times the base benefit plus GSR equals \$2,000 or more.

The HIV rider is available for all classes with a maximum benefit period of 24 months. There is no elimination period and no doctor's care requirement.

Benefits are payable as soon as the insured tests positive for HIV in laboratories chosen by MassMutual and under the supervision of doctors chosen by MassMutual. This is a 10-year benefit and must be renewed on the policy's 10th anniversary.

## Own OCC – Own-Occupation Rider

This Own-Occupation rider provides a Monthly Benefit when the Insured is totally disabled and is working in another occupation. There is an additional cost for this rider.

### Own OCC Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A and 3P
<b>Waiting Period</b>	<ul style="list-style-type: none"> <li>• 60, 90, 180, 365 days</li> <li>• Must be same as the base policy</li> </ul>
<b>Benefit Period</b>	<ul style="list-style-type: none"> <li>• 2 years, 5 years, 10 years and To Age 65, To Age 67</li> <li>• Must be the same as base policy</li> <li>• If COLA exists on the policy, the OWN OCC Rider BP must be 10 years, To Age 65 and To Age 67</li> </ul>
<b>Benefit Amount</b>	<ul style="list-style-type: none"> <li>• Equals the base coverage + SIR</li> <li>• Increased through FIO</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Available on standard and substandard policies</li> <li>• Not available with GSR B, or, STR</li> </ul>

## Definition of Total Disability

The occurrence of a condition caused by a Sickness or Injury in which the Insured is not able to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his/her Usual occupation in the usual and customary way.

Modification to the Partial Disability Benefit provision when the Extended Partial Disability Benefits Rider is In Force

## Modification to the Partial Disability Benefit provision when the Extended Partial Disability Benefits Rider is In Force

The following is added to the Partial Disability Benefits provision of the Extended Partial Disability Benefits Rider;

Monthly Benefit payments under this Own Occupation Rider will be in lieu of any Monthly Benefit under the Extended Partial Disability Benefits Rider equal to the Monthly Benefit for this Own Occupation Rider shown in the Policy Specifications. We will evaluate eligibility for Monthly Benefits under the Extended Partial Disability Benefits Rider for the amount, if any, that exceeds the Monthly Benefit of this Own Occupation Rider.

## Cost of Living Rider

The Monthly Benefit under this Rider will be included when determining the increase to the Monthly Benefit from the Cost of Living Rider if:

- the Cost of Living Rider is In Force on Your Policy;
- the Insured meets all of the requirements of the Cost of Living Rider; and
- the Insured fulfills the eligibility requirements to receive Monthly Benefits from the Own-Occupation Rider.

Following a period of Disability during which monthly increases were paid, You will have the opportunity to purchase additional Monthly Benefits for this Own Occupation Rider in accordance with the Cost of Living Rider, if In Force. The maximum additional Monthly Benefit available for this Rider will be computed by multiplying the:

- accrued percentage on which the last Cost of Living Monthly Benefit increase was based; and
- Own Occupation Monthly Benefit shown in the Policy Specifications.

## RGR – RetireGuard® Rider

RetireGuard® can help replace up to an amount equal to the retirement plan contributions (including both the employee’s and employer’s contributions) that would have been made to a client’s eligible defined contribution plan if he/ she had not become disabled. It is not a retirement plan, nor a substitute for one. There is an additional cost for this rider.

### RGR Specifications

<b>Issue Ages</b>	18-60 Individual
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Waiting Period</b>	• 180 day and 365 days
<b>Benefit Period</b>	• 10 year, To Age 65, To Age 67
<b>Maximum Issue Limits</b>	• Match IRS maximum defined contribution limits; see FieldNet for current limits
<b>Other</b>	<ul style="list-style-type: none"> <li>• Available on standard and substandard</li> <li>• We will cover 100% of employee and employer contributions to the maximum on a non-taxable basis</li> <li>• We will cover 133% of employee and employer contributions to the maximum on a taxable basis</li> <li>• Minimum Rider Amount: \$100 (Must meet \$500 of Radius® minimum base benefit requirement. This can be all base, base plus SIR or base plus GSR)</li> </ul>

When insured with RetireGuard, during a period of total disability, MassMutual will pay benefits into an irrevocable trust. The trust offers different investment options at the time of claim so that a client can select the option that best meets his/her retirement goals. The proceeds of the trust are distributed in accordance with the terms of the trust which currently provides for the distribution of trust assets when the insured reaches age 65 or age 67 (depending upon the benefit period chosen). Trust services are provided by The MassMutual Trust Company, FSB, a wholly owned subsidiary of MassMutual.

This rider is available under all base benefit periods (i.e. base benefit period of 2 years, 5 years, 10 years, To Age 65 and To Age 67).

## Total Disability

During the Elimination Period and for the first 24 months of Disability payments, Total Disability means that as a result of Sickness or Injury the Insured is not able to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his/her Usual Occupation in the usual and customary way; thereafter, Total Disability means that as a result of Sickness or Injury the Insured is not able to engage with reasonable continuity in any occupation in which he/she could reasonably be expected to perform satisfactorily in light of his/her age, education, training, experience, station in life and physical and mental capacity.

## Optional Electives

**A) RetireGuard® COLA – 3%:** COLA may be elected on this rider.

RetireGuard® COLA 3% will be separately defined on the policy specification page.

- **Issue Ages** – 18-60 for all occupation classes

**B) RetireGuard® FIO – FIO** may be elected on this rider (RetireGuard®-FIO).

The pool amount would equal 2x the RetireGuard® Rider amount not to exceed \$7,500 in combination with base RetireGuard® coverage, but will not be less than \$500. Minimum exercisable option is \$100. The FIO pool amount is separate and distinct from the Radius® base policy and can only be used to increase the RetireGuard® Rider amount when financially qualifying.

- **Issue Ages** – 18-55 for all occupation classes
- **Option Period** – Starting 90 days prior to each Option Date
- **Termination** – On the policy anniversary date next following the insured's 60th birthday (FIO will no longer be included in the premium from age 60 on.)
- **Premium Impact** – Would impact rider base and rider COLA
- **Increased Coverage** – Applies to rider base and rider COLA

## General Information

This rider is available at issue.

In most cases, annual investment earnings on the disability benefits paid to the trust will be taxable to the insured. Also, if benefit payments are taxable



(because the premium is employer-paid), then the insured will be required to pay taxes on monthly benefits paid into the trust. Upon written request of the insured, MassMutual will withhold federal taxes on the benefit payments. Trust assets may be tax-deferred depending on the investment option(s) selected.

Benefit payments are not paid to an employer-established retirement plan. At time of claim when benefits become payable, the insured decides how these disability benefits will be invested. A broad list of investment options includes: securities listed on the New York Stock Exchange; NASDAQ Stock Exchange; the Wall Street Journal listed mutual funds; as well as any deferred annuity that holds a minimum A rating with AM Best and two additional secure ratings.

## Eligible Plans include

- Defined Contribution Pension Plans
  - 401(k) Plans
  - Profit-Sharing Plans
  - Keogh Plans
  - Stock Bonus Plans
- Employee Stock-Ownership Plans (ESOPs)
- Individual Retirement Accounts (IRAs)
- Simplified Employee Pensions (SEPs)
- Tax-Sheltered Annuity Arrangements/403(b) Plans and
- Certain Non-Qualified Deferred Compensation Arrangements

## Insuring Income Via RetireGuard® Rider Versus Radius® (base)

- For RetireGuard® Rider the total of employee PLUS employer contributions can be insured
- Income will not be reduced in order to qualify for the RetireGuard® Rider, up to the IRS maximum defined contribution limit for 401(k) and 403(b) plans.

## Overinsurance

The RetireGuard® Rider will not be offered to those clients who are currently overinsured based on income. We will, however, issue the RetireGuard® Rider to those clients who are over our maximum I & P limits, not to exceed \$3,000.

### Example 1

3P (Dentist) earns \$150,000 and has \$8,000 of MassMutual in-force individual disability insurance coverage. The coverage is not in participation with group or any other individual carrier and is non-taxable. Since the client is overinsured based on our table limits (\$6,900) he/she will not qualify for RetireGuard®.

### Example 2

3P (Dentist) earns \$500,000 and has \$15,500 of MassMutual in-force individual disability insurance coverage. The coverage is not in participation with group or any other individual carrier and is non-taxable. Since the client is not overinsured based on our table limits he/she will qualify for RetireGuard®. The maximum we can offer (including FIO) is \$2,500. This is the maximum I & P limit + \$3,000 less in-force coverage or  $(\$15,500 + \$3,000) - \$15,500$ .

## SIR – Social Insurance Rider

The Social Insurance Rider provides monthly income benefits during disability without duplicating disability benefits provided by Social Security, State Cash Sickness or Workers' Compensation. There is an additional cost for this rider.

### SIR Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	<ul style="list-style-type: none"> <li>• 5A, 5P, 4A, 4P, 3A and 3P</li> <li>• 2A, and A (required if there is no LTD)</li> </ul>
<b>Availability</b>	<ul style="list-style-type: none"> <li>• Required for 2A and A occupation</li> <li>• Required for 5A, 5P, 4A, 4P and 3A, 3P occupation classes with a waiting period less than 90 days</li> <li>• Optional for 5A, 5P, 4A, 4P and 3A, 3P occupation classes with a waiting period of 90 days or greater</li> <li>• Not available when participating with LTD plans with Social Insurance offset</li> <li>• Available on standard and substandard policies</li> <li>• SIR is used in calculation of EPR</li> <li>• SIR benefits increased by COLA</li> <li>• Used to calculate FIO amount</li> </ul>
<b>Benefit Amount</b>	<ul style="list-style-type: none"> <li>• Minimum Benefit \$200</li> <li>• Maximum Benefit \$1,350</li> </ul>
<b>Waiting Periods</b>	<ul style="list-style-type: none"> <li>• 60, 90, 180, 365,</li> <li>• Must be same as base policy</li> </ul>
<b>Benefit Periods</b>	<ul style="list-style-type: none"> <li>• 2 Years, 5 years, 10 years, To Age 65 and to Age 67 (same as base policy)</li> </ul>

Rider benefits are reduced by the benefits that are actually paid from the following programs (dollar- for-dollar offset):

**Social Security Disability Benefits For The Insured** – This is the Social Security program that provides income payments for the insured’s disability, excluding any family disability benefits.

**Social Security Family Disability Benefits** – This is the Social Security program that provides disability income payments to any person because of that person’s relationship to the disabled insured.

**Workers’ (or Workmen’s) Compensation Disability Benefits** – This is any workers’ compensation law or plan, either federal or state, that provides payments for the Insured’s disability. Lump sum workers’ compensation payments are considered as covering a specific period. That period is determined by taking the award and dividing it by the weekly benefit amount.

**Compulsory Disability Benefits (State Cash Sickness)** – This is any state law requiring a plan of accident or sickness weekly disability benefits, other than workers’ compensation, for a disabled insured.

**Compulsory Disability Benefits (Government Retirement System)** – This is any retirement program, sponsored by a governmental unit, that pays benefits to a disabled insured. If such disability payments cause a reduction in the amount payable at normal retirement, there is no SIR offset.

No monthly benefit is paid under the SIR Rider for any month that the insured is receiving Social Security retirement income benefit.

Before any SIR payments can be made, we must receive satisfactory evidence as to any amounts payable under the above programs. Such evidence includes proof that an application for payments has been made, written authorization for us to receive information as to the status of the application, and proof that the application has been approved or disapproved. If disapproved, we require proof that the appeals process has been followed and approval or disapproval received.

At any time, we may require proof that the insured continues to be disabled and is (or is not) receiving payments from Social Security retirement or any of the above programs.

Once benefits begin under one of the above programs, no benefit being paid under this rider will be adjusted due to a cost-of-living increase in that program.

SIR is not available to members of the clergy or if the insured has LTD insurance in place that includes a Social Security offset.

Because coverage is non-cancelable, if an insured moves in or out of a State Cash Sick state, drops his/her LTD coverage or changes occupation from an occupation such as clergy, with no Social Security benefits, to an occupation with Social Security benefits, we cannot mandate any change to the policy.

The Social Insurance Rider is participating (dividends may be payable) (dividends are not guaranteed).

## 6. STR – Short Term Disability Benefits Riders

The purpose of these riders is to provide disability benefits for a short period of time during the elimination period of employer-pay salary continuation plans, or LTD plans with 180-day or longer elimination periods. There is an additional cost for these riders.

These riders are also used to program around State Cash Sickness Benefits in California.

### STR Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4A, 4P, 3A, 3P, 2A and A
<b>Elimination Periods</b>	• 60, 90, and 180 days
<b>Benefit Periods</b>	<ul style="list-style-type: none"> <li>• STR1 – To 6 months</li> <li>• STR2 – To 1 year</li> <li>• May not overlap base policy</li> </ul>
<b>Minimum Benefit</b>	\$100 monthly
<b>Other Guidelines</b>	<ul style="list-style-type: none"> <li>• Up to 2 short-term riders may be issued</li> <li>• Benefit periods may not overlap</li> <li>• Increased by FIO</li> <li>• Available with EPR, FIO, COLA and GSR, and SIR</li> <li>• Available on standard and substandard policies</li> <li>• Not allowed on policies with the OWN OCC Rider</li> </ul>

### Short Term Rider One

Available elimination periods – 60 and 90 days

Benefits payable to 180 days

### Short Term Rider Two

Available elimination periods – 180 days

Benefits payable to 365 days

## Endorsement – Guaranteed Insurability Option

This Guaranteed Insurability Option (GIO) provides the right to purchase new permanent life insurance without Proof of Good Health other than proof the insured is not disabled.

### Specifications

- The GIO will be issued with a Radius 12 version policy only. It cannot be added to in-force policies.
- No additional cost for this endorsement
- Issue ages 18 – 35
- Available to all occupations
- Not available with substandard ratings

### Benefit

While this Policy is In Force and the Insured is living, new permanent life insurance may be purchased during each Option Period. This new life insurance may be either a new life policy or an increase in the Face Amount of an existing inforce life policy (if that policy allows for increases in the Face Amount). The Face Amount is the amount of insurance coverage the life policy provides while the life policy is in force.

If new life insurance is not purchased during an Option Period, the right to purchase life insurance during that Option Period is lost. However, the right to purchase new permanent life insurance during each later Option Period will not be affected.

### Option Details

- \$25,000 face amount per option period
- Cannot be disabled at time option is exercised
- Option periods at attained ages: 25, 28, 31, 34, 37, 40, 43 and 46
- Each Regular Option Period begins 30 days before a Regular Option Date; it ends 30 days after that Date
- Same rates as existing permanent policy for increases to an existing inforce life policy
- Life Insurance waiver of premium is not available when using GIO to purchase a new permanent life insurance

A Substitute Option Period may be used in place of a Regular Option period. A Substitute Option Period is the 91-day period beginning on the date any of the following events occurs:

- Marriage or registered domestic partnership of the Insured;
- Birth of a child of the Insured; or
- Legal adoption of a child by the Insured.

A Substitute Option Period begins only if the event occurs while this Policy is In Force and there is a right to purchase new life insurance during the next Regular Option Period. If new life insurance is purchased during a Substitute Option Period, then the right to purchase new life insurance again during the next Regular Option Period is lost. However, the right to purchase new life insurance during each later Regular Option Period will not be affected.

## Graded Premium

Graded premium is an alternative premium structure under which the initial premiums are significantly less than a level premium structure in the earlier years of the policy. These premiums gradually increase annually until they become level at age 50 for the duration of the policy.

### Specifications

- Radius<sup>®</sup> 12 and RetireGuard 12<sup>®</sup> (standalone). Not available with in-force policies.
- Issue Ages: 18-35
- Available to all occupations
- Available with all riders
- Available on standard and substandard policies
- Premiums:
  - Increase annually on the policy anniversary
  - Levelize at age 50
  - Graded premium rates are guaranteed
- Conversion to level premium is available up to age 40; at attained rates using the original rate series in effect at the time the graded premium policy was issued.



## California Requirements

### Radius® Medical Requirements<sup>1</sup>

Monthly Benefit	Ages 18-45	Ages 46-60
<b>Up to \$1,000</b>	Non-Medical	Non-Medical
<b>\$1,001 – \$5,000</b>	Non-Medical Oral Fluids <sup>2,3</sup>	Non-Medical Blood Profile/Urine Physical Measurements
<b>\$5,001 – \$7,500</b>	Non-Medical Blood Profile/Urine Physical Measurements	Paramed Blood Profile/Urine
<b>Greater than \$7,500</b>	Paramed Blood Profile/Urine	Paramed Blood Profile/Urine

<sup>1</sup> Highest short term rider or base + SIR + 50% of highest Group Supplement Rider

<sup>2</sup> No Oral Fluids required for 5A occupational classes up to \$3,500

<sup>3</sup> Blood Profile/Urine required for all healthcare occupations requesting the Own-Occ Rider

### Radius®\* Financial Requirements

Employee, Non-owner	California
<b>(a) Applied for and in force Coverage under \$3,000</b>	No financial documentation required
<b>(b) Applied for and in force Coverage \$3001 and under \$10,000</b>	W-2 <b>or</b> Current paystub with year to date figure
<b>(c) Applied for and in-force Coverage \$10,000-\$14,999</b>	Submit the <b>two</b> most recent W-2's <b>or</b> W-2 & Current Pay stub with year to date figure
<b>(d) Applied for and in-force Coverage \$15,000 and over</b>	Submit the <b>two</b> most recent Forms 1040, with all schedules and attachments including W-2's

\*Business owners applying for Radius must submit business tax returns; for employees applying for amounts above the GSI, additional financial information may also be requested.

See Business Owner requirements on the following page.

## Financial Requirements

### Disability Income Coverage — Radius®

BUSINESS OWNER*	Sole Proprietor (Schedule C)	Partner in a Partnership (Form 1065)	Corporation Shareholder (Form 1120)	S-Corporation Shareholder (Form 1120S)
(a) Applied for and in-force Coverage under \$10,000	Schedule C Submit the most recent:	K-1 or form 1040's, pages 1 & 2, Sch E, and W-2 if LLC	Form 1120, pages 1 & 2 (include Form 1125E for returns 2011 and later)	Form 1120S, page 1 & K-1 and W-2 OR forms 1040, Sch E's and W-2's
(b) Applied for and in-force Coverage \$10,000-\$14,999	Schedule C's and forms 1040 pages 1 & 2 Submit the two most recent:	K-1's and forms 1040, pages 1 & 2, Sch E's, and W-2's if LLC	Forms 1120, pages 1 & 2 (include Form 1125E for returns 2011 and later) and forms 1040, pages 1 & 2 and W-2's	Forms 1120S, pages 1 & K-1's and forms 1040, pages 1 & 2, Sch E's and W-2's
(c) Applied for and in-force Coverage \$15,000 and over	Forms 1040, with all schedules and attachments Submit the two most recent:	Forms 1065 with all schedules and attachments and forms 1040 with all schedules and attachments, and W-2's if LLC	Forms 1120 with all schedules and attachments and forms 1040 with all schedules and attachments	Forms 1120S with all schedules and attachments and forms 1040 with all schedules and attachments including W-2's

\* For Limited Liability Companies — request tax form filed by business.

#### Special Notes

- When determining financial risk for DI include all DI and LTD in force and applied for since the last full financial documentation was submitted for a MassMutual disability policy.
- Financial documentation is not required for Starting/Young Professionals where in force and applied for coverage is within the starting practice limits.
- Total issue and participation limits include all other coverages, both individual and group.
- When applicant's net worth exceeds 6M — submit a statement of net worth (**DI1961n**); tax forms will be requested as needed.

# Radius Transition Select 06 (Formerly 61+) Policy Information

**Content provided is for reference purposes only. Titles including “Definition” are actual definitions from the contract; all other materials are not. Please refer to the policy for the complete set of definitions and contract provisions.**

## **Radius Transition Select 06:**

- allows you to write new business on individuals aged 61-70;
- is used in multi-life sales for new business on individuals aged 61-70; and
- is the contract to which the insured converts previous Radius ‘98 and 06’ ‘12 coverage to continue coverage after the individual, noncancelable contract expires at age 65.

## Radius Transition Select 06 Specifications

<b>Issue Ages</b>	61-70
<b>Occupation Classes</b>	Individual: 5A, 4A, 4P, 3A, 3P and 2A Association: 5A, 4A, 4P, 3A and 3P Multi-Life: 5A, 4A, 4P, 3A, 3P, 2A and A
<b>Availability</b>	<ul style="list-style-type: none"> <li>• New Business – not available on rated policies</li> <li>• Conversions – rating or rider will carry over to the Radius Transition Select policy</li> <li>• Not available in FL, MN, NJ and NY</li> </ul>
<b>Minimum Policy Size</b>	• \$500/mo. (In-force policies of less than \$500/mo. will be grandfathered)
<b>Premiums</b>	Conditionally renewable on an annual basis; Unisex rates
<b>Elimination Periods</b>	New Business: 60, 90, and 180 days Converted Business: 60, 90, and 180 days
<b>Benefit Period</b>	• 2 years only
<b>Discounts</b>	<ul style="list-style-type: none"> <li>• 10% 3-9 lives – all occupation classes</li> <li>• 15% 10+ lives – all occupation classes</li> <li>• 25% employer-sponsored groups for 5A, 4A, 4P, 3A and 3P occ classes. The criteria is 15+ lives in group, \$25,000 premium and 75% participation of all eligible lives. 2A and A occupation classes not eligible for the 25% discount</li> </ul>

## Total Disability, Disability, Disabilities, or Disabled

As a result of Sickness or Injury, the Insured is unable to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his/her Usual Occupation in the usual or customary way.

### Policy Description

In order for disability income benefits to be paid, the insured must be totally disabled throughout the full elimination period. No benefits accrue during the elimination period. The elimination period and the maximum benefit period are shown in the policy specification. The benefit will not be larger if the insured is disabled from more than one cause, nor will the maximum benefit period be extended. We will continue to pay benefits while the insured is totally disabled up to the maximum benefit period.

**FOR USE IN CALIFORNIA ONLY. FOR PRODUCER USE ONLY. NOT FOR USE WITH THE PUBLIC.**

## **Presumptive Total Disability**

We will consider the insured to be disabled as long as the presumptive total disability continues and the insured is under a doctor's care. Benefits will start to accrue following the earlier of 90 days or the elimination period for total disability. We will pay the total disability income insurance monthly benefit for up to the maximum benefit period.

## **Recurring Disability**

A recurring disability is a related disability that starts less than six months after a period of disability ends.

It is also an unrelated disability that starts less than 30 days after the insured returns to work full-time, at least 30 hours per week. The work must be consistent with his/her education, training, and experience. We will treat the recurring disability as a continuation of the prior one.

A recurring disability does not receive a new maximum benefit period. Periods of recurring disability will be accumulated under the same maximum benefit period. Benefits will be paid only up to the balance of the original maximum benefit period.

If the elimination period has been satisfied, no new elimination period is required. If the elimination period has not been satisfied, periods of recurring disability will be accumulated to satisfy the elimination period.

## **Waiver of Premium**

After the insured has been disabled for 90 days, we will waive payment of premiums for as long as the insured remains disabled, but not beyond the maximum benefit period. We will also refund any premium paid during the 90-day period before the insured qualified for these benefits.

We will waive premiums for this policy based on the premium mode in effect when the insured becomes disabled.

## Disabilities Not Covered

### Radius Transition Select does not cover:

- partial disability
- benefits provided by rider;
  - if a conversion, all riders on the original contract are discontinued
- rehabilitation benefits
- return-to-work benefits

## Renewal Provision

The Radius Transition Select may be conditionally renewed each year if:

- the insured is employed at least 30 hours per week
- the insured is not disabled or receiving disability benefits from any other source

## The premiums on this new contract:

- will increase each year on the policy anniversary date
- if sold in the multi-life market, are eligible for multi-life discounts
- are not guaranteed

## Radius Transition Select 06 Medical Requirements

### Monthly Benefit

### Ages 61-70

#### All Amounts

Paramed  
Blood Profile/Urine  
APS  
PHI

*continued*

## Radius Transition Select 06 Financial Requirements

Employee, Non-owner	California
<b>(a) Applied for and in force Coverage \$3000 and under</b>	No financial documentation required
<b>(b) Applied for and in force Coverage \$3001 and under \$10000</b>	W-2 <b>or</b> Current Pay stub with year to date figure
<b>(c) Applied for and in-force Coverage \$10,000-\$14,999</b>	Submit the <b>two</b> most recent W-2' s <b>or</b> current or W-2 & Current Pay stub with year to date figure
<b>(d) Applied for and in-force Coverage \$15,000 and over</b>	Submit the <b>two</b> most recent Forms 1040, with all schedules and attachments including W-2's

### Special Notes

- When determining financial risk for DI, include all DI and LTD, in-force and applied for since the last full financial documentation was submitted for a MassMutual disability policy
- Total issue and participation limits include all other coverages, both individual and group

## Financial Requirements

### Disability Income Coverage – Radius Transition Select 06

BUSINESS OWNER* ENTITY	Sole Proprietor (Schedule C)	Partner in a Partnership (Form 1065)	Corporation Shareholder (Form 1120)	S-Corporation Shareholder (Form 1120S)
<b>Applied for and in-force coverage under \$10,000**</b>	Submit the most recent: Schedule C	K-1 <b>or</b> form 1040, pages 1 & 2, and W-2 of LLC	Form 1120 pages 1 & 2 (include Form 1125E for returns 2011 and later)	Form 1120S, page 1 <b>and</b> K-1 and W-2 <b>or</b> forms 1040, Sch E's <b>and</b> W-2's
<b>Applied for and in-force coverage \$10,000-\$14,999**</b>	Submit the <b>two</b> most recent: Schedule C's <b>and</b> forms 1040 pages 1 & 2	K-1's <b>and</b> forms 1040, pages 1 & 2, Sch E's <b>and</b> W-2's if LLC	Forms 1120, pages 1 & 2 (include Form 1125E for returns 2011 and later) <b>and</b> forms 1040, pages 1 & 2 <b>and</b> W-2's	Forms 1120S, pages 1 & K-1's <b>and</b> forms 1040, pages 1 & 2, Sch E <b>and</b> W-2's
<b>Applied for and in-force coverage \$15,000 and over**</b>	Submit the <b>two</b> most recent: Forms 1040, with all schedules and attachments	Forms 1065 with all schedules and attachments <b>and</b> forms 1040 with all schedules and attachments, and W-2 if LLC	Forms 1120 with all schedules and attachments <b>and</b> forms 1040 with all schedules and attachments	Forms 1120S with all schedules and attachments <b>and</b> forms 1040 with all schedules and attachments including W-2's

\* For Limited Liability Companies (LLC) – request business tax return filed with IRS.

\*\* In the following situations, documentation required in row (c) should be obtained:

- applicant's unearned income exceeds 15% of earned.
- when applicant's net worth exceeds 6M- submit a statement of net worth (DI1961n); tax forms will be requested as needed.



# Business Overhead Expense Policy (BOE '06/SBOE '06)

## Policy Information

**Content provided is for reference purposes only. Titles including “Definition” are actual definitions from the contract; all other materials are not. Please refer to the policy for the complete set of definitions and contract provisions.**

The information in this section only covers the BOE 06 and SBOE 06 versions. Current published Issue & Participation Limits should be used.

These policies are designed specifically for professionals and small business owners who are actively engaged in their profession/business on a full-time basis, and whose office is located away from their residence. The applicant must demonstrate that his/her presence is vital to the running of the entity and that a disability will result in a loss of income to the entity. Individuals who generate receipts that normally cover overhead expenses are appropriate candidates for coverage.

## Business Overhead Expense Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	<ul style="list-style-type: none"> <li>• BOE – 5A, 4A, 4P, 3P and select 3A</li> <li>• SBOE – 3A and 2A</li> </ul>
<b>Elimination Periods</b>	30, 60 and 90 days
<b>Benefit Periods</b>	12, 18 and 24 months
<b>Minimum Net Business Income</b>	\$16,000
<b>Minimum Monthly Benefit</b>	\$500
<b>Rate Structure</b>	<ul style="list-style-type: none"> <li>• Non-cancelable, level premiums to age 65</li> <li>• Conditionally continuable after age 65</li> <li>• Unisex rates for individual, association and multi-life</li> <li>• Rates vary by age and occupation class</li> <li>• Nicotine surcharge of 20%</li> <li>• California surcharge of 10%</li> <li>• Substandard rating may be applied</li> </ul>
<b>Discounts</b>	<ul style="list-style-type: none"> <li>• 5% first year cross-sell discount (will not be applied to the rated portion of a policy)</li> <li>• 10% Multi-Life Discount (for 3 or more lives)</li> <li>• Only one discount per policy is allowed</li> </ul>

### Availability

Generally, Business Overhead Expense is issued to groups with five or fewer owners and businesses with eight employees or less\*. Coverage is not usually available to an individual whose business is located in the home.

The owner's share of income or loss plus salary must be at least \$16,000 in order to qualify. Therefore, individuals who have recently joined an existing business may qualify, however, those starting a business may not. As with our other products, we are concerned with overinsurance. Accordingly, clients who have disability income coverage in-force and are currently

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overinsured based on income may not qualify for a BOE policy. Please contact your underwriter for details.

Business Overhead Expense (BOE 06) for Professionals is designed to reimburse the overhead expenses of self-employed professionals and select business owners with less than 10 percent manual duties. Both total disability benefits and partial disability benefits are available.

Small Business Overhead Expense (SBOE 06) is designed to protect the overhead expenses of small business owners. SBOE provides total disability benefits only and can be used in sales situations that may not warrant partial coverage. Partial disability benefits are not available.

\* We will consider, on a case by case basis, businesses with up to 10 owners with at least a 10% interest in the business; contact your underwriter for details

## Policy Description

### Renewability

The policy is non-cancelable and guaranteed continuable to age 65 and conditionally continuable for life if the insured is actively employed full time and continues to be a business owner responsible for expenses in maintaining an office or business.

### Definition of Total Disability

As a result of Sickness or Injury, the Insured is unable to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his/her Usual Occupation in the usual or customary way.

### Definition of Presumptive Total Disability

The Insured is Presumptively Totally Disabled when Sickness or Injury cases a total loss of:

- speech;
- hearing in both ears;
- sight in both eyes;
- use of both hands;
- use of both feet; or
- use of one hand and one foot.

## Disability Benefits

### Total Disability Benefit

While the insured is totally disabled, we will pay a monthly benefit in amount equal to the monthly business overhead expenses the insured actually incurred during the prior month of disability up to the monthly benefit shown in the policy specifications.

### Maximum Benefit Amount

The monthly benefit for total disability times the number of months in the benefit period equals the maximum benefit amount. Under the accumulation benefit provision, benefits will continue to be paid until the maximum benefit amount has been reached as long as the insured remains totally disabled and continues to have qualifying business overhead expenses.

### Accumulation of Benefits

When expenses for any month of total disability are less than the monthly benefit, the unused portion of benefit may be carried forward and used to reimburse expenses in a later month when the expenses exceed the monthly benefit. This may extend the benefit period.

### Exceeding the Monthly Benefit

The business overhead expenses in any, one month may exceed the monthly benefit for the total disability. If so, any excess business overhead expenses may be reimbursed in a later month of the same period of disability when the expenses are less than the monthly benefit. In no event will the benefit be paid in any one month exceed the monthly benefit plus the accumulation benefit.

### Definition of Partial Disability (the following provision is included in the Business Overhead Expense (BOE '06) policy only)

The insured is Partially Disabled if he/she:

- is suffering from a current Disability
- is working at his/her Occupation
- can do some, but not all the duties of his/her Occupation; or can work at his/her Occupation no more than 3/4 the hours worked before becoming Disabled.

## **Partial Disability Benefit (Business Overhead Expense (BOE) policy only)**

Benefits for partial disability will start to accrue following the elimination period for partial disability. In order to collect partial disability benefits:

- the insured must be totally or partially disabled for the elimination period
- any monthly benefits for total disability must have ended
- the insured must be partially disabled and
- we must receive proof of business overhead expenses paid

## **Business Overhead Expenses**

These are expenses that the insured was responsible for in running his/her business before becoming disabled. These expenses include but are not limited to:

- Rent
- Heat and water
- Electricity
- Cost to lease equipment
- Laundry
- Interest payments on the business premises and/or equipment the insured owns and uses in running the business PLUS the greater of scheduled depreciation for federal tax purposes or scheduled principal payments on the business premises and/or equipment the insured owns and uses in running the business. *At the beginning of a period of disability the insured must choose whether to claim depreciation or payment principal of debt.*
- Employee's salaries (except as limited below)
- Professional Replacement Expense, which is the salary expense incurred in employing an individual(s) to perform the insured's occupation, while the insured is disabled.

### **Business Overhead Expenses do not include:**

- Cost of goods sold
- Additions to inventory
- Purchase costs of tools, instruments or wares used in the insured's profession or occupation

- Salaries, fees, drawing accounts or other compensation received by the Insured's spouse or registered domestic partner or a member of the Insured's Family, or the spouse's or registered domestic partner's family
- Any expense which the insured did not have in running the business prior to the disability except for any Professional Replacement Expense

## Exchange Privilege

Prior to the insured's 60th birthday, a Business Overhead Expense contract may be exchanged for an individual disability income policy. MassMutual will require up-to-date information on other disability income benefits in force or applied for, and the insured's earned and unearned income. The monthly benefit will be the lesser of:

- 30% of the monthly benefit for total disability under the Business Overhead Expense contract, or
- \$3,000, or
- our published underwriting limits for the new policy We may change these limits from time to time. If we do, the client may elect to use the limits in effect when the policy was purchased, or the limits in effect when applying to exchange the policy.

The new policy will:

- Be issued with a maximum benefit period of two years
- Be issued with the same elimination period shown in the policy specifications. If the same elimination period is not available, the new policy will be issued with a elimination period chosen by MassMutual
- Be issued with the same exclusions for medical conditions, and the same risk classifications, including but not limited to substandard premium classifications
- Be based on the premium rates in effect when the policy is exchanged and will include the application for this policy.

## Waiver of Premium

We will waive all premiums that come due after the insured has been disabled for 90 days. Any premiums that come due while the insured remains disabled will be waived. We will refund any premiums paid during the 90-day period before the insured qualified for the waiver of premium benefit.

We will not waive payment of premiums for any period the insured is incarcerated or has a disability described in the “disabilities not covered” provision of the policy.

## Recurring Disability

There will be no elimination period if any related disability starts less than 6 months after a period of disability or an unrelated disability that starts less than 30 days after the insured returns to work on a full-time basis. Any recurring disability will be treated as a continuation of the prior disability and will not receive a new benefit period or a new maximum benefit amount.

If the elimination period has been satisfied, no new elimination period is required. If the elimination period has not been satisfied, periods of recurring disability will be accumulated to satisfy the elimination period.

## Benefits to Survivors

Following the insured’s death, MassMutual will pay a benefit equal to two times the monthly benefit for total disability if:

- Total disability benefits were being paid at the time of the insured’s death; and
- The insured died prior to age 65.

## Disabilities Not Covered

We do not cover Disabilities:

- caused or contributed to by war, whether declared or undeclared;
- caused or significantly contributed to by pregnancy or childbirth; or
- caused or contributed to by an intentionally, self-inflicted injury.

We will not pay Policy benefits for any period the Insured is incarcerated after being convicted of a crime.

## Right to Continue Coverage at Age 65

The BOE and SBOE policies expire at age 65 but may be continued beyond the expiration date if the insured:

- is employed at least 30 hours per week
- is responsible for expenses in maintaining an office or business
- is not disabled
- notifies MassMutual at least 60 days before the expiration date

This policy:

- must be renewed annually
- is subject to premium change upon renewal
- will have the same monthly benefit for Total Disability
- will have a benefit period of 12 months for disabilities which begin after age 75

## Right to Suspend Policy

If the insured enters full-time active duty in military service (other than active duty for training lasting three months or less), the owner may suspend the BOE policy. Written request for the suspension is required, and the policy will be suspended as of the date the company received the written request. A pro-rata part of any premium paid for a period beyond the date of suspension will be refunded. During the suspension the policy will not be in force, no premiums will be required and no dividends will be payable. After the insured returns from active duty, he/she has 90 days to reinstate the policy without medical or financial underwriting.

## Grace Period

If an unpaid premium in default is not paid (or waived) by the end of the 31-day grace period, the policy will lapse without value as of the due date for that premium, and the insurance will terminate.

## Reinstatement

This policy may be reinstated within 12 months after the end of the grace period. All overdue premiums must be paid. MassMutual may require an application and proof of insurability. The terms of the policy will be the same as before the termination except for terms added or excluded in connection with the reinstatement process. After 12 months, full underwriting will be required for consideration of a new policy. If the insured is over 60 and the policy has been lapsed for over one year, there is no option for a new policy.

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## Claims Forms

After We receive notification of the Insured's Disability, We will send a claim form. If such form is not furnished within 15 days after We receive notice of claim, You can comply with this request by providing us with written proof covering the occurrence, character and extent of loss for which a claim is being made.

## Proof of Loss

In order for Us to pay benefits, We must receive within 90 days after each Monthly Benefit claimed, satisfactory proof that Business Overhead Expenses have been incurred, and any other proof We may require to substantiate the claim.

If it is not possible to send proof within 90 days, send it as soon as reasonably possible. Your claim will not be reduced because of the delay if it was not reasonably possible to send proof within such time. We will not accept proof of loss later than one year after it was due. We will make an exception if You were not then competent to make the claim.

Proof of continuing Disability must be furnished at reasonable intervals as We may require.

If necessary to determine eligibility for benefits, We may require the submission of financial records relating to Business Overhead Expenses of any profession or business, including but not limited to, any corporation for which a Business Overhead Expense Benefit is claimed. This will be done as often as is reasonably necessary during the period of Disability. Proof required to substantiate Your claim may include, but is not limited to, copies of the Insured's personal and business income tax returns filed with the Internal Revenue Service or with any other government authority, financial statements, accountant statements and other proof.

At reasonable intervals, We may require the Insured to be examined by Doctors We choose. We will pay for any examinations We may require. If the Insured unreasonably fails to submit to such examinations, We will stop paying benefits.

## Premium Refund at Death

That part of any premium paid for a period beyond the date of the insured's death will be refunded. This provision does not apply to any premium that was waived.

## Optional Riders

Rider attachment is subject to company rules and regulations in effect when application is made. The following rider is available for BOE and SBOE:

### FIO – Future Insurability Option Rider

This rider allows the insured to increase the amount of monthly Business Overhead Expense coverage as his/her business expenses increase. At issue, a “pool” amount is chosen which will be used during option periods to purchase new BOE coverage. Increases to coverage using this rider require only financial underwriting. There is an additional cost for this rider.

#### FIO Specifications

<b>Issue Ages</b>	18-55
<b>Occupation Classes</b>	5A, 4A, 4P, 3A, 3P and 2A
<b>Minimum FIO Pool Issue Amount</b>	\$500
<b>Maximum FIO Pool Issue Amount</b>	All ages = 1 X base to a maximum of \$5,000
<b>Minimum Exercisable Amount</b>	\$100
<b>Maximum Exercisable Amount</b>	Maximum increase per option date: <ul style="list-style-type: none"> <li>• Through age 50: 1 x base</li> <li>• After age 50: 50% x base</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• If less than \$100 left in pool, rider will terminate</li> <li>• FIO pool amount can be increased, subject to maximums and full underwriting during any option period prior to age 55. Premiums for the total increased pool will be at attained age rates, using the level premium rates in use at the time of the increase.</li> </ul>

Applying for additional benefits requires up to date information on other business overhead expense benefits in force or applied for, the insured's income, business expenses and occupation class. If the insured's risk class is more favorable at the time of application for additional benefits than it was when the rider became effective, the more favorable risk class will be used for additional benefits. However, if risk class is less favorable at time of execution, the original risk class will be maintained.

All elimination periods and benefit periods for any increases remain the same as on the initial coverage.

The option period begins 90 days before each option date, one per year, and ends on that option date. The option date is assumed to be the policy anniversary, but a specific date can be elected. Options may be exercised during each option period through the option period immediately before the insured's 60th birthday.

When the base coverage is increased through an FIO option, the base policy (total and partial benefits) will increase. Partial benefits are not available with SBOE.

## Underwriting Guidelines

### Business Guidelines

- Five principal owners or less\*
- 15 employee/wage earners or less
- Minimum of 20% ownership\*, and responsibility for incurred expenses must exist

### BOE Issue and Participation Limits

Occ Class	Maximum Issue and Participation Limit
5A, 4A, 4P, 3A, 3P	\$30,000 w/24 mo BP
	\$40,000 w/18 mo BP
	\$50,000 w/12 mo BP
2A/A	\$10,000

\*We will consider, on a case by case basis, businesses with up to 10 owners with at least 10% interest in the business.

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## Starting Professionals

The following professionals in their final stages of training or in the first year of professional practice may be eligible for the limits outlined in the chart below based on anticipated expenses.

### Starting Professional Program – BOE Limits

Occupation	Issue Limit	Occupation	Issue Limit
Architect	\$12,500	Optometrist	\$12,500
Attorney	\$15,000	Physician	\$15,000
CPA	\$12,500	Physician Assistant	\$5,000
Dentist	\$15,000	Veterinarian	\$12,500
Engineer	\$12,500	Psychologist	\$10,000
Nurse Practitioner	\$5,000		

Starting non-professionals are not eligible for special issue limits but are reviewed on an individual basis. Consult with your underwriter.

### Business Overhead Medical Requirements

Monthly Benefit	Ages	
	18-45	45-60
<b>Up to \$5,000</b>	Non-Medical+	Non-Medical+
<b>\$5,001 – \$7,500</b>	Non-Medical+ Oral Fluids Physical Measurements	Non-Medical+ Blood Profile/Urine Physical
<b>Greater than \$7,500</b>	Paramed Blood Profile/Urine	Paramed Blood Profile/Urine

- When determining medical or non-medical limits for Business Overhead Expense, include all non-medical BOE policies in force for all companies within the past three years and since the last exam.
- When determining financial risk for BOE include all BOE in force and applied

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## Financial Requirements

### Special Notes

When determining financial risk for DI and/or BOE; include all DI, LTD or BOE, in force and applied for since the last full financial documentation was submitted for a MassMutual disability policy.

Financial documentation is not required for Starting/Young Professionals where in force and applied for coverage is within the starting practice limits.

Total issue and participation limits include all other coverages, both individual and group.

### Business Overhead Expense Coverage Financial Requirements

Applied for and In-Force Coverage Over \$20,000

<b>Business Entity*</b>	<b>Submit the most recent</b>
<b>Sole Proprietor</b>	Schedule C with all schedules <b>and</b> attachments
<b>Corporation Shareholder</b>	Form 1120 with all schedules <b>and</b> attachments
<b>S-Corporation Shareholder</b>	Form 1120S with all schedules <b>and</b> attachments
<b>Partner in a Partnership</b>	Form 1065 with all schedules <b>and</b> attachments

\* Limited Liability Company (LLC) members should submit business tax returns filed with the IRS.

## RetireGuard® '12 Policy Information

**Content provided is for reference purposes only. Titles including "Definition" are actual definitions from the contract; all other materials are not. Please refer to the policy for the complete set of definitions and contract provisions.**

RetireGuard® can help replace an amount equal to up to 100% of the retirement plan contributions (including both the employee's and employer's contributions) that would have been made to a client's eligible defined contribution plan if he/she had not become disabled. It is not a retirement plan, nor a substitute for one.

## RetireGuard® Specifications

<b>Issue Ages</b>	18-60
<b>Occupation Classes</b>	5A, 5P, 4P, 3A, 3P, 2A and A
<b>Elimination Periods</b>	180 and 365 days
<b>Benefit Periods</b>	• 10 years, to Age 65, to Age 67
<b>Benefit Amount</b>	<ul style="list-style-type: none"> <li>• Minimum \$500/month (if no other coverage) or \$200/month (if other coverage is in-force or applied for with MassMutual)</li> <li>• Maximum based on current IRS Defined Contribution Maximums – see FieldNet for current limits</li> <li>• For certain Non-Qualified Deferred Compensation Plans (approved by underwriter): 50% up to a maximum of \$5,000 (after amounts from Qualified Plans are insured)</li> <li>• Available on standard and substandard</li> <li>• We will cover <b>100%</b> of employee and employer contributions to the maximum on a non-taxable basis</li> <li>• We will cover <b>133%</b> of employee and employer contributions to the maximum on a taxable basis</li> </ul>
<b>Riders Available</b>	<ol style="list-style-type: none"> <li>1) FIO – Non-taxable and taxable: amount is \$7,500 – issue amount = FIO pool available (not to exceed 2x base)</li> <li>2) COLA</li> </ol>
<b>Discounts</b>	<p>5% First Year Life/DI Cross Sell</p> <ul style="list-style-type: none"> <li>• 10% Association discount</li> <li>• 25% Multi-life discount 3+ lives</li> <li>• 35% Multi-life discount 100+ lives, employer-paid</li> </ul>

When insured with RetireGuard, during a period of total disability, MassMutual will pay benefits into an irrevocable trust. The trust offers different investment options at the time of claim so that a client can select the option that best meets his/her retirement goals. The proceeds of the trust are distributed in accordance with the terms of the trust which currently provides for the distribution of trust assets when the insured reaches age 65, the trust assets are distributed to the insured. Trust services are provided by The MassMutual Trust Company, FSB, a wholly owned subsidiary of MassMutual.

In most cases, annual investment earnings will be taxable to the insured. Also, if benefit payments are taxable (because the premium is employer-paid), then the insured will be required to pay taxes on monthly benefits paid into the trust. Upon written request of the insured, MassMutual will withhold federal taxes on the benefit payments. Trust assets may be tax-deferred depending on the investment option(s) selected.

Benefit payments **are not paid** to an employer-established retirement plan. When benefits become payable, the insured decides how these disability benefits will be invested. A list of investment options includes: securities listed on the New York Stock Exchange; NASDAQ Stock Exchange; and the Wall Street Journal listed mutual funds; and any deferred annuity that holds a minimum A rating with AM Best and two additional secure ratings.

### Eligible Retirement Plans

- Defined Contribution Pension Plans
  - 401(k) Plans
  - Profit-Sharing Plans
  - Keogh Plans
  - Stock Bonus Plans
- Employee Stock-Ownership Plans (ESOPs)
- Individual Retirement Accounts (IRAs)
- Simplified Employee Pensions (SEPs)
- Tax-Sheltered Annuity Arrangements/403(b) Plans (non-STRS plans)
- Certain Non-Qualified Deferred Compensation Arrangements (evaluated and issued on a case-by-case basis)

### Plans Not Eligible

- Defined Benefit Plans
- Deferred Stock Options
- FERS (Federal Employee Retirement Systems)
- PERS (Public Employees Retirement Systems)
- STRS (State Teachers Retirement Systems)
- Any Retirement Plan with Waiver of Premium



## Policy Description

### **Non-cancelable, Guaranteed Continuable to Age 65**

The policy is non-cancelable, guaranteed continuable to age 65 and convertible to a conditionally renewable policy as long as the insured is working 30 hours per week and is not disabled.

Premiums upon conversion are based on the insured's attained age, occupation and rates in effect at the time of conversion.

### **Definition of Total Disability**

During the Elimination Period and for the first 24 months of Disability payments, Total Disability means that as a result of Sickness or Injury the Insured is not able to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his/her Usual Occupation in the usual and customary way; thereafter, Total Disability means that as a result of Sickness or Injury the Insured is not able to engage with reasonable continuity in any occupation in which he/she could reasonably be expected to perform satisfactorily in light of his/her age, education, training, experience, station in life and physical and mental capacity.

### **Definition of Presumptive Total Disability**

The Insured is Presumptively Totally Disabled when Sickness or Injury causes a total loss of:

- speech;
- hearing in both ears;
- sight in both eyes;
- use of both hands;
- use of both feet; or
- use of one hand and one foot.

### **Disability Benefits Total Disability**

Benefits will be paid based on the total disability benefit shown in the policy specifications if the insured is totally disabled.

## Presumptive Total Disability

While the policy is in force, if the insured:

- suffers a presumptive disability, and
- is under a doctor's care,

then full total disability benefits will be paid following the earlier of the elimination period or 90 days. If medical evidence deems the loss to be total and irrecoverable, we will waive the requirement of doctor's care, elimination period and requirement that the insured is not working.

## Definition of Mental Disorder

Mental Disorder means any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM), published by the American Psychiatric Association, most current as of the date of Disability. Mental Disorder includes, but is not limited to a mental, emotional, or behavioral disorder, or a disorder related to stress or to substance abuse or dependency, unless such substances were administered under the advice of a physician. If the DSM is discontinued or replaced, Mental Disorder will include those disorders classified in the diagnostic manual then in use by the American Psychiatric Association as of the date of Disability.

## Mental Disorder Limitation

The maximum benefit period for each period of disability caused by a mental disorder is 24 months, with no aggregate lifetime limit. However, if the insured remains disabled, and is confined to a hospital for the mental disorder, and under the care of a doctor, additional monthly benefits will be paid up to the elected maximum benefit period.

Note: This limitation can be waived under the Maximum Benefit Period Endorsement, available only on employer-pay cases of 20 or more lives with approval from a multi-life underwriter. There is an additional cost associated with this endorsement.

## Recurring Disability

If a disability is related to an earlier disability and starts less than 12 months after a period of disability ends, and the contract has at least a "To Age 65" maximum benefit period, it is considered a recurring disability and a new elimination period is not required. A recurring disability is also an unrelated disability that begins less than 30 days after the insured returns to work full time in his/her occupation or another occupation, which is consistent with

his/her education, training, and experience. Benefits paid for a recurring disability are treated as a continuation of the prior period for which benefits are paid.

Note: For disability benefits with a maximum benefit period less than to age 65, a recurring disability is a related disability which starts less than six months after a period of disability ends. Some states allow only a six-month recurrent period regardless of the maximum benefit period.

## Rehabilitation Benefits

We will reimburse the Insured for expenses he/she has actually paid and which are required for a Rehabilitation Program, if:

- We conditionally approve the Rehabilitation Program in writing before the insured begins to participate in it. Our conditional approval will be based on the nature of the Disability and the cost and appropriateness of the Rehabilitation Program;
- Disability benefits are currently being paid; and
- those expenses are not defined as covered expenses by another insurer or not actually paid from another source.

We will periodically review the Insured's participation in the agreed upon Rehabilitation Program. Our continued financial support will be based on the Insured's reasonable progress towards completion of the Rehabilitation Program.

Expenses include the cost of physical therapy prescribed by the Insured's Doctor, tuition, books and use of equipment that are actually paid for by the insured and that are required for the Rehabilitation Program.

## Waiver of Premium

After 90 days of total disability, we will waive premiums for as long as the insured remains disabled. Any premiums paid during that 90-day period will be refunded.

## Dividends

Dividends may become payable at the end of the fifth policy year (if available). If payable, they will be paid at 5 percent of premium per year, for the life of the contract. There is only one dividend option available, cash. In California, dividends (if available) are payable at the end of the 6th policy year. Dividends are not guaranteed.

## Grace Period

If an unpaid premium in default is not paid (or waived) by the end of the 31-day grace period, the policy will lapse without value as of the due date of that unpaid premium and the insurance will terminate.

## Reinstatement

The owner may reinstate the policy after it has lapsed up to 12 months by paying the back premiums that are due. We may require an application and proof of insurability to reinstate the policy. The reinstated policy will only cover disabilities caused by injuries that occur after the reinstatement is effective. It will only cover disabilities caused by sickness that first appears (makes itself known) more than 10 days after the date the reinstatement is effective. After 12 months, full underwriting will be required for consideration of a new policy.

## Claim Forms

After we receive notification of the insured's disability, we will send a claim form. If such form is not furnished within 15 days after we receive notice of claim, the person claiming benefits can comply with this request by providing us with written proof covering the occurrence, character and extent of loss for which a claim is being made.

## Proof of Disability Requirements

Monthly Benefit claimed, proof of Disability, and proof of any Loss of Income, if applicable, and any other proof required to substantiate the claim.

If it is not possible to send it within 90 days, send it as soon as reasonably possible. Your claim will not be reduced because of the delay, but We will not accept proof of loss later than 1 year after it was due. We will make an exception if You were not then competent to make the claim.

Proof of continuing Disability must be furnished monthly or at intervals as We may require.

If necessary to determine eligibility for benefits, We may also require satisfactory proof of the Insured's Income before and during the Disability. This proof may include, but is not limited to, copies of the Insured's W-2 form(s) and/or income tax returns.

If necessary to determine eligibility for benefits, We may require the submission of financial records of the Insured relating to the documentation of Pre-Disability Income, Income, Current Income and Loss of Income. If the Insured owns any portion of any profession or business, including any corporation, and it is necessary to determine eligibility for benefits, We may also require the submission of financial records of that profession, business or corporation. This will be required as often as is reasonably necessary during the Disability.

At reasonable intervals, We may require the Insured to be examined by Doctors We choose. We will pay for any examination We may require. If the Insured unreasonably fails to submit to such examination, We will stop paying benefits.

### **Disabilities Not Covered**

We do not cover Disabilities caused or contributed to by:

- war, whether declared or undeclared;
- caused or significantly contributed to by pregnancy or childbirth; or
- caused or contributed to by an intentionally, self-inflicted injury.

We will not pay Policy benefits for any period the Insured is incarcerated after being convicted of a crime.

### **Right to Suspend Policy**

If the insured enters full time active duty in military service (other than active duty or training lasting three months or less), the owner may suspend a disability income insurance policy. Written request for suspension is required. The policy will be suspended as of the date MassMutual receives the written request.

A pro rata part of any premium paid for a period beyond the date of suspension will be refunded. During suspension the policy will not be in force. No benefits of any kind will be available; no premiums will be required; no dividends will be payable. When military service ends, the owner may place the policy back in force according to the terms of the policy. After the policy has been placed back in force it shall not cover any disability due to injury which occurred, or sickness which first manifested itself, during a period of suspension. It will cover disabilities caused by a sickness that first appears more than 10 days after restoration is effective.

## **Right to Apply for Additional Benefits**

Additional benefits can be applied for at any time while this policy is in force and the insured is not disabled. A new application and proof of medical and financial insurability is required.

Premiums will be based on attained age, current rates and our published underwriting limits in effect at the time of application for additional benefits. We will provide a new policy based on the current product being offered in the insured's contract state at the time of application for additional benefits.

The insured must qualify for the minimum benefit amount under our current product offering at the time of application. The maximum additional benefits the insured can buy are based on our current published underwriting limits in effect at the time the insured applies for additional benefits.

## **Premium Refund at Death**

That part of any premium paid for a period beyond the the end of the Policy month in which the Insured dies will be refunded. This provision does not apply to any premium that was waived.

## **Pre-Existing Condition Limitation**

The Insured is not covered for a Disability caused or substantially contributed to by a pre-existing condition or medical or surgical treatment of a pre-existing condition. The insured has a pre-existing condition if:

The insured suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in the application (i) for which the Insured received a physician's advice or treatment within 2 years before the effective date, or (ii) which caused symptoms within 1 year before the effective date for which a prudent person would usually seek medical advice or treatment; and

The disability caused or substantially contributed to by the condition begins in the first 2 years after the Effective date of coverage under the policy.

## Optional Riders

Rider attachment is subject to company rules and regulations in effect when application is made. The following riders are available for RetireGuard®:

- COLA – Cost of Living Adjustment
- FIO – Future Insurability Option

### COLA – 3%

COLA may be elected on this policy.

- **Issue Ages** – 18-60 for all occupation classes

### FIO

The pool amount would equal 2x the RetireGuard® benefit amount, not to exceed \$5,000 in combination with base RetireGuard® coverage, but will not be less than \$500. Minimum exercisable option is \$100.

- **Issue Ages** – 18-55 for all occupation classes
- **Option Period** – Starting 90 days prior to each Option Date
- **Termination** – On the policy anniversary date next following the insured's 60th birthday. (FIO will no longer be included in the premium from age 60 on)

## RetireGuard<sup>1</sup> Medical Requirements

Monthly Benefit	Ages 18-64	Ages 46-60
Up to \$3,000	Non-Medical	Non-Medical
Greater than \$3,000	Non-Medical Oral Fluids <sup>1</sup>	Paramed Blood Profile/Urine

<sup>1</sup> No Oral Fluids required for 5A occupational classes up to \$3,500

# Financial Requirements

## RetireGuard

<b>ENTITY*</b>	Submit the most recent:
<b>Employee, non-owner</b>	No financial documentation needed
<b>Sole Proprietor</b>	Form 1040 including Schedule C
<b>Partner in a Partnership</b>	K-1 and Form 1040, page 1, and W-2 if LLC or Form 1040, page 1 and Schedule E, and W-2 if LLC
<b>Corporation Shareholder</b>	Forms 1120 (include Form 1125E for returns 2011 and later)
<b>S-Corporation Shareholder</b>	Form 1120S, Page 1 and K-1 and W-2

\* For Limited Liability Companies – request tax form filed by business.



## Underwriting/Application Rules

### Overinsurance

RetireGuard® **will not be offered** to those clients who are currently overinsured based on income. We will, however, issue RetireGuard® to those clients who are over our maximum I & P limits, not to exceed \$3,000.

#### Example 1

3P Dentist earns **\$150,000** and has **\$8,000** of MassMutual in-force individual disability insurance coverage. The coverage is not in participation with Group LTD or any other individual carrier and is non-taxable. Since the client is overinsured based on our table limits (\$6,900) he/she will not qualify for RetireGuard®.

#### Example 2

3P Dentist earns **\$600,000** and has **\$16,000** of MassMutual in-force individual disability insurance coverage. The coverage is not in participation with Group LTD or any other individual carrier and is non-taxable. Since the client is not overinsured based on our table limits he/she will qualify for RetireGuard®. The maximum we can offer (including FIO) is \$2,000. This is the maximum I & P limit + \$3,000 less in-force coverage or  $(\$15,000 + \$3,000) - \$16,000$ .

## What amount can be insured via RetireGuard® and how does that impact income insured for Individual Disability Coverage?

- The total of employee contributions PLUS employer contributions that would have been made can be insured
- Income will not be reduced in order to qualify for the RetireGuard®, up to the IRS maximum defined contribution limit for 401(k) and 403(b) plans.

### Example

- Client's W-2 is \$150,000 with a 401(k) deferral of \$13,000
- The employer match is \$6,000
- Client has an in-force Radius® policy
- DI insurable income is \$150,000. We would need to validate that the in-force coverage does not exceed current I & P limits at \$150,000

If client **is not** within I & P limits, RetireGuard® is not available based on the overinsurance rules (see previous page)

If client is not overinsured, RetireGuard® is available

- RetireGuard® insurable income is \$19,000 (\$13,000 + \$6,000) or \$1,583/mo.

## Application/Underwriting

Recipient of benefits should be completed as follows:

**MassMutual Trust Co., FSB, Trustee**

**100 Bright Meadow Blvd.**

**Enfield, CT 06082**

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## Section 6

### Examples

6-2 | Future Insurability Option

6-3 | Group Supplement Rider

6-6 | Adding RetireGuard® When Existing Coverage is In-Force

6-8 | Index



# Examples

## 1. Future Insurability Option (FIO)

## 2. Group Supplement Rider (GSR)

## 3. RetireGuard® – How to determine if it can be offered to clients with existing coverage

# 1. Examples of FIO

## Assumptions

- Insured is age 35
- Earning \$80,000 annually
- Has Radius® policy with \$4,000 monthly benefit
- FIO pool at issue = \$8,000  
(2 x [Base + SIR] to a maximum of \$10,000)

### At age 38, insured changes job – new income is \$90,000

Issue Limit Is	\$4,650 (on \$90,000 income)
	–\$ 4,000 Base
	<hr/>
	\$ 650 = Benefit Gap

### Insured can exercise \$650 FIO increase

New Base Policy Is	\$4,650 (\$4,000 + \$650 FIO)
	<hr/>
	\$ 4,650 Total Radius® coverage

### FIO pool remaining is \$7,350 (\$8,000-\$650)

### At age 45 insured changes job – new income \$240,000

Issue Limit Is	\$11,000 (on \$240,000 income)
	–\$ 4,000 Original Base
	–\$ 650 Prior FIO Option Increase
	<hr/>
	\$6,350 Benefit Gap

Benefit Gap = \$6,350 but maximum FIO option is \$4,000  
(1X [Original Base + SIR])

### Insured can exercise \$4,000 FIO increase

New Radius® coverage =	\$ 8,650 (\$4,650 + \$4,000 FIO)
FIO Pool Remaining Is	\$ 3,350
	\$ 8,000 Original Pool
	–\$ 650 First FIO Option
	–\$ 4,000 Second FIO Option
	<hr/>
	\$ 3,350 Total Pool Remaining

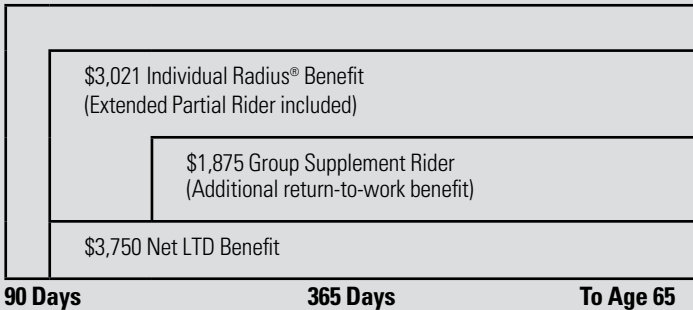
In this example the insured was able to double disability income insurance with financial underwriting only, as no medical underwriting is required. The FIO also allowed the insured to exercise a \$4,000 increase at a single-option period.

## 2. Examples of GSR

### Assumptions

- Insured has base salary of \$100,000
- Bonus is \$25,000 and is equal to prior year bonus
- LTD covers base salary only – 90-day elimination
- LTD is an Employer-Paid Plan with a 25% taxable level and Partial benefits
- LTD coverage equals 60% to \$5,000 cap
- Individual contract is Radius® – 90-day elimination
- Insured has GSR A+B option – 365-day elimination
- Insured returns to usual occupation
- Insured has GSR 50% “Wrap” on Base policy (100% “Wrap” not available if LTD has partial)

### GSR Example



**\$3,021** represents the maximum amount of individual coverage the Insured can purchase.

**\$3,750** represents the net amount of LTD the Insured will receive from his employer-paid plan,  $\$5,000 \times .75 = \$3,750$  (taxable rate of 25%).

**\$1,875** represents the maximum GSR benefit available on a proportionate basis once the Insured returns to work while still partially disabled (50% of net LTD benefit).

In this case, if the Insured returns to work at 50% of the time and does not have the GSR, the two benefit streams (the LTD and Radius®) would be reduced by 50%. The net benefit would only be \$3,125, or just 30% of his/her prior income. However, with the GSR an additional \$938 of benefit would be paid making the total benefit \$4,063 or almost 50% of his/her prior income when adjusted for taxes. Combined with his/her earnings the Insured would actually receive almost 100% of his/her prior pay while working only 50% of the time.

## Calculation of Group Supplement Rider (GSR) Coverage Amount

Note: Our illustration systems will automatically calculate the maximum GSR coverage available based on Group LTD information entered into the system.

### Information Required to Calculate GSR Coverage Amount

- The Insured's income
- Group LTD plan parameters (Plan Formula, Partial/Residual/Rehabilitation Benefits, Definition of Covered Income)
- Who is paying the premium for group LTD?
- Who is paying the premium for individual DI coverage?

### Coverage Amount Determination – “50% or 100% Wrap”

In general, the amount of GSR coverage is a mirror of the group LTD benefit.

- If the group LTD plan pays no benefit when the Insured goes back to work, the GSR amount is equal to the group coverage amount – 100% Wrap. (Will require group benefit booklet at time of underwriting)
- If the group LTD plan offsets for back-to-work earnings when the Insured returns to work or pays partial benefits based on a loss of income formula, the GSR amount is equal to half of the group coverage amount – 50% Wrap
- If the group LTD plan pays full benefits when the Insured goes back to work in a new occupation, GSR Coverage B is not available



# Calculation Example

## Assumptions

- Annual income = \$120,000/year or \$10,000/month
- Group LTD plan covers 60% of income to a maximum of \$6,000 and pays proportionate partial benefits based on loss of income
- Employer-pays Group LTD premium, individual pays DI premium. Example “A” (see I + P Chart for details)

## Base Policy Calculation

Non-taxable Participation Limit (\$120,000 income x .65)	\$ 6,500
Group LTD Benefit (\$6,000 x .75)	\$ 4,500
<hr/>	
Maximum Base Policy Coverage	\$ 2,000

## Group Supplement Rider Calculation

Maximum GSR Coverage (100% Wrap) (100% Wrap unavailable because LTD pays a Partial benefit)	NA
Maximum GSR Coverage (50% Wrap)	\$ 4,500
	x .50
<hr/>	
	\$ 2,250

The Insured can only purchase up to \$2,250 GSR (50% “Wrap”) because the LTD pays a partial/proportionate benefit based on loss of income.

### 3. RetireGuard®

#### How To Determine If RetireGuard® Can Be Added To An Existing Contract

Guidelines have been established to determine what can be issued for RetireGuard® when the client has existing coverage. For clients that are not overinsured based on income, we will issue a RetireGuard® policy or add a RetireGuard® (RetireGuard Rider not available in CA) rider up to \$3,000 over the Maximum I & P Limits.

#### Steps

- Determine that the client is NOT overinsured based on current income less retirement contributions ordinarily included in income when considering DI coverage
  - If the client is overinsured BASED ON INCOME, RetireGuard® CANNOT be offered
- Determine the Maximum I & P Limit, add \$3,000 then subtract the total in-force coverage. This will equal our maximum RetireGuard® offer to include FIO, subject to current RetireGuard® issue limits and FIO rules

#### Example 1

- 38-year old, 4A occupation class individual in CA
- Earns \$450,000 and defers \$12,000/yr. into a 401(k) plan
- Employer contributes an additional \$6,000
- Client's in-force coverage totals \$21,000/mo. (disc. Group of \$15,000 + \$6,000 IDI)

At \$450,000 – \$24,375/mo. is available. Client is not overinsured.

Total annual retirement contributions are \$18,000/yr (\$12,000 employee contribution plus \$6,000 employer contribution)

Maximum Participation Limit = \$20,000 + \$3,000 or \$23,000 less in-force coverage of \$21,000 or \$2,000 (the client will not be subject to the current, maximum RetireGuard® limit)

This would allow the client to be issued a RetireGuard® policy of \$1,500/mo. (\$18,000/12) along with FIO of \$3,000 (2x base).

## Example 2

42-year old, 5A occupation class in CA

- Attorney is a business owner who earns \$400,000 per year including a \$40,000 retirement contribution made by the business
- Client's in-force coverage totals \$15,000/mo.  
(disc. Group of \$7,500 + \$7,500 IDI)

At \$400,000 the client would qualify for our maximum coverage, based on income, therefore, with \$15,000 of in-force coverage, client is not overinsured.

Total annual retirement contributions are \$40,000.

This would allow the client to be issued a RetireGuard® policy of \$3,333.

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## Notes



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