

# Affordable disability coverage alternatives that deliver immediate and near-term savings

**Rising costs. Tighter budgets. It may be time to re-evaluate your current disability coverage.**

*By considering new disability plan options and strategies, you can more effectively manage your costs and your bottom line, while maintaining meaningful coverage and financial security for your workforce. CIGNA can help you evaluate your current disability plan and offer valuable advice on strategies that deliver immediate and near-term savings – including plan design, funding, coverage integration, administration, and health and wellness options. Here's a look at a few cost-effective options:*

### Mid-Term Disability (MTD) Plan

**Reduce premiums by up to one-third**

This flexible option offers an alternative to combined short- and long-term (STD and LTD) disability coverage, while lowering premiums by up to 33%. Mid-Term Disability coverage begins once employees satisfy the employer-specified elimination period of 30 and 60 days. Employers can choose the length of coverage based on their organizational needs. Options include:

- Two- or three-year coverage term for a basic level of protection
- Five-year coverage term for a greater level of protection
- Ten-year coverage term for the maximum level of protection available under this plan

### Durational Core Buy-Up Plan

**Reduce your premiums by up to one-third with employee cost-sharing option**

This option helps employers to maintain an affordable disability plan by having employees pay for a portion of their total long-term disability (LTD) coverage while keeping the full protection of the disability plan. Employers who have traditional LTD plans in place could control costs and still offer employees the same length of coverage by having employees pay a premium on the extended coverage portion of the plan. Here's how this option works:

- Employers pay for the disability coverage for a specified period (2, 3, 5, or 10 years) and offer employees the opportunity to purchase additional disability income protection for an additional period of time (e.g., up to normal retirement or Social Security retirement age).
- Employers can allow employees to pay for the buy-up coverage with post-tax dollars, which means that benefits payments under the employee-purchased coverage would not be taxable.

### Cost-effective protection that provides a bridge to Social Security Disability Insurance

In addition to employer premium savings, the MTD and Durational Core Buy-Up options can help disabled employees bridge the earnings loss gap until they become eligible for Social Security Disability Insurance (SSDI) benefits, where applicable. CIGNA's Social Security Advocacy Program offers expert resources to help disability claimants apply for SSDI benefits; and we will continue to provide assistance until the application process is complete, even if the employee's disability coverage has been exhausted. This assistance helps increase qualified employees' chances of successfully applying for and receiving SSDI benefits.



## Catastrophic Disability Rider (Activities of Daily Living Coverage)

### *Added financial protection at reduced cost*

For even greater protection, employers can offer their employees additional financial security for the most severe forms of disability at a reduced cost when they add this rider to a traditional LTD, MTD or Durational Core Buy-Up plan. Here's how the Activities of Daily Living coverage rider works:

- Pays an additional 5% to 25% of covered earnings when the disability is considered catastrophic, meaning the employee is unable to perform at least two Activities of Daily Living (ADL).<sup>1</sup>
- Can help pay for related expenses such as assisted living facilities, adult day care, nursing care, and home and vehicle modifications.
- Has no offsets or benefits reductions so eligible employees will receive this coverage in addition to their Social Security benefits – providing more financial protection to take care of their needs.
- The ADL rider is not limited by the LTD coverage's monthly maximum benefit amount and is calculated separately from the LTD coverage.

## Voluntary Disability Coverage Options

### *Employees pay 100% of coverage*

Employers can also consider offering Short-, Mid- and/or Long-Term disability coverage to their employees on a **voluntary basis**, where employees pay 100% for the coverage through convenient payroll deduction. Getting disability coverage through an employer is cost-effective, and CIGNA's voluntary disability coverage includes the same comprehensive focus on claims and return-to-work management as our employer-paid coverages.

**Contact your CIGNA representative to learn more about our affordable disability coverage alternatives.**

## CIGNA Value-Added Programs

At CIGNA, our priority is to help the people we serve improve their health, well-being, and financial security. That is why, regardless of which CIGNA disability plan you choose, we automatically include several value-added programs.

- **CIGNA's Life Assistance<sup>SM</sup>**, automatically included with long-term disability, this low-cost alternative to a full employee assistance (EAP) program, offers clinical and work/life support for employees and family members through access to 24/7 telephonic counseling from CIGNA's licensed clinicians and up to three, free, in-person sessions from Masters- and PhD-level licensed behavioral health clinicians in CIGNA's network of over 50,000 independent, contracted health care professionals. Employers with an independent employee assistance program in place can reduce expenses by replacing their current program with CIGNA's Life Assistance.
- **CIGNA's Healthy Rewards<sup>®2</sup>** offers employees savings of up to 60% on health and wellness products and services including weight management, tobacco cessation, acupuncture, massage, and much more at no additional cost to employers or employees.
- **CIGNA's Will Preparation<sup>3</sup>** helps employees plan and protect their family's financial future by using a simple, self-service, online tool at no additional cost to employers or employees. Employees and their families can build state-specific customized wills and other legal documents such as last will and testament, living will, health care and financial power of attorneys.
- **CIGNA's Identity Theft Program<sup>4</sup>** offers extensive resolution services to help covered employees and their families work through critical identity theft issues. Our program covers all types of identity theft such as credit card fraud, and financial or medical identity theft, and provides access to personal case managers.

### CIGNA Disability Solutions

- Affordable, quality employee disability coverage
- Cost-effective, flexible plan designs
- Value-added programs at no cost
- Consultative and service expertise
- Stability and strength you can count on

<sup>1</sup>A catastrophic disability is determined by an inability to perform at least two Activities of Daily Living which include bathing, dressing, continence, toileting, feeding oneself, and the ability to transfer oneself without substantial assistance (e.g. move from one's bed to a wheelchair).

<sup>2</sup>Some Healthy Rewards programs are not available in all states. If your CIGNA plan includes coverage for any of these services, this program is in addition to, not instead of, your plan benefits. **A discount program is NOT insurance, and the member must pay the entire discounted charge.**

<sup>3</sup>CIGNA's Will Preparation Services are provided under an arrangement with ARAG.

<sup>4</sup>CIGNA Identity Theft program is provided under a contract with Europ Assistance USA, Inc.

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