

# Anthem Voluntary Long Term Disability Plan

## Frequently Asked Questions

## Railroad

This document provides a brief overview of the Anthem Life Insurance Company (Anthem) Voluntary Long-Term Disability (VLTD) insurance plan sponsored by the SMART Transportation Division. This document is not comprehensive in nature or intent and does not address all conditions and qualifications to which benefits may be subject. The plan documents, including but not limited to the Group Policy and Certificate, govern the operation of the plan. Airline and Bus crafts are not eligible for this railroad union plan.

### **COVERAGE INFORMATION**

#### **How do I become covered under this VLTD plan?**

You need to complete the Anthem enrollment form. This will be located on the SMART website. To elect VLTD Part A, which provides up to 50% of pre-disability income, or VLTD Part B, which provides up to 60% of pre-disability income (not to exceed \$7,000 monthly under either option), you must agree to pay the coverage cost. For either option you must enroll:

- **Prior** to September 1, 2015 (the plan effective date) if you are eligible on or before July 31, 2015,\* or
- **Within** 31 days after you become eligible if you are not eligible on July 31, 2015.

You are eligible if you are a dues-paying railroad union member receiving at least 30 hours worth of pay per week, and are actively at work.

VLTD Coverage will become effective on the first of the month concurrent with or next following the date you become eligible if you are timely enrolled, or on the first of the month concurrent with or next following Anthem's acceptance of your proof of insurability if you enroll after the first 31 days following your eligibility. However, in either case the effective date may be delayed if you are not actively at work on the first of the month.

If you enroll for coverage after the first 31 days following your eligibility, you will be subject to full underwriting, with any medical exams at your expense, and you may not be able to qualify for coverage.

- \* If you are eligible before July 31, 2015, and had previously opted out of the VSTD coverage, you have the opportunity before September 1, 2015 to enroll in the VSTD coverage without needing to provide proof of insurability. You can choose VSTD independent of or together with VLTD. If you choose not to enroll in the VSTD coverage prior to September 1, you can sign up later but will be subject to full underwriting, with any medical exams at your expense, and you may not qualify for the VSTD coverage.

Once covered, if you are placed on active E-49 status, your coverage will be suspended until you are once again actively at work, paying dues and premiums. Being placed on E-49 status because you become disabled does not prevent you from filing a disability claim with Anthem.

#### **What happens if I am on active E-49 status during the initial group enrollment period – am I covered?**

No, because you are not eligible unless you are actively at work and paying dues. When you return to work on the basis of at least 30 hours' worth of pay per week you become eligible for coverage.

**If I choose to waive (opt out) of the coverage, can I sign up at a later time?** YES, but if you enroll after your first 31 days of eligibility, you will be subject to full underwriting, with any medical exams at your expense, and you may not qualify for coverage. Think carefully before deciding to waive coverage. Your decision to "opt out" may be irreversible.

### **BENEFIT AND PREMIUM INFORMATION**

For disabilities continuing beyond roughly the first 34 weeks, the Part A coverage pays up to 50% of your pre-disability income, while the Part B coverage pays up to 60%. Part A coverage, costs \$51.63 per month while the Part B coverage costs \$73.88 per month. Neither option's monthly benefit can exceed \$7,000, and both are subject to the same specific deductions, such as certain sources of other disability income, and other limitations.

#### **Why does Anthem reduce my benefit if I have other sources of disability income?**

This safeguard ensures that individuals are not "over-insured" and without incentive to return to work in a timely fashion. Without this provision, disability insurance would be excessively costly. This only applies to other sources of disability benefits, not income from sources such as savings, 401-K plans and IRA's.